

Vincom Retail Joint Stock Company

Interim consolidated financial statements

Quarter II 2019

Vincom Retail Joint Stock Company

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Vincom Retail Joint Stock Company

GENERAL INFORMATION

THE COMPANY

Vincom Retail Joint Stock Company ("the Company"), previously known as Vincom Retail Company Limited, is established in accordance with the Business Registration Certificate No. 0105850244 issued by the Hanoi Department of Planning and Investment on 11 April 2012. In accordance with the 2nd amended Business Registration Certificate dated 14 May 2013, the Company changed its legal form to a joint stock company and also changed its name to Vincom Retail Joint Stock Company. Subsequently, the Company obtained amended Enterprise Registration Certificates with the latest is the 20th amended Enterprise Registration Certificate being granted on 02 January 2019.

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

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

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

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

BOARD OF DIRECTORS

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

| | |
|---------------------------|-----------------------------------|
| Ms. Thai Thi Thanh Hai | Chairwoman |
| Ms. Mai Thu Thuy | Member |
| Ms. Tran Mai Hoa | Member |
| Ms. Nguyen Thi Diu | Member |
| Ms. Le Mai Lan | Member |
| Mr. Brett Krause | Independent member |
| Mr. Timothy J. Daly | Independent member |
| Mr. Jeffrey David Perlman | Member (resigned on 08 July 2019) |
| Mr. Phan Thanh Son | Independent member |

MANAGEMENT

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

| | |
|---------------------|---|
| Ms. Tran Mai Hoa | General Director |
| Mr. Nguyen Anh Dung | Deputy General Director Security, Safety & Fire Prevention |
| Ms. Tran Thu Hien | Deputy General Director Sales & Marketing |
| Ms. Pham Ngoc Thoa | Chief Finance Officer |

BOARD OF SUPERVISION

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

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

LEGAL REPRESENTATIVE

The legal representatives of the Company during the period and up to the date of this report are Ms. Thai Thi Thanh Hai, Ms. Tran Mai Hoa and Mr. Nguyen Anh Dung.

Ms. Pham Ngoc Thoa is authorised by the legal representative of the Company to sign the Company's financial statements in accordance with the Authorisation Letter dated 28 March 2019.

Vincom Retail Joint Stock Company

REPORT OF MANAGEMENT

Management of Vincom Retail Joint Stock Company ("the Company") presents its report and the interim consolidated financial statements of the Company and its subsidiaries for Quarter II 2019.

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

Management is responsible for the interim consolidated financial statements of each reporting period which give a true and fair view of the interim consolidated financial position of the Company and its subsidiaries and of the interim consolidated results of its operations and its interim consolidated cash flows for the period. In preparing those interim consolidated financial statements, management is required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgements and estimates that are reasonable and prudent;
- ▶ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the interim consolidated financial statements; and
- ▶ prepare the interim consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Company and its subsidiaries will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the interim consolidated financial position of the Company and its subsidiaries and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Company and its subsidiaries and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirmed that it has complied with the above requirements in preparing the accompanying interim consolidated financial statements.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying interim consolidated financial statements give a true and fair view of the interim consolidated financial position of the Company and its subsidiaries as at 30 June 2019, and of the interim consolidated results of its operations and its interim consolidated cash flows for the period then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of interim consolidated financial statements.

For and on behalf of the management:



Phạm Ngọc Thoa
Chief Finance Officer

Hanoi, Vietnam

29 July 2019

INTERIM CONSOLIDATED BALANCE SHEET
as at 30 June 2019

Currency: VND

| Code | ASSETS | Notes | As at 30/6/2019 | As at 31/12/2018 |
|------------|--|-----------|---------------------------|---------------------------|
| 100 | A CURRENT ASSETS | | 4,815,223,289,934 | 7,122,640,820,313 |
| 110 | I. Cash and cash equivalents | 4 | 702,379,310,803 | 2,431,380,824,439 |
| 111 | 1. Cash | | 182,379,310,803 | 501,380,824,439 |
| 112 | 2. Cash equivalents | | 520,000,000,000 | 1,930,000,000,000 |
| 120 | II. Short-term investments | | 76,125,309,785 | 701,416,674,850 |
| 123 | 1. Held-to-maturity investments | 5 | 76,125,309,785 | 701,416,674,850 |
| 130 | III. Current accounts receivable | | 1,292,915,998,297 | 1,047,919,405,624 |
| 131 | 1. Short-term trade receivables | 6.1 | 409,216,659,502 | 444,767,619,024 |
| 132 | 2. Short-term advances to suppliers | 6.2 | 419,448,497,910 | 282,451,398,435 |
| 136 | 3. Other short-term receivables | 7 | 473,115,011,489 | 333,110,692,769 |
| 137 | 4. Provision for doubtful short-term receivables | 6.1 | (8,864,170,604) | (12,410,304,604) |
| 140 | IV. Inventories | 9 | 864,044,166,919 | 901,518,194,206 |
| 141 | 1. Inventories | | 865,293,881,586 | 903,377,872,498 |
| 149 | 2. Provision for obsolete inventories | | (1,249,714,667) | (1,859,678,292) |
| 150 | V. Other current assets | | 1,879,758,504,130 | 2,040,405,721,194 |
| 151 | 1. Short-term prepaid expenses | 10 | 128,457,363,893 | 152,319,205,840 |
| 152 | 2. Value-added tax deductible | | 69,300,649,873 | 105,086,024,990 |
| 153 | 3. Tax and other receivables from the State | | 490,364 | 490,364 |
| 155 | 4. Other current assets | 11 | 1,682,000,000,000 | 1,783,000,000,000 |
| 200 | B. NON-CURRENT ASSETS | | 32,396,881,992,381 | 31,561,042,607,246 |
| 210 | I. Long-term receivables | | 6,193,802,116 | 10,106,962,116 |
| 216 | 1. Other long-term receivables | | 6,193,802,116 | 10,106,962,116 |
| 220 | II. Fixed assets | | 223,247,252,000 | 307,841,694,121 |
| 221 | 1. Tangible fixed assets | 12 | 199,471,508,848 | 281,955,461,842 |
| 222 | Cost | | 287,052,246,289 | 365,420,937,565 |
| 223 | Accumulated depreciation | | (87,580,737,441) | (83,465,475,723) |
| 227 | 2. Intangible assets | 13 | 23,775,743,152 | 25,886,232,279 |
| 228 | Cost | | 46,450,431,277 | 45,236,328,892 |
| 229 | Accumulated amortisation | | (22,674,688,125) | (19,350,096,613) |
| 230 | III. Investment properties | 14 | 27,632,323,853,869 | 26,429,422,507,995 |
| 231 | 1. Cost | | 31,649,667,340,940 | 29,763,599,129,860 |
| 232 | 2. Accumulated depreciation | | (4,017,343,487,071) | (3,334,176,621,865) |
| 240 | IV. Long-term assets in progress | | 1,102,190,088,538 | 1,343,477,739,304 |
| 242 | 1. Construction in progress | 15 | 1,102,190,088,538 | 1,343,477,739,304 |
| 250 | V. Long-term investments | | 830,000,000,000 | 1,832,000,000,000 |
| 253 | 1. Investment in other entities | | - | 2,000,000,000 |
| 255 | 2. Held-to-maturity investments | 5 | 830,000,000,000 | 1,830,000,000,000 |
| 260 | VI. Other long-term assets | | 2,602,926,995,858 | 1,638,193,703,710 |
| 261 | 1. Long-term prepaid expenses | 10 | 574,530,659,109 | 593,378,680,356 |
| 262 | 2. Deferred tax assets | | 9,326,347,319 | 9,453,197,319 |
| 268 | 3. Other long-term assets | 11 | 1,576,000,000,000 | 556,000,000,000 |
| 269 | 4. Goodwill | 16 | 443,069,989,430 | 479,361,826,035 |
| 270 | TOTAL ASSETS | | 37,212,105,282,315 | 38,683,683,427,559 |

INTERIM CONSOLIDATED BALANCE SHEET (continued)
as at 30 June 2019

Currency: VND

| Code | RESOURCES | Notes | As at 30/6/2019 | As at 31/12/2018 |
|------------|---|-----------|---------------------------|---------------------------|
| 300 | C. LIABILITIES | | 9,904,794,563,294 | 10,174,402,001,701 |
| 310 | I. Current liabilities | | 5,979,831,793,444 | 6,259,845,554,046 |
| 311 | 1. Short-term trade payables | 17 | 2,630,503,763,467 | 3,423,550,940,711 |
| 312 | 2. Short-term advances from customers | 18 | 939,296,933,556 | 887,933,520,492 |
| 313 | 3. Statutory obligations | 19 | 209,688,216,076 | 276,208,165,719 |
| 314 | 4. Payables to employees | | 485,110,578 | 840,767,194 |
| 315 | 5. Short-term accrued expenses | 20 | 1,131,814,614,479 | 777,952,158,666 |
| 318 | 6. Short-term unearned revenues | 22 | 112,606,049,139 | 102,060,318,189 |
| 319 | 7. Short-term other payables | 21 | 911,314,366,067 | 749,230,246,551 |
| 320 | 8. Short-term loan and debts | 23.1 | 18,511,048,373 | 18,078,835,131 |
| 321 | 9. Short-term provisions | | 22,715,534,205 | 21,094,443,889 |
| 322 | 10. Bonus and welfare fund | | 2,896,157,504 | 2,896,157,504 |
| 330 | II. Non-current liabilities | | 3,924,962,769,850 | 3,914,556,447,655 |
| 336 | 1. Long-term unearned revenues | 22 | 162,766,809,282 | 215,361,851,210 |
| 337 | 2. Other long-term liabilities | 21 | 917,764,217,892 | 855,791,373,377 |
| 338 | 3. Long-term loan and debts | 23.2 | 2,764,079,943,602 | 2,762,382,304,276 |
| 341 | 4. Deferred tax liabilities | | 80,351,799,074 | 81,020,918,792 |
| 400 | D. OWNERS' EQUITY | | 27,307,310,719,021 | 28,509,281,425,858 |
| 410 | I. Capital | 24 | 27,307,310,719,021 | 28,509,281,425,858 |
| 411 | 1. Issued share capital | | 23,288,184,100,000 | 23,288,184,100,000 |
| 411a | - Shares with voting rights | | 23,288,184,100,000 | 23,288,184,100,000 |
| 412 | 2. Share premium | | 46,983,098,907 | 46,983,098,907 |
| 420 | 3. Other funds belonging to owners' equity | | (53,419,891,967) | (58,419,891,967) |
| 421 | 4. Undistributed earnings | | 3,992,148,104,107 | 5,190,927,603,788 |
| 421a | - Undistributed earnings up to prior year | | 2,740,668,273,288 | 2,786,541,240,791 |
| 421b | - Undistributed earnings of current period | | 1,251,479,920,819 | 2,404,386,362,997 |
| 429 | 5. Non-controlling interests | | 33,415,217,974 | 41,606,515,130 |
| 440 | TOTAL LIABILITIES AND OWNERS' EQUITY | | 37,212,105,282,315 | 38,683,683,427,559 |

Phung Thi Thanh
Preparer

Nguyen Thi Xuan Nghia
Chief AccountantPham Ngoc Thoa
Chief Finance Officer

29 July 2019

Vincom Retail Joint Stock Company

B02a-DN/HN

INTERIM CONSOLIDATED INCOME STATEMENT Quarter II 2019

Currency: VND

| Code | ITEMS | Notes | Quarter II 2019 | Quarter II 2018 | For the 6-month period ended 30 June 2019 | For the 6-month period ended 30 June 2018 |
|------|--|-------|---------------------|-------------------|---|---|
| 01 | 1. Revenue from sale of goods and rendering of services | 25.1 | 1,982,714,013,892 | 1,515,912,177,676 | 4,266,785,555,719 | 3,133,804,699,868 |
| 02 | 2. Deductions | 25.1 | - | - | - | - |
| 10 | 3. Net revenue from sale of goods and rendering of services | 25.1 | 1,982,714,013,892 | 1,515,912,177,676 | 4,266,785,555,719 | 3,133,804,699,868 |
| 11 | 4. Cost of goods sold and services rendered | 26 | (1,023,636,079,451) | (762,869,394,151) | (2,335,660,862,758) | (1,579,855,228,388) |
| 20 | 5. Gross profit from sale of goods and rendering of services | | 959,077,934,441 | 753,042,783,525 | 1,931,124,692,961 | 1,553,949,471,480 |
| 21 | 6. Finance income | 25.2 | 77,757,975,613 | 146,649,921,784 | 157,325,757,820 | 333,456,180,104 |
| 22 | 7. Finance expenses | 27 | (73,292,968,201) | (100,486,576,285) | (146,007,568,223) | (232,006,804,105) |
| 23 | In which: Interest expenses | | (72,880,845,064) | (100,426,744,267) | (145,355,109,288) | (231,747,729,945) |
| 25 | 8. Selling expenses | 28 | (48,279,810,957) | (33,564,616,686) | (140,536,601,420) | (93,965,674,509) |
| 26 | 9. General and administrative expenses | 28 | (126,848,544,963) | (34,718,933,068) | (242,538,838,127) | (130,230,142,092) |
| 30 | 10. Operating profit | | 788,414,585,933 | 730,922,579,270 | 1,559,367,443,011 | 1,431,203,030,878 |

INTERIM CONSOLIDATED INCOME STATEMENT (continued)
Quarter II 2019

Currency: VND

| Code | ITEMS | Notes | Quarter II 2019 | Quarter II 2018 | For the 6-month period ended 30 June 2019 | For the 6-month period ended 30 June 2018 |
|------|--|-------|-------------------|-------------------|---|---|
| 31 | 11. Other income | | 12,295,501,418 | 42,525,039,274 | 21,593,833,285 | 50,715,134,470 |
| 32 | 12. Other expenses | | (12,912,577,094) | (1,423,323,928) | (15,324,978,338) | (7,842,000,508) |
| 40 | 13. Other profit/(loss) | | (617,075,676) | 41,101,715,346 | 6,268,854,947 | 42,873,133,962 |
| 50 | 14. Accounting profit before tax | | 787,797,510,257 | 772,024,294,616 | 1,565,636,297,958 | 1,474,076,164,840 |
| 51 | 15. Current corporate income tax expenses | 29 | (147,664,510,903) | (152,332,275,565) | (314,699,944,019) | (310,569,886,785) |
| 52 | 16. Deferred tax income/(expenses) | 29 | 164,032,989 | 448,435,426 | 542,269,724 | (1,866,502,212) |
| 60 | 17. Net profit after tax | | 640,297,032,343 | 620,140,454,477 | 1,251,478,623,663 | 1,161,639,775,843 |
| 61 | 18. Net profit after tax attributable to shareholders of the parent | | 639,376,103,652 | 620,018,715,772 | 1,251,479,920,819 | 1,161,385,014,564 |
| 62 | 19. Net profit/ (loss) after tax attributable to non-controlling interests | | 920,928,691 | 121,738,705 | (1,297,156) | 254,761,279 |

Phung Thi Thanh
Preparer

29 July 2019

Nguyen Thi Xuan Nghia
Chief Accountant



Pham Ngoc Thoa
Chief Finance Officer

INTERIM CONSOLIDATED CASH FLOW STATEMENT
Quarter II 2019

Currency: VND

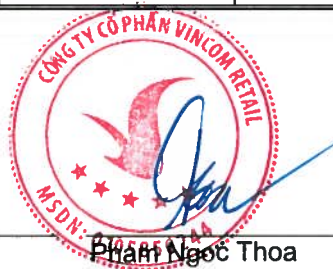
| Code | ITEMS | For the 6-month period ended 30 June 2019 | For the 6-month period ended 30 June 2018 |
|------|--|---|---|
| | I. CASH FLOWS FROM OPERATING ACTIVITIES | | |
| 01 | Profit before tax | 1,565,636,297,958 | 1,474,076,164,840 |
| | <i>Adjustments for:</i> | | |
| 02 | Depreciation of tangible fixed assets and investment properties and amortisation of intangible assets (including amortisation of goodwill) | 735,071,647,246 | 535,381,049,561 |
| 03 | Provisions | 1,843,970,961 | 17,288,929,075 |
| 05 | Profits from investing activities | (148,425,443,345) | (333,768,590,783) |
| 06 | Interest expenses and bond issue costs | 145,355,109,288 | 231,747,729,945 |
| 08 | Operating profit before changes in working capital | 2,299,481,582,108 | 1,924,725,282,638 |
| 09 | Changes in receivables | (286,803,648,339) | 237,249,700,605 |
| 10 | Changes in inventories | 38,083,990,912 | (488,526,171,162) |
| 11 | Changes in payables (other than interest, corporate income tax) | 140,076,981,987 | (378,796,895,275) |
| 12 | Changes in prepaid expenses | 42,845,309,923 | (76,233,227,049) |
| 14 | Interest paid | (126,814,013,982) | (224,075,392,780) |
| 15 | Corporate income tax paid | (358,045,636,249) | (314,035,824,939) |
| 16 | Other cash inflow | - | 132,200,000,000 |
| 20 | Net cash flows from operating activities | 1,748,824,566,360 | 812,507,472,038 |
| | II. CASH FLOWS FROM INVESTING ACTIVITIES | | |
| 21 | Purchase, construction of fixed assets and other long-term assets | (2,979,654,950,570) | (1,095,422,950,082) |
| 21 | Collection on investment deposits | - | 484,000,000,000 |
| 22 | Proceeds from disposals of fixed assets and other long-term assets | 487,111,233 | 1,859,121,694 |
| 23 | Loans to other entities and payments for purchase of debt instruments of other entities | (24,708,634,935) | - |
| 24 | Collections from borrowers and proceeds from sale of debt instruments of other entities | 1,650,000,000,000 | 2,658,798,917,095 |
| 26 | Proceeds from sale of investments in other entities (net of cash held by entity being disposed) | - | 136,694,692,439 |
| 27 | Interest and dividends received | 237,991,079,904 | 312,314,986,700 |
| 30 | Net cash flows (used in)/from investing activities | (1,113,885,394,368) | 2,498,244,767,846 |

INTERIM CONSOLIDATED CASH FLOW STATEMENT (continued)
Quarter II 2019

Currency: VND

| Code | ITEMS | For the 6-month period ended 30 June 2019 | For the 6-month period ended 30 June 2018 |
|------|--|---|---|
| | III. CASH FLOWS FROM FINANCING ACTIVITIES | | |
| 34 | Repayment of borrowings | - | (3,200,000,000,000) |
| 36 | Dividends paid | (2,363,940,685,628) | - |
| 40 | Net cash (used in) from financing activities | (2,363,940,685,628) | (3,200,000,000,000) |
| 50 | Net (decrease)/increase in cash and cash equivalents for the period | (1,729,001,513,636) | 110,752,239,884 |
| 60 | Cash and cash equivalents at the beginning of the period | 2,431,380,824,439 | 1,421,529,231,881 |
| 70 | Cash and cash equivalents at the end of the period | 702,379,310,803 | 1,532,281,471,765 |


Phung Thi Thanh
Preparer

Nguyen Thi Xuan Nghia
Chief Accountant

Phan Nào Thoa
Chief Finance Officer

29 July 2019

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
Quarter II 2019

1. CORPORATE INFORMATION

Vincor Retail Joint Stock Company ("the Company"), previously known as Vincor Retail Company Limited, is established in accordance with the Business Registration Certificate No. 0105850244 issued by the Hanoi Department of Planning and Investment on 11 April 2012. In accordance with the 2nd amended Business Registration Certificate dated 14 May 2013, the Company changed its legal form to a joint stock company and also changed its name to Vincor Retail Joint Stock Company. Subsequently, the Company obtained amended Enterprise Registration Certificates with the latest is the 20th amended Enterprise Registration Certificate being granted on 02 January 2019.

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

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

The Company's normal course of business cycle of real estate business starts at the time of application for investment certificate, commencement of site clearance, construction, and ends at the time of completion, thus, the normal course of real estate development activities is from 12 months to 36 months. The Company's normal course of business cycle of other business activities is 12 months.

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

The number of the Company's employees as at 30 June 2019 is 917 (31 December 2018: 981).

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

Corporate structure

The Company has 04 following subsidiaries as at 30 June 2019:

| No. | Name | Voting right (%) | Equity interest (%) | Registered office's address | Principal activities |
|-----|---|------------------|---------------------|---|--|
| 1 | North Vincor Retail LLC | 100.00 | 100.00 | No. 72A, Nguyen Trai street, Thuong Dinh ward, Thanh Xuan district, Hanoi | Leasing and trading real estate property |
| 2 | South Vincor Retail LLC | 100.00 | 100.00 | No. 72, Le Thanh Ton street and No. 45A Ly Tu Trong street, Ben Nghe ward, District 1, Ho Chi Minh city | Leasing and trading real estate property |
| 3 | Suoi Hoa Urban Development and Investment JSC | 97.27 | 97.27 | Km1 + 200, Tran Hung Dao street, Suoi Hoa ward, Bac Ninh city, Bac Ninh province | Leasing and trading real estate property |
| 4 | Ha Thanh Real Estate Development and Investment Company Limited (*) | 100.00 | 100.00 | No. 7, Bang Lang 1 street, Vinhomes Riverside, Viet Hung ward, Long Bien district, Hanoi | Leasing and trading real estate property |

(*) Previously known as Ha Thanh Real Estate Development and Investment Joint Stock Company.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II 2019**2. BASIS OF PREPARATION****2.1 Accounting standards and system**

The interim consolidated financial statements of the Company and its subsidiaries, which are expressed in Vietnam dong ("VND"), are prepared in accordance with Vietnamese Enterprise Accounting System and Vietnamese Accounting Standard issued by the Ministry of Finance as per:

- ▶ Decision No. 149/2001/QĐ-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 1);
- ▶ Decision No. 165/2002/QĐ-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- ▶ Decision No. 234/2003/QĐ-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
- ▶ Decision No. 12/2005/QĐ-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 4); and
- ▶ Decision No. 100/2005/QĐ-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 5).

Accordingly, the accompanying interim consolidated financial statements, including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the interim consolidated financial position and interim consolidated results of operations and interim consolidated cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2.2 Applied accounting documentation system

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

2.3 Fiscal year

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

2.4 Accounting currency

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

2.5 Basic of consolidation

The interim consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the reporting period ended 30 June 2019.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continued to be consolidated until the date that such control ceases, unless the parent's control is temporary when the subsidiary is acquired and held for sales in less than 12 months.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intra-company balances, income and expenses and unrealised gains or losses result from intra-company transactions are eliminated in full.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II 2019**2. BASIS OF PREPARATION (continued)****2.5 Basic of consolidation (continued)**

Non-controlling interests represent the portion of profit or loss and net assets not held by the Company and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet, separately from parent shareholders' equity.

Impact of change in the ownership interest of a subsidiary, without a loss of control, is recorded in undistributed earnings or accumulated losses.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**3.1 Cash and cash equivalents**

Cash and cash equivalents comprise cash at banks, cash in transit and short-term, highly liquid investments with an original maturity of no longer than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

3.2 Inventories*Inventory properties*

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

Cost includes:

- ▶ Freehold, leasehold rights for land, and land development costs;
- ▶ Construction costs payable to contractors; and
- ▶ Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs to completion and the estimated costs to sell.

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

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 to sell.

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.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II 2019**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.2 Inventories (continued)***Provision for obsolete inventories*

An inventory provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of raw materials, finished goods, and other inventories owned by the Company and its subsidiaries, based on appropriate evidence of impairment available at the balance sheet date. Increases and decreases to the provision balance are recorded into the cost of goods sold account in the interim consolidated income statement.

3.3 Receivables

Receivables are presented in the interim consolidated financial statements at the carrying amounts due from customers and other debtors, after provision for doubtful debts.

The provision for doubtful debts represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered.

3.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets, and expenditures for maintenance and repairs are charged to the interim consolidated income statement as incurred.

When tangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the interim consolidated income statement.

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.

3.5 Leased assets

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 interim 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 interim consolidated income statement over the lease term to achieve a constant rate on interest on the remaining balance of the finance lease liability.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II 2019

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Leased assets (continued)

Where the Company and its subsidiaries are the lessee (continued)

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' investment properties in the interim consolidated balance sheet.

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

Where the Company and its subsidiaries are the lessor

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

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

3.6 Intangible assets

Intangible assets are stated at cost less accumulated amortisation.

The cost of an intangible assets comprises of its purchase price and any directly attributable costs of preparing the intangible fixed asset for its intended use. Expenditures for additions, improvements are added to the carrying amount of the assets, and other expenditures are charged to the interim consolidated income statement as incurred.

When intangible assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the interim consolidated income statement.

3.7 Depreciation and amortisation

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

| | |
|--------------------------|--------------|
| Buildings and structures | 5 - 15 years |
| Machinery and equipment | 2 - 15 years |
| Means of transportation | 4 - 15 years |
| Office equipment | 3 - 10 years |
| Computer software | 3 - 8 years |
| Others | 3 - 15 years |

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II 2019**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.8 Investment properties**

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

Costs include the amount of cash paid or the fair value of other consideration given by the Company and its subsidiaries to acquire an asset at the time of acquisition or construction. The Company and its subsidiaries recognise an investment property in the Interim consolidated financial statements when the significant risks and rewards incident to ownership of the property have been passed to the Company and its subsidiaries from the transferor, not depending on the form of the sales and purchase contract or the time at which legal documents relating to ownership of the properties are transferred.

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

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

| | |
|------------------------------------|---------------|
| Land use rights with definite term | 23 - 50 years |
| Buildings and structures | 5 - 50 years |
| Machinery and equipment | 3 - 25 years |

The land use rights with indefinite terms is presented as investment properties based on the certificate of land use right granted by relevant authorities and no amortisation should be charged.

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the assets is recognised in the interim consolidated income statement in the period of retirement or disposal.

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment properties when, and only when, there is change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. The transfer from investment property to owner-occupied property or inventories does not change the cost or the carrying value of the property for subsequent accounting at the date of change in use.

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 recognized by the Company and its subsidiaries as investment properties in the interim consolidated balance sheet upon the hand over of these properties.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II 2019**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.9 *Borrowing costs***

Borrowing costs consist of interest and other costs that the Company and its subsidiaries incur in connection with the borrowing of funds.

Borrowing costs are recorded as expense during the period in which they are incurred, except for the borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily take a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset.

3.10 *Prepaid expenses*

Prepaid expenses are reported as short-term or long-term prepaid expenses on the consolidated balance sheet and amortised over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

Long-term prepaid expenses include long-term prepaid land rental in accordance with Circular No. 45/2013/TT-BTC, prepaid premise expense under operating lease terms, pre-operating expenses, tools and supplies, and other prepaid expenses that bring future economic benefits for more than one year.

3.11 *Business combinations and goodwill*

Business combinations are accounted for using the purchase method. The cost of a business combination is measured as the fair value of assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange plus any costs directly attributable to the business combination. Identifiable assets and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of business combination.

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost the business combination over the Company and its subsidiaries' interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. If the cost of a business combination is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the interim consolidated income statement. After initial recognition, goodwill is measured at cost less any accumulated amortisation. Goodwill is amortised over 10-year period on a straight-line basis. The Company conducts the periodical review for impairment of goodwill of investment in subsidiaries. If there are indicators of impairment loss incurred is higher than the annually allocated amount of goodwill on the straight-line basis, the higher amount will be recorded in the interim consolidated income statement.

Assets acquisitions and business combinations

The Company and its subsidiaries acquire subsidiaries that own real estate projects. At the date of acquisition, the Company considers whether the acquisition represents the acquisition of a business. The Company accounts 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.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II 2019**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.11 Business combinations and goodwill (continued)***Business combinations involving entities under common control*

Business combinations involving entities under common control are accounted for as follows:

- ▶ The assets and liabilities of the two combined entities are reflected at their carrying amounts at 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; and
- ▶ Any difference between the consideration paid and the net assets of the acquiree is recorded in equity.

Where the Company loses control of its subsidiary, which was previously consolidated under common control, the difference recognised in equity between the consideration and the net assets of the subsidiary at the acquisition date will be reclassified to the undistributed earnings at the date of disposal.

3.12 Held-to-maturity investments

Held-to-maturity investments are stated at their acquisition costs. After initial recognition, these investments are measured at recoverable amount. Any impairment loss incurred is recognised as finance expenses in the interim consolidated income statements and deducted against the value of such investments.

3.13 Payables and accruals

Payables and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company and its subsidiaries.

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

3.14 Provisions

Provisions are recognised when the Company and its subsidiaries have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pretax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance expense.

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

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 repairing expenses of apartments and shop-houses sold in the past.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II 2019**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.15 Foreign currency transactions**

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

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

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

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

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

3.16 Appropriation of net profits

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

3.17 Advance from customers

Payments received from customers as deposits for the purchase of apartments and shop-houses in the future that do not meet the conditions for revenue recognition, are recognised and presented as "Advances from customers" in the interim consolidated balance sheet.

3.18 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and its subsidiaries and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognised:

Revenue from sale of inventory properties

Revenue from sale of inventory property is recognised when the significant risks and rewards incident to ownership of the properties have been passed to the buyer. For multiple-element arrangements that trigger the performance obligation of the seller in the future, revenue recognised will be the fair value of the consideration received or receivable less the fair value of the undelivered component.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II 2019**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.18 Revenue recognition (continued)***Revenue from sale of inventory properties (continued)*

Revenue from sale of inventory property 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;
- ▶ Almost all risks and rewards associated with the ownership of leased assets are transferred to the lessee; and
- ▶ Lessor must estimate the full cost of leasing activity.

Revenue from leasing of investment properties

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

Rendering of services

Revenue from entertainment services, investment properties management and brokerage and other related services is recorded based on percentage of completion when the services are rendered and the outcome of the contract is certainly determined.

Gains from capital transfer

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

Interest

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

Dividends

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II 2019**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.19 Taxation***Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the balance sheet date.

Current income tax is charged or credited to the consolidated income statement, except when it relates to items recognised directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Company to set off current tax assets against current tax liabilities and when the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax

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

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

- ▶ where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the related transaction affects neither the accounting profit nor taxable profit or loss;
- ▶ in respect of taxable temporarily differences associated with investments in subsidiaries and associates, and interests in joint ventures where timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised, except:

- ▶ where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss;
- ▶ in respect of deductible temporarily differences associated with investments in subsidiaries, associates, and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Previously unrecognised deferred tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II 2019**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.19 Taxation (continued)***Deferred tax (continued)*

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date.

Deferred tax is charged or credited to the consolidated income statement, except when it relates to items recognised directly to equity, in which case the deferred tax is also dealt with in the equity account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Company and its subsidiaries to off-set current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on:

- ▶ either the same taxable entity; or
- ▶ when the Company and its subsidiaries intend either settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.20 Related parties

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

4. CASH AND CASH EQUIVALENTS

Currency: VND

| | <i>As at 30/6/2019</i> | <i>As at 31/12/2018</i> |
|------------------|------------------------|--------------------------|
| Cash in banks | 181,777,077,184 | 500,660,473,166 |
| Cash in transit | 602,233,619 | 720,351,273 |
| Cash equivalents | 520,000,000,000 | 1,930,000,000,000 |
| TOTAL | 702,379,310,803 | 2,431,380,824,439 |

Cash equivalents as at 30 June 2019 comprised bank deposits in VND with maturity terms ranging from 1 month to 1.5 months and earning interest at the rates ranging from 5.35% to 5.5% per annum (as at 31 December 2018: bank deposits in VND with maturity terms ranging from 1 month to 3 months and earning interest at the rates ranging from 5.0% to 5.5% per annum).

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II 2019

5. HELD-TO-MATURITY INVESTMENTS

Currency: VND

| | <u>As at 30/6/2019</u> | <u>As at 31/12/2018</u> |
|---|------------------------|--------------------------|
| Short-term held-to-maturity investments (i) | 76,125,309,785 | 701,416,674,850 |
| Long-term held-to-maturity investments (ii) | 830,000,000,000 | 1,830,000,000,000 |
| TOTAL | 906,125,309,785 | 2,531,416,674,850 |

- (i) Ending balance of short-term held-to-maturity investments comprised short-term bank deposits in VND with terms ranging from 6 months to 12 months and earning interest at the rate ranging from 7.0% to 7.2% per annum (31 December 2018: bank deposits in VND with terms ranging from 6 months to 12 months and earning interest at the rate ranging from 6.0% to 7.1% per annum). This was maintenance fund of the handed over condotel apartments of Vinpearl Riverfront Da Nang, Suoi Hoa (Bac Ninh) and shop-office of Vinhomes Times City project and Vinhomes Royal City project. This fund will be transferred to the building management boards.
- (ii) Ending balance of long-term held-to-maturity investments comprised bank deposits at Vietnam Technological and Commercial Joint-stock Bank with terms of 36 months and earning interest at the rate of 7.1% per annum (31 December 2018: terms of 36 months and earning interest at the rate of 7.1% per annum).

6. SHORT-TERM TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

6.1 Short-term trade receivables

Currency: VND

| | <u>As at 30/6/2019</u> | <u>As at 31/12/2018</u> |
|--|------------------------|-------------------------|
| Receivables from leasing activities and rendering related services | 269,170,269,769 | 343,180,626,731 |
| Receivables from sale of inventory | 100,713,490,675 | 86,841,373,441 |
| Others | 39,332,899,058 | 14,745,618,852 |
| TOTAL | 409,216,659,502 | 444,767,619,024 |

In which:

| | | |
|--|-----------------|------------------|
| Trade receivables from customers | 264,631,252,541 | 312,003,242,916 |
| Trade receivables from related parties (Note 30) | 144,585,406,961 | 132,764,376,108 |
| Provision for doubtful short-term receivables | (8,864,170,604) | (12,410,304,604) |

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

| | | |
|---|----------------|----------------|
| Receivable from Vincommerce General Commerce Services JSC | 72,816,169,508 | 64,126,136,271 |
| Receivable from a long-term leasing contract and related services fee to a corporate counterparty | - | 76,904,162,177 |

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II 2019**6. SHORT-TERM TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS (continued)****6.2 Short-term advances to suppliers**

Currency: VND

| | <u>As at 30/6/2019</u> | <u>As at 31/12/2018</u> |
|---------------------------------------|------------------------|-------------------------|
| Advances to suppliers | 216,106,044,807 | 188,913,855,296 |
| Advances to related parties (Note 30) | 203,342,453,103 | 93,537,543,139 |
| TOTAL | 419,448,497,910 | 282,451,398,435 |

Details of advances to suppliers which are more than 10% of total balance:

| | | |
|--------------------------------|-----------------|----------------|
| <i>Advance to Vinhomes JSC</i> | 203,332,016,103 | 93,245,883,139 |
|--------------------------------|-----------------|----------------|

7. OTHER SHORT-TERM RECEIVABLES

Currency: VND

| | <u>As at 30/6/2019</u> | <u>As at 31/12/2018</u> |
|--|------------------------|-------------------------|
| Interests on bank deposits, deposits and loans | 76,859,050,818 | 157,531,797,333 |
| Guarantee deposits for project development and contract implementation | 31,874,339,433 | 52,205,744,897 |
| Value added tax receivables | 92,920,467,442 | 4,126,477,610 |
| Customer deposits for purchasing real estate projects receivable from agents | 159,288,684,837 | 2,372,416,812 |
| Receivable for payment on behalf | 16,584,409,391 | 20,273,658,765 |
| Others | 95,588,059,568 | 96,600,597,352 |
| TOTAL | 473,115,011,489 | 333,110,692,769 |

In which:

| | | |
|---|-----------------|-----------------|
| <i>Other receivables</i> | 315,557,174,171 | 175,782,388,111 |
| <i>Other receivables from related parties (Note 30)</i> | 157,557,837,318 | 157,328,304,658 |

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II 2019**8. BAD DEBTS**

Bad debts of the Company and its subsidiaries include:

Currency: VND

| Debtor | As at 30/6/2019 | | As at 31/12/2018 | |
|-------------------|-----------------------|------------------------|-----------------------|-----------------------|
| | Cost | Recoverable amount (i) | Cost | Recoverable amount |
| Trade receivables | 90,942,607,074 | 82,078,436,470 | 99,728,927,905 | 87,318,623,301 |
| Other receivables | 35,416,000 | 35,416,000 | 73,934,357 | 73,934,357 |
| TOTAL | 90,978,023,074 | 82,113,852,470 | 99,802,862,262 | 87,392,557,658 |

(i) The recoverable amount comprises overdue trade receivables with total amount of VND 26.1 billion that are secured by deposits from customers under their lease contracts and bank guarantee under bank guarantee agreements.

9. INVENTORIES

Currency: VND

| | As at 30/6/2019 | | As at 31/12/2018 | |
|---|------------------------|------------------------|------------------------|------------------------|
| | Cost | Provision | Cost | Provision |
| Inventory properties under construction (i) | 844,879,276,600 | (1,249,714,667) | 887,106,007,234 | (1,859,678,292) |
| Completed inventory | 8,928,534,109 | - | 5,898,903,060 | - |
| Others | 11,486,070,877 | - | 10,372,962,204 | - |
| TOTAL | 865,293,881,586 | (1,249,714,667) | 903,377,872,498 | (1,859,678,292) |

(i) The balance mainly comprises of construction and development costs of apartments, condotel apartments and shop-houses for sale.

10. PREPAID EXPENSES

Currency: VND

| | As at 30/6/2019 | As at 31/12/2018 |
|--|------------------------|------------------------|
| Short-term: | | |
| Selling expenses related to sale of inventory properties not yet handed over | 56,816,628,405 | 60,588,694,827 |
| Provisional corporate income tax | 8,788,146,453 | 8,718,916,413 |
| Project investment costs | 22,473,494,116 | 23,358,417,617 |
| Prepaid land rental | 13,491,780,900 | 24,844,967,430 |
| Others | 26,887,314,019 | 34,808,209,553 |
| TOTAL | 128,457,363,893 | 152,319,205,840 |

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II 2019

10. PREPAID EXPENSES (continued)

| | Currency: VND | |
|---|------------------------|------------------------|
| | As at 30/6/2019 | As at 31/12/2018 |
| Long-term: | | |
| Prepaid rental to a related party for leasing commercial areas (Note 30) (i) | 263,077,678,104 | 268,104,640,106 |
| Prepayment for committed profit relating to business cooperation contracts and apartment management service program | 146,718,395,053 | 174,654,105,502 |
| Overhaul expenditures | 106,343,239,687 | 91,450,247,763 |
| Tools and supplies | 28,959,638,643 | 31,197,501,880 |
| Prepaid land rental | - | 2,668,302,335 |
| Commission fees for leasing commercial areas | 21,575,373,544 | 11,091,976,828 |
| Others | 7,856,334,078 | 14,211,905,942 |
| TOTAL | 574,530,659,109 | 593,378,680,356 |

(i) Ecology Development and Investment JSC, a company under common control, leased the shopping mall component of Vincom Plaza Quang Trung project and Vincom Plaza Le Van Viet project to South Vincom Retail LLC in accordance with the shopping mall leasing contracts.

11. OTHER ASSETS

| | Currency: VND | |
|---|--------------------------|--------------------------|
| | As at 30/6/2019 | As at 31/12/2018 |
| Short-term: | | |
| Deposits to related parties for investment purposes (Note 30) (i) | 1,682,000,000,000 | 1,783,000,000,000 |
| TOTAL | 1,682,000,000,000 | 1,783,000,000,000 |
| Long-term: | | |
| Deposits for investment purposes (i) | 1,576,000,000,000 | 556,000,000,000 |
| TOTAL | 1,576,000,000,000 | 556,000,000,000 |
| <i>In which:</i> | | |
| <i>Deposits to other parties</i> | <i>1,162,000,000,000</i> | <i>142,000,000,000</i> |
| <i>Deposits to related parties (Note 30)</i> | <i>414,000,000,000</i> | <i>414,000,000,000</i> |

(i) Ending balance are deposits to a third party, Vingroup JSC, parent company, and some companies within the Group (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 transferring shopping mall component to the Company and its subsidiaries, or to granting the Company and its subsidiaries with right to purchase the shopping malls, at the price sufficient to cover all relevant capital expenditures incurred. In case the counterparties have not completed all procedures to hand over the shopping malls to the Company and its subsidiaries when the assets are completed and ready for commercial operations, 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.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II 2019

12. TANGIBLE FIXED ASSETS

Currency: VND

| | <i>Buildings and structures</i> | <i>Machinery and equipment</i> | <i>Means of transportation</i> | <i>Office equipment</i> | <i>Others</i> | <i>Total</i> |
|---|-------------------------------------|------------------------------------|------------------------------------|-----------------------------|------------------|------------------|
| Cost: | | | | | | |
| Beginning balance | 115,571,868,677 | 182,406,772,588 | 3,980,477,859 | 11,228,751,248 | 52,233,067,193 | 365,420,937,565 |
| - Transferred from completed construction in progress | - | 3,465,994,536 | - | 140,861,818 | - | 3,606,856,354 |
| - Reclassified to investment properties | (24,886,483,122) | (12,511,968,566) | - | (103,610,000) | (27,679,237,935) | (65,181,299,623) |
| - Reclassified from investment properties | - | 686,557,727 | - | - | - | 686,557,727 |
| - Sold, disposal | (8,430,589,569) | (6,431,136,024) | (2,180,909,911) | (361,806,592) | - | (17,404,442,096) |
| - Other adjustments | - | (76,363,638) | - | - | - | (76,363,638) |
| Ending balance | 82,254,795,986 | 167,539,856,623 | 1,799,567,948 | 10,904,196,474 | 24,553,829,258 | 287,052,246,289 |
| Accumulated depreciation: | | | | | | |
| Beginning balance | 15,199,849,965 | 54,729,452,908 | 1,671,679,789 | 6,637,322,776 | 5,227,170,285 | 83,465,475,723 |
| - Depreciation for the period | 3,103,504,604 | 12,985,621,803 | 209,069,819 | 981,393,698 | 2,141,232,792 | 19,420,822,716 |
| - Reclassified to investment properties | (1,472,749,383) | (3,709,932,137) | - | (102,506) | (2,117,986,491) | (7,300,770,517) |
| - Reclassification from investment properties | - | 52,912,933 | - | - | - | 52,912,933 |
| - Sold, disposal | (3,203,600,072) | (3,988,694,444) | (548,780,793) | (306,481,156) | - | (8,047,556,465) |
| - Other adjustments | - | (10,146,949) | - | - | - | (10,146,949) |
| Ending balance | 13,627,005,114 | 60,059,214,114 | 1,331,968,815 | 7,312,132,812 | 5,250,416,586 | 87,580,737,441 |
| Net carrying amount: | | | | | | |
| Beginning balance | 100,372,018,712 | 127,677,319,680 | 2,308,798,070 | 4,591,428,472 | 47,005,896,908 | 281,955,461,842 |
| Ending balance | 68,627,790,872 | 107,480,642,509 | 467,599,133 | 3,592,063,662 | 19,303,412,672 | 199,471,508,848 |

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II 2019

13. INTANGIBLE ASSETS

Currency: VND

Computer software

Cost:

| | |
|---|----------------|
| Beginning balance | 45,236,328,892 |
| - Transferred from completed construction in progress | 1,352,606,822 |
| - Dispose | (138,504,437) |
| Ending balance | 46,450,431,277 |

Accumulated amortisation:

| | |
|-------------------------------|----------------|
| Beginning balance | 19,350,096,613 |
| - Amortisation for the period | 3,439,980,303 |
| - Dispose | (115,388,791) |
| Ending balance | 22,674,688,125 |

Net carrying amount:

| | |
|-------------------|-----------------------|
| Beginning balance | <u>25,886,232,279</u> |
| Ending balance | <u>23,775,743,152</u> |

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II 2019

14. INVESTMENT PROPERTIES

Currency: VND

| | <i>Land use rights</i> | <i>Building and structures</i> | <i>Machinery and equipment</i> | <i>Total</i> |
|--|------------------------|--------------------------------|--------------------------------|--------------------|
| Cost: | | | | |
| Beginning balance | 6,574,455,171,198 | 18,052,738,611,606 | 5,136,405,347,056 | 29,763,599,129,860 |
| Transferred from completed construction in progress | 115,673,112,969 | 1,101,930,946,252 | 348,979,886,874 | 1,566,583,946,095 |
| Increase due to finalisation of construction contracts | 149,095,403,031 | 82,641,802,969 | 23,252,317,089 | 254,989,523,089 |
| Reclassified from tangible fixed assets | 1,217,647,108 | 55,160,720,985 | 8,802,931,530 | 65,181,299,623 |
| Reclassified to tangible fixed assets | - | - | (686,557,727) | (686,557,727) |
| Ending balance | 6,840,441,334,306 | 19,292,472,081,812 | 5,516,753,924,822 | 31,649,667,340,940 |
| Accumulated depreciation: | | | | |
| Beginning balance | 408,985,604,583 | 1,578,682,775,114 | 1,346,508,242,168 | 3,334,176,621,865 |
| Depreciation for the period | 88,288,554,628 | 328,761,383,290 | 258,869,069,704 | 675,919,007,622 |
| Reclassified from tangible fixed assets | 974,404,006 | 2,288,608,304 | 4,037,758,207 | 7,300,770,517 |
| Reclassified to tangible fixed assets | - | - | (52,912,933) | (52,912,933) |
| Ending balance | 498,248,563,217 | 1,909,732,766,708 | 1,609,362,157,146 | 4,017,343,487,071 |
| Net carrying amount: | | | | |
| Beginning balance | 6,165,469,566,615 | 16,474,055,836,492 | 3,789,897,104,888 | 26,429,422,507,995 |
| Ending balance | 6,342,192,771,089 | 17,382,739,315,104 | 3,907,391,767,676 | 27,632,323,853,869 |

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.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II 2019**14. INVESTMENT PROPERTIES (continued)**

Details of investment properties used as collaterals for borrowings and corporate bonds of the Company and its subsidiaries are disclosed in Note 23.

Revenue and operating expenses related to investment properties are disclosed in Note 25.3.

15. CONSTRUCTION IN PROGRESS

Currency: VND

| | As at 30/6/2019 | As at 31/12/2018 |
|------------------------------------|--------------------------|--------------------------|
| Vincom Plaza Di An, Binh Duong | 178,919,419,271 | 79,358,196,364 |
| Vincom Plaza Soc Trang | 145,694,356,545 | 269,486,182 |
| Vincom Plaza Bien Hoa 2 | 135,650,041,439 | 134,398,780,978 |
| Vincom Plaza Hoa Binh | 135,199,924,105 | 62,624,304,567 |
| Vincom Plaza Cao Lanh | 127,350,346,325 | 23,947,149,308 |
| Vincom Plaza Kon Tum | 111,073,967,132 | 200,000,000 |
| Vincom Plaza Bac Kan | 93,851,946,524 | 66,429,737,371 |
| Vincom Plaza Cam Pha | 81,856,537,752 | 26,351,503,232 |
| Vincom Center Tran Duy Hung | - | 665,914,258,137 |
| Vincom Plaza Mong Cai | - | 88,580,996,854 |
| Shopping malls renovation projects | - | 148,865,523,718 |
| Other projects | 92,593,549,445 | 46,537,802,593 |
| TOTAL | 1,102,190,088,538 | 1,343,477,739,304 |

16. GOODWILL

Currency: VND

| Goodwill arisen from acquisition of | | | | |
|-------------------------------------|--|--|-----------------------------------|-----------------|
| | Vincom Center Long Bien One Member LLC (i) | Khanh Gia Investment Trading Services JSC (i) | An Phong Investment JSC (i) | Total |
| Cost: | | | | |
| Beginning balance | 33,000,000,000 | 210,288,409,384 | 482,548,322,718 | 725,836,732,102 |
| Ending balance | 33,000,000,000 | 210,288,409,384 | 482,548,322,718 | 725,836,732,102 |
| Accumulated amortisation: | | | | |
| Beginning balance | 18,669,863,015 | 75,759,066,671 | 152,045,976,381 | 246,474,906,067 |
| Amortisation for the period | 1,650,000,000 | 10,514,420,469 | 24,127,416,136 | 36,291,836,605 |
| Ending balance | 20,319,863,015 | 86,273,487,140 | 176,173,392,517 | 282,766,742,672 |
| Net carrying amount: | | | | |
| Beginning balance | 14,330,136,985 | 134,529,342,713 | 330,502,346,337 | 479,361,826,035 |
| Ending balance | 12,680,136,985 | 124,014,922,244 | 306,374,930,201 | 443,069,989,430 |

(i) These companies were merged into North Vincom Retail LLC and South Vincom Retail LLC.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II 2019**17. SHORT-TERM TRADE PAYABLES**

Currency: VND

| | <i>As at 30/6/2019</i> | <i>As at 31/12/2018</i> |
|--|--------------------------|--------------------------|
| Trade payables to suppliers | 201,715,806,347 | 106,508,361,647 |
| Trade payables to related parties (Note 30) | 2,428,787,957,120 | 3,317,042,579,064 |
| TOTAL | 2,630,503,763,467 | 3,423,550,940,711 |

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

| | | |
|---|------------------------|--------------------------|
| <i>Payables to Vingroup JSC (Note 30)</i> | <i>579,318,543,784</i> | <i>1,204,652,201,648</i> |
| <i>Payables to Vinpearl JSC (Note 30)</i> | <i>259,585,049,255</i> | <i>389,787,054,302</i> |
| <i>Payables to Vinhomes JSC (Note 30)</i> | <i>738,045,636,689</i> | <i>938,229,564,529</i> |
| <i>Payables to Vietnam Investment and Consulting Investment JSC (Note 30)</i> | <i>746,298,254,831</i> | <i>762,779,924,584</i> |

18. ADVANCE FROM CUSTOMERS

Currency: VND

| | <i>As at 30/6/2019</i> | <i>As at 31/12/2018</i> |
|---|------------------------|-------------------------|
| Downpayment from customers under sale and purchase of real estate agreements | 929,909,002,965 | 873,306,752,588 |
| Others | 9,387,930,591 | 14,626,767,904 |
| TOTAL | 939,296,933,556 | 887,933,520,492 |
| <i>In which:</i> | | |
| <i>Downpayment from related parties (Note 30)</i> | <i>952,573,208</i> | <i>-</i> |
| <i>Downpayment from other parties</i> | <i>938,344,360,348</i> | <i>887,933,520,492</i> |

19. STATUTORY OBLIGATIONS

Currency: VND

| | <i>As at 30/6/2019</i> | <i>As at 31/12/2018</i> |
|----------------------|------------------------|-------------------------|
| Payables | | |
| Corporate income tax | 154,699,794,562 | 197,822,681,380 |
| Value added tax | 38,506,342,868 | 12,235,351,117 |
| Personal income tax | 13,546,345,403 | 4,152,133,222 |
| Others | 2,935,733,243 | 61,998,000,000 |
| TOTAL | 209,688,216,076 | 276,208,165,719 |

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II 2019**20. SHORT-TERM ACCRUED EXPENSES**

Currency: VND

| | <u>As at 30/6/2019</u> | <u>As at 31/12/2018</u> |
|--|--------------------------|-------------------------|
| Accrued construction costs | 858,691,966,079 | 454,404,365,209 |
| Accrued loans and bond interests | 97,771,171,001 | 83,917,202,063 |
| Accrued commission and brokerage fee | 12,721,724,298 | 55,565,047,714 |
| Accrued committed profit relating to business cooperation contracts and apartment management service program | 30,078,042,689 | 27,079,018,489 |
| Interest supporting fee payables | 6,550,873,157 | 23,357,986,926 |
| Others | 126,000,837,255 | 133,628,538,265 |
| TOTAL | 1,131,814,614,479 | 777,952,158,666 |
| <i>In which:</i> | | |
| <i>Accrued expenses due to others</i> | <i>1,127,739,054,791</i> | <i>776,165,106,222</i> |
| <i>Accrued expenses due to related parties (Note 30)</i> | <i>4,075,559,688</i> | <i>1,787,052,444</i> |

21. OTHER PAYABLES

Currency: VND

| | <u>As at 30/6/2019</u> | <u>As at 31/12/2018</u> |
|--|------------------------|-------------------------|
| Short-term: | | |
| Deposits received under deposit and loan contracts | 392,448,441,170 | 331,198,663,667 |
| Deposits from tenants to be refunded within the next 12 months | 250,457,815,952 | 246,846,837,923 |
| Maintenance fund | 85,479,266,640 | 82,580,787,235 |
| Deposits for site construction | 43,651,317,572 | 42,904,092,521 |
| Dividend payable | 89,508,644,872 | - |
| Other payables | 49,768,879,861 | 45,699,865,205 |
| TOTAL | 911,314,366,067 | 749,230,246,551 |
| <i>In which:</i> | | |
| <i>Other short-term payables</i> | <i>886,902,523,854</i> | <i>743,236,652,527</i> |
| <i>Other short-term payables to related parties (Note 30)</i> | <i>24,411,842,213</i> | <i>5,993,594,024</i> |
| Long-term: | | |
| Deposits from tenants | 1,168,222,033,844 | 1,102,638,211,300 |
| Less: Deposits from tenants to be refunded within the next 12 months (Presented in Short-term) | (250,457,815,952) | (246,846,837,923) |
| TOTAL | 917,764,217,892 | 855,791,373,377 |
| <i>In which:</i> | | |
| <i>Other long-term payables</i> | <i>860,423,481,747</i> | <i>798,576,193,476</i> |
| <i>Other long-term payables to related parties (Note 30)</i> | <i>57,340,736,145</i> | <i>57,215,179,901</i> |

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II 2019**22. UNEARNED REVENUE**

Currency: VND

| | <i>As at 30/6/2019</i> | <i>As at 31/12/2018</i> |
|-----------------------------|------------------------|-------------------------|
| Short-term unearned revenue | 112,606,049,139 | 102,060,318,189 |
| Long-term unearned revenue | 162,766,809,282 | 215,361,851,210 |
| TOTAL | 275,372,858,421 | 317,422,169,399 |

In which:

| | | |
|---|-----------------|-----------------|
| <i>Unearned revenue received from related parties (Note 30)</i> | 26,254,763,023 | 34,031,629,169 |
| <i>Unearned revenue received from others</i> | 249,118,095,398 | 283,390,540,230 |

Unearned revenue mainly includes advances from lessees to the Company and its subsidiaries for leasing spaces in commercial centers.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II 2019**23. LOANS AND DEBTS****23.1 Short-term loans and debt**

Currency: VND

| | Note | As at 30/6/2019 | | As at 31/12/2018 | |
|---|------|-----------------------|-----------------------|-----------------------|-----------------------|
| | | Carrying value | Payable amount | Carrying value | Payable amount |
| Current portion of long-term debts from related parties | 30 | 18,511,048,373 | 18,511,048,373 | 18,078,835,131 | 18,078,835,131 |
| TOTAL | | 18,511,048,373 | 18,511,048,373 | 18,078,835,131 | 18,078,835,131 |

23.2 Long-term loans and debt

Currency: VND

| | Note | As at 30/6/2019 | | As at 31/12/2018 | |
|--|------|--------------------------|--------------------------|--------------------------|--------------------------|
| | | Carrying value | Payable amount | Carrying value | Payable amount |
| Corporate bonds | (i) | 2,593,388,444,480 | 2,593,388,444,480 | 2,592,148,777,820 | 2,592,148,777,820 |
| Other long-term debts from related parties | 30 | 170,691,499,122 | 170,691,499,122 | 170,233,526,456 | 170,233,526,456 |
| TOTAL | | 2,764,079,943,602 | 2,764,079,943,602 | 2,762,382,304,276 | 2,762,382,304,276 |

- (i) Ending balance are bonds have par value of VND3,000 billion with 3,000 bonds and were arranged for issuance on 08 March 2017 by Vietnam Bank for Industry and Trade Securities Joint Stock Company with a maturity term of 5 years. Interest rate applied for first year is 8.1% per annum, and for the following years is floating and adjusted once per six months which is determined by 12-month interest paid-in-arrears VND saving rates listed by Vietnam Joint Stock Commercial Bank for Industry and Trade - Hanoi Branch plus (+) 3%. The bond balance is presented net of bond issue costs. In 2018, the Company repurchased 400 bonds prior to maturity date.

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II 2019

24. OWNERS' EQUITY

24.1 Increase and decrease in owner's equity

Currency: VND

| | <i>Shares with voting right</i> | <i>Share premium</i> | <i>Undistributed earnings</i> | <i>Other funds belonging to owners' equity</i> | <i>Non-controlling interests</i> | <i>Total</i> |
|---|-------------------------------------|----------------------|-----------------------------------|--|--------------------------------------|---------------------|
| For the 6-month period ended 30 June 2018 | | | | | | |
| Beginning balance | 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 |
| Ending balance | 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 |
| For the 6-month period ended 30 June 2019 | | | | | | |
| Beginning balance | 23,288,184,100,000 | 46,983,098,907 | 5,190,927,603,788 | (58,419,891,967) | 41,606,515,130 | 28,509,281,425,858 |
| - Net profit for the period | - | - | 1,251,479,920,819 | - | (1,297,156) | 1,251,478,623,663 |
| - Capital contribution in subsidiaries | - | - | (5,000,000,000) | 5,000,000,000 | - | - |
| - Dividend declare for the Company's shareholders (i) | - | - | (2,445,259,330,500) | - | - | (2,445,259,330,500) |
| - Dividend declare for non-controlling interests (ii) | - | - | - | - | (8,190,000,000) | (8,190,000,000) |
| Ending balance | 23,288,184,100,000 | 46,983,098,907 | 3,992,148,194,107 | (53,419,891,967) | 33,415,217,974 | 27,307,310,719,021 |

- (i) According to Resolution No.01/2019/NQ-DHDCD-VINCOM RETAIL dated 11 April 2019, the Company's Annual General Meeting of Shareholders approved the payment of cash dividends for existing shareholders at the ratio of 10.5% (each eligible shareholder who holds 01 share is entitled to receive VND 1,050 as dividends). Dividend payment was made in Quarter II 2019.
- (ii) On 18 February 2019, Annual General Meeting of Shareholders of Suoi Hoa Urban Development and Investment JSC - a subsidiary, approved the payment of cash dividends for existing shareholders, accordingly, total dividend payable to non-controlling interests was VND 8,190,000,000.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II 2019

24. OWNERS' EQUITY (continued)

24.2 Shares

| | As at 30/6/2019 | | As at 31/12/2018 | |
|-------------------------------------|----------------------|---------------------------|----------------------|---------------------------|
| | Quantity | Amount VND | Quantity | Amount VND |
| Registered and issued shares | | | | |
| Ordinary shares | 2,328,818,410 | 23,288,184,100,000 | 2,328,818,410 | 23,288,184,100,000 |
| Preference shares | - | - | - | - |
| Total | 2,328,818,410 | 23,288,184,100,000 | 2,328,818,410 | 23,288,184,100,000 |
| Outstanding shares | | | | |
| Ordinary shares | 2,328,818,410 | 23,288,184,100,000 | 2,328,818,410 | 23,288,184,100,000 |
| Preference shares | - | - | - | - |
| Total | 2,328,818,410 | 23,288,184,100,000 | 2,328,818,410 | 23,288,184,100,000 |

Par value of each outstanding share: VND 10,000 per share (31 December 2018: VND 10,000 per share).

25. REVENUE

25.1 Revenue from sale of goods and rendering of services

Currency: VND

| | Quarter II 2019 | Quarter II 2018 |
|--|--------------------------|--------------------------|
| Gross revenue | 1,982,714,013,892 | 1,515,912,177,676 |
| In which: | | |
| Leasing activities and rendering of related services | 1,659,007,058,698 | 1,351,866,873,865 |
| Sale of inventory properties | 301,738,616,233 | 156,155,705,970 |
| Others | 21,968,338,961 | 7,889,597,841 |
| Deduction | - | - |
| Net revenue | 1,982,714,013,892 | 1,515,912,177,676 |
| In which: | | |
| Revenue from sale to related parties | 387,256,207,193 | 350,183,285,520 |
| Revenue from sale to others | 1,595,457,806,699 | 1,165,728,892,156 |

25.2 Finance income

Currency: VND

| | Quarter II 2019 | Quarter II 2018 |
|--|-----------------------|------------------------|
| Interest income from bank deposits, loans and deposits | 77,757,975,613 | 147,546,702,921 |
| Others | - | (896,781,137) |
| TOTAL | 77,757,975,613 | 146,649,921,784 |

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II 2019**25. REVENUE (continued)****25.3 Revenue and expenses relating to investment properties**

Currency: VND

| | <u>Quarter II 2019</u> | <u>Quarter II 2018</u> |
|---|------------------------|------------------------|
| Revenue from leasing of investment properties and rendering of related services (Note 25.1) | 1,659,007,058,698 | 1,351,866,873,865 |
| Direct operating costs related to investment properties generating income in the year (Note 26) | 827,538,187,284 | 638,613,503,688 |

26. COST OF GOODS SOLD AND SERVICES RENDERED

Currency: VND

| | <u>Quarter II 2019</u> | <u>Quarter II 2018</u> |
|--|--------------------------|------------------------|
| Cost of leasing activities and rendering of related services | 827,538,187,284 | 638,613,503,688 |
| Cost of inventory properties sold | 173,211,258,676 | 110,231,622,315 |
| Others | 22,886,633,491 | 14,024,268,148 |
| TOTAL | 1,023,636,079,451 | 762,869,394,151 |

27. FINANCE EXPENSES

Currency: VND

| | <u>Quarter II 2019</u> | <u>Quarter II 2018</u> |
|----------------------------------|------------------------|------------------------|
| Interests on loans and bond | 72,261,011,734 | 98,611,077,600 |
| Amortisation of bond issue costs | 619,833,330 | 1,815,666,667 |
| Others | 412,123,137 | 59,832,018 |
| TOTAL | 73,292,968,201 | 100,486,576,285 |

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II 2019**28. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES**

| | <i>Currency: VND</i> | |
|--|------------------------|------------------------|
| | <i>Quarter II 2019</i> | <i>Quarter II 2018</i> |
| Selling expenses | 48,279,810,957 | 33,564,616,686 |
| Labour cost | 20,698,056,647 | 7,996,962,135 |
| Consulting, commission and brokerage fees | 2,345,503,288 | 1,748,746,268 |
| Brand and marketing fee | 20,036,597,955 | 18,988,406,229 |
| Depreciation and amortisation | 2,655,624,869 | 2,138,355,203 |
| Out-sourcing services | 972,883,633 | 587,426,223 |
| Others | 1,571,144,565 | 2,104,720,628 |
| General and administrative expenses | 126,848,544,963 | 34,718,933,068 |
| Labour cost | 30,901,907,339 | 14,121,287,598 |
| Depreciation and amortisation | 19,759,859,326 | 19,706,998,703 |
| Provision expenses | 1,364,556,597 | 2,584,964,868 |
| Out-sourcing services | 1,150,386,988 | 1,791,306,540 |
| Others | 9,848,313,391 | 6,320,223,675 |
| Management fee | 63,823,521,322 | (9,805,848,316) |
| TOTAL | 175,128,355,920 | 68,283,549,754 |

29. CORPORATE INCOME TAX

The statutory corporate income tax ("CIT") applicable to the Company and its subsidiaries for Quarter II 2019 is 20% of taxable profit (for Quarter II 2018: 20%).

The tax returns filed by the Company and its subsidiaries are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the interim consolidated financial statements could change at a later date upon final determination by the tax authorities.

| | <i>Currency: VND</i> | |
|---------------------------------------|------------------------|------------------------|
| | <i>Quarter II 2019</i> | <i>Quarter II 2018</i> |
| Current corporate income tax expenses | 147,664,510,903 | 152,332,275,565 |
| Deferred tax (income) | (164,032,989) | (448,435,426) |
| TOTAL | 147,500,477,914 | 151,883,840,139 |

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II 2019

30. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

List of related parties that the Company had significant transactions and balances in current period and previous period:

| <u>Related parties</u> | <u>Relationship</u> |
|--|----------------------------|
| Vingroup JSC | Parent company |
| Vinhomes JSC | Under common control |
| Vincom Construction and Consultant LLC (Merged into Vinhomes JSC since 01 October 2018) | Under common control |
| Vincommerce General Commerce Services JSC | Under common control |
| Vinpro Business and Trading Services JSC | Under common control |
| Ecology Development and Investment JSC | Under common control |
| Vinpearl JSC | Under common control |
| Central Park Development LLC | Under common control |
| Vietnam Investment and Consulting Investment JSC | Under common control |
| Can Gio Tourist City Corporation | Under common control |
| Vincom General Services Trading LLC (Merged into Vinpearl JSC since 14 January 2019) | Under common control |
| Vincom Security Service LLC | Under common control |
| Vinschool One Member LLC | Under common control |
| West Hanoi Urban Development and Trading Investment Limited Company (Merged into Thai Son Investment Construction Corporation since 28 May 2019) | Under common control |
| Gia Lam Urban Development and Investment Limited Company | Under common control |
| Hanoi Southern City Development and Trading LLC | Share holder |
| Saidong Urban Development and Investment JSC | Share holder |

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II 2019

30. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

Significant transactions with related parties during the period:

Sale and purchase of goods and services:

For the 6-month period ended 30 June 2019:

Currency: VND

| <i>Related parties</i> | <i>Payables for purchase of goods, services and management fees</i> | <i>Payment to/Advance for purchase of goods and services</i> | <i>Receivables from management, leasing activities and rendering of related services</i> | <i>Collection from management services, leasing and rendering of related services</i> | <i>Payables for shopping malls rental fee</i> | <i>Payment for shopping malls rental fee</i> |
|---|---|--|--|---|---|--|
| Vingroup JSC | (127,298,800,916) | 170,469,831,939 | | | | |
| Vincommerce General Commerce Services JSC | (25,276,486,134) | 29,427,944,388 | 388,299,709,828 | (408,004,103,895) | | |
| Vinpro Business and Trading Services JSC | | | 109,282,773,569 | (116,089,201,261) | | |
| Ecology Development and Investment JSC | | | | | (18,542,573,740) | 21,693,110,625 |
| Vinschool One Member LLC | | | 38,755,128,182 | (42,200,937,266) | | |
| Vinhomes JSC | (193,438,243,509) | 368,454,653,085 | 144,281,196,176 | (161,744,296,239) | | |
| Vinpearl JSC | (14,010,845,353) | 22,801,223,113 | 44,947,984,198 | (24,046,989,608) | | |

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II 2019

30. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

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

Sale and purchase of goods and services (continued):

For the 6-month period ended 30 June 2018:

Currency: VND

| <i>Related parties</i> | <i>Payables for purchase of goods, services and management fees</i> | <i>Payment to/Advance for purchase of goods and services</i> | <i>Receivables from management, leasing activities and rendering of related services</i> | <i>Collection from management services, leasing and rendering of related services</i> | <i>Payables for shopping malls rental fee</i> | <i>Payment for shopping malls rental fee</i> |
|---|---|--|--|---|---|--|
| Vingroup JSC | (60,307,099,877) | 132,313,885,504 | | | | |
| Vincom Construction and Consultant LLC | (274,720,782,716) | 523,777,773,563 | | | | |
| Vincommerce General Commerce Services JSC | (39,659,109,067) | 47,764,253,672 | 364,748,008,092 | (434,268,241,487) | | |
| Vincom General Services Trading LLC | (47,789,963,566) | 63,628,195,787 | | | | |
| Vincom Security Service LLC | (51,671,087,570) | 63,682,585,882 | | | | |
| Ecology Development and Investment JSC | | | | | (18,542,573,740) | 16,979,767,599 |
| Vinschool One Member LLC | | | 39,199,719,692 | (38,872,854,208) | | |
| Vinhomes JSC | | | 216,534,151,350 | (217,574,859,230) | | |
| Vinpearl JSC | | | 18,967,669,327 | (17,335,515,388) | | |

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II 2019

30. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

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

Deposit and collection of deposit for investment purpose, acquisition of assets:

For the 6-month period ended 30 June 2019:

Currency: VND

| <i>Related parties</i> | <i>Deposit for investment purpose</i> | <i>Collection from deposit for investment purpose</i> | <i>Acquisition of assets</i> |
|---|---------------------------------------|---|------------------------------|
| West Hanoi Urban Development and Trading Investment Limited | 81,000,000,000 | | |
| Gia Lam Urban Development and Investment Limited Company | 98,000,000,000 | | |
| Central Park Development LLC | | | 214,187,334,122 |
| Vingroup JSC | | | 50,881,314,386 |
| Vinpearl JSC | | | 57,964,553,866 |
| Vinhomes JSC | | | 169,558,394,957 |

For the 6-month period ended 30 June 2018:

Currency: VND

| <i>Related parties</i> | <i>Deposit for investment purpose</i> | <i>Collection from deposit for investment purpose</i> | <i>Acquisition of assets</i> |
|------------------------|---------------------------------------|---|------------------------------|
| Vingroup JSC | 38,747,645,529 | (484,000,000,000) | 957,332,602,714 |
| Vinpearl JSC | 178,425,269,922 | | |

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II 2019

30. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

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

Lending, interest receivable and dividend payable:

For the 6-month period ended 30 June 2019:

Currency: VND

| <i>Related parties</i> | <i>Collection of loan principal</i> | <i>Interests receivable</i> | <i>Interests received</i> | <i>Dividend payable</i> | <i>Dividend paid</i> |
|---|---|-----------------------------|---------------------------|-------------------------|----------------------|
| Vingroup JSC | | 3,570,410,967 | (91,549,525,770) | (449,100,856,050) | 449,100,856,050 |
| Hanoi Southern City Development and Trading LLC | | | | (201,797,768,550) | 201,797,768,550 |
| Saidong Urban Development and Investment JSC | | | | (788,582,488,050) | 788,582,488,050 |

For the 6-month period ended 30 June 2018:

Currency: VND

| <i>Related parties</i> | <i>Collection of loan principal</i> | <i>Interests receivable</i> | <i>Interests received</i> | <i>Dividend payable</i> | <i>Dividend paid</i> |
|------------------------|---|-----------------------------|---------------------------|-------------------------|----------------------|
| Vingroup JSC | (2,613,600,000,000) | 145,997,716,911 | (192,260,942,507) | | |
| Vinhomes JSC | | 61,855,434,931 | (73,293,606,164) | | |

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II 2019

30. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

Amounts due from and due to related parties

Currency: VND

| <i>Related parties</i> | <i>Transactions</i> | <i>As at 30/6/2019</i> | <i>As at 31/12/2018</i> |
|--|---|------------------------|-------------------------|
| Short-term trade receivable (Note 6.1) | | | |
| Vincommerce General Commerce Services JSC | Receivables from leasing property and provision of related services | 72,783,156,835 | 64,126,136,271 |
| Vinhomes JSC | Other receivables | 33,012,673 | - |
| Vinpro Business and Trading Services JSC | Receivables from leasing property and provision of related services | 34,099,431,114 | 30,721,509,371 |
| Other companies in the Group | Receivables from leasing property and provision of related services | 19,471,978,456 | 12,069,422,494 |
| | Other receivables | 116,042,835 | - |
| | Other receivables | 18,081,785,048 | 25,847,307,972 |
| | | 144,585,406,961 | 132,764,376,108 |
| Advances to suppliers (Note 6.2) | | | |
| Vinhomes JSC | Advances for purchase of services | 203,332,016,103 | 93,245,883,139 |
| Vincommerce General Commerce Services JSC | Advances for purchase of services | - | 291,660,000 |
| Other companies in the Group | Advances for purchase of services | 10,437,000 | - |
| | | 203,342,453,103 | 93,537,543,139 |
| Other short-term receivables (Note 7) | | | |
| Vingroup JSC | Interests receivable from deposits | 591,780,823 | 89,639,218,916 |
| | Other receivables | 70,940,412,730 | 894,483,229 |
| Vinpearl JSC | Shared profit receivable | 27,256,513,238 | 4,126,477,610 |
| | Other receivables | 8,853,268,341 | 4,743,493,998 |
| Vietnam Investment and Consulting Investment JSC | Interests receivable from deposits | 19,381,383,697 | 19,381,383,697 |
| Can Gio Tourist City Corporation | Interests receivable from deposits | 1,339,726,027 | 11,878,904,230 |
| Other companies in the Group | Other receivables | 29,194,752,462 | 26,664,342,978 |
| | | 157,557,837,318 | 157,328,304,658 |

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II 2019

30. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

Amounts due from and due to related parties (continued)

Currency: VND

| <i>Related parties</i> | <i>Transactions</i> | <i>As at 30/6/2019</i> | <i>As at 31/12/2018</i> |
|--|-----------------------------------|--------------------------|--------------------------|
| Long-term prepaid expenses (Note 10) | | | |
| Ecology Development and Investment JSC | Long-term lease prepaid | 263,077,678,104 | 268,104,640,106 |
| | | 263,077,678,104 | 268,104,640,106 |
| Other current assets (Note 11) | | | |
| Vingroup JSC | Deposits for business cooperation | 1,682,000,000,000 | 1,682,000,000,000 |
| Central Park Development LLC | Deposits for business cooperation | - | 101,000,000,000 |
| | | 1,682,000,000,000 | 1,783,000,000,000 |
| Other long-term assets (Note 11) | | | |
| Vingroup JSC | Deposits for business cooperation | 72,000,000,000 | 251,000,000,000 |
| Can Gio Tourist City Corporation | Deposits for business cooperation | 163,000,000,000 | 163,000,000,000 |
| West Hanoi Construction and Commercial Development Company Limited | Deposits for business cooperation | 81,000,000,000 | - |
| Gia Lam Urban Investment and Development Company Limited | Deposits for business cooperation | 98,000,000,000 | - |
| | | 414,000,000,000 | 414,000,000,000 |

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II 2019**30. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)****Amounts due from and due to related parties (continued)**

Currency: VND

| <i>Related parties</i> | <i>Transactions</i> | <i>As at 30/6/2019</i> | <i>As at 31/12/2018</i> |
|--|---|--------------------------|--------------------------|
| Short-term trade payables (Note 17) | | | |
| Vinpearl JSC | Payables for purchase of assets | 252,579,944,629 | 375,404,032,117 |
| | Payables for purchase of goods and services | 7,005,104,626 | 14,383,022,185 |
| Vinhomes JSC | Payables for purchase of assets | 464,585,663,085 | 510,045,688,421 |
| | Payables for purchase of goods and services | 273,459,973,604 | 428,183,876,108 |
| Vingroup JSC | Payables for purchase of goods and services | 77,180,273,371 | 120,966,017,780 |
| | Payables for purchase of assets | 502,138,270,413 | 1,083,686,183,868 |
| Vietnam Investment and Consulting Investment JSC | Payables for purchase of goods and services | 6,933,070,369 | - |
| | Payables for purchase of assets | 739,365,184,462 | 762,779,924,584 |
| Central Park Development LLC | Payables for purchase of goods and services | 1,031,189,904 | - |
| | Payables for purchase of assets | 92,373,791,573 | - |
| Vincommerce General Commerce Services JSC | Payables for purchase of goods and services | 6,179,104,581 | 7,292,195,550 |
| Other companies in the Group | Other payables | 5,956,386,503 | 14,301,638,451 |
| | | 2,428,787,957,120 | 3,317,042,579,064 |
| Advance from customers (Note 16.2) | | | |
| Other companies in the Group | Other advances | 952,573,208 | - |
| | | 952,573,208 | - |
| Short-term accrued expenses (Note 20) | | | |
| Companies in the Group | Other payables | 4,075,559,688 | 1,787,052,444 |
| | | 4,075,559,688 | 1,787,052,444 |
| Other short-term payables (Note 21) | | | |
| Vincommerce General Commerce Services JSC | Deposit for leasing retail | 5,548,996,061 | 3,882,674,882 |
| | Other payables | 24,064,914 | - |
| Vinhomes JSC | Deposit for leasing retail | 6,831,740,114 | - |
| | Other payables | 818,865,219 | - |
| Other companies in the Group | Other payables | 11,188,175,905 | 2,110,919,142 |
| | | 24,411,842,213 | 5,993,594,024 |

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II 2019

30. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

Amounts due from and due to related parties (continued)

Currency: VND

| <i>Related parties</i> | <i>Transactions</i> | <i>As at 30/6/2019</i> | <i>As at 31/12/2018</i> |
|--|---|------------------------|-------------------------|
| Other long-term liabilities (Note 21) | | | |
| Vincommerce General Commerce Services JSC | Deposit for leasing retail | 27,607,179,420 | 27,299,427,547 |
| Vinschool One Member LLC | Deposit for leasing retail | 5,651,677,898 | 7,053,919,917 |
| Other companies in the Group | Other payables | 24,081,878,827 | 22,861,832,437 |
| | | 57,340,736,145 | 57,215,179,901 |
| Unearned revenues (Note 22) | | | |
| Vincommerce General Commerce Services JSC | Unearned revenue from leasing and rendering of related services | 12,140,316,555 | 23,000,000,037 |
| Other companies in the Group | Unearned revenue from leasing and rendering of related services | 14,114,446,468 | 11,031,629,132 |
| | | 26,254,763,023 | 34,031,629,169 |

Loans and debts due to related parties (Note 23.1 and Note 23.2)

Financial lease liabilities from a related party as at 30 June 2019 was as follow:

| <i>Related parties</i> | <i>As at 30/6/2019</i> | <i>Interest rate</i> | <i>Maturity date</i> |
|--|-------------------------|----------------------|----------------------|
| | | <i>VND per annum</i> | |
| Ecology Development and Investment JSC | 189,202,547,495 | From 8.58% to 14.02% | March 2045 |
| <i>In which: Current-portion</i> | <i>(18,511,048,373)</i> | | |
| TOTAL (i) | 170,691,499,122 | | |

(i) These financial lease liabilities relate to long- term lease contracts with non-cancellable term for renting Vincom Plaza Quang Trung and Vincom Plaza Le Van Viet.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II 2019**30. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)*****Loans and debts due to related parties (Note 23.1 and Note 23.2) (continued)***

Debt from a related party as at 31 December 2018 was as follows:

| <i>Related parties</i> | <i>As at 31/12/2018</i> | <i>Interest rate</i> | <i>Maturity date</i> |
|--|-------------------------------|----------------------|----------------------|
| | <i>VND</i> | <i>per annum</i> | |
| Ecology Development and Investment JSC | 188,312,361,587 | From 8.58% to 14.02% | March 2045 |
| <i>In which: Current-portion</i> | <i>(18,078,835,131)</i> | | |
| TOTAL | <u>170,233,526,456</u> | | |

31. EVENTS AFTER THE BALANCE SHEET DATE

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



Phung Thi Thanh
Preparer



Nguyen Thi Xuan Nghia
Chief Accountant



Pham Ngoc Thoa
Chief Finance Officer

29 July 2019

Vincom Retail Joint Stock Company

APPENDIX
Quarter II 2019

APPENDIX 1 - CORPORATE STRUCTURE AS AT 30 JUNE 2019

| <i>No.</i> | <i>Name</i> | <i>Voting right (%)</i> | <i>Equity interest (%)</i> | <i>Registered office's address</i> | <i>Principal activities</i> |
|------------|---|-----------------------------|--------------------------------|---|--|
| 1 | North Vincom Retail LLC | 100.00 | 100.00 | No. 72A, Nguyen Trai street, Thuong Dinh ward, Thanh Xuan district, Hanoi | Leasing and trading real estate property |
| 2 | South Vincom Retail LLC | 100.00 | 100.00 | No. 72, Le Thanh Ton street and No. 45A Ly Tu Trong street, Ben Nghe ward, District 1, Ho Chi Minh city | Leasing and trading real estate property |
| 3 | Suoi Hoa Urban Development and Investment JSC | 97.27 | 97.27 | Km1 + 200, Tran Hung Dao street, Suoi Hoa ward, Bac Ninh city, Bac Ninh province | Leasing and trading real estate property |
| 4 | Ha Thanh Real Estate Development and Investment Company Limited (*) | 100.00 | 100.00 | No. 7, Bang Lang 1 street, Vinhomes Riverside, Viet Hung ward, Long Bien district, Hanoi | Leasing and trading real estate property |

(*) Previously known as Ha Thanh Real Estate Development and Investment Joint Stock Company.

Vincom Retail Joint Stock Company

APPENDIX (continued)
Quarter II 2019

APPENDIX 2 - EXPLANATION FOR THE VARIANCES IN INCOME STATEMENT BETWEEN THE TWO PERIODS

(Under guidance of Circular No. 155/2015/TT-BTC dated 06 October 2015)

Currency: VND

| Code | Item | Quarter II 2019 | Quarter II 2018 | Variance | % |
|------|---|-------------------|-------------------|------------------|------|
| 10 | Net revenue from sale of goods and rendering of services | 1,982,714,013,892 | 1,515,912,177,676 | 466,801,836,216 | 31% |
| 11 | Cost of goods sold and services rendered | 1,023,636,079,451 | 762,869,394,151 | 260,766,685,300 | 34% |
| 21 | Gross profit from sale of goods and rendering of services | 77,757,975,613 | 146,649,921,784 | (68,891,946,171) | -47% |
| 22 | Finance expenses | 73,292,968,201 | 100,486,576,285 | (27,193,608,084) | -27% |
| 26 | General and administrative expenses | 126,848,544,963 | 34,718,933,068 | 92,129,611,895 | 265% |
| 60 | Net profit after tax | 640,297,032,343 | 620,140,454,477 | 20,156,577,866 | 3% |

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

- Net revenue from sale of goods and rendering of services in Quarter II 2019 increased VND 467 billion in comparison with previous period mainly because of: (i) an increase amounted to VND 307 billion in revenue from leasing activities and rendering of related services which mostly came from stable operation in Quarter II 2019 of newly opening shopping malls in 2018; and (ii) an increase amounted to VND 146 billion from sale of inventory properties. Cost of goods sold and services rendered increased correspondingly to the increase of revenue from sale of goods and rendering of services
- Finance income decreased VND 69 billion because of the decrease of interest income from bank deposits, loans and deposits.
- Finance expense decreased VND 27 billion due to the decrease of interest expense because of loan principal repayment.
- General and administrative expenses increased correspondingly to the growth of revenue
- Net profit after tax increased VND 20 billion in comparison with previous period because of above mentioned reasons.