



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

**Consolidated Interim Financial Statements
for the six-month period ended 30 June 2019**

Vincom Retail Joint Stock Company

Corporate Information

Business Registration Certificate No.

0105850244

11 April 2012

The Company's Business Registration Certificate has been amended several times, the most recent of which is dated 2 January 2019. The Company's Business Registration Certificate was issued by the Department of Planning and Investment of Ha Noi City.

Board of Directors

Ms. Thai Thi Thanh Hai	Chairwoman
Ms. Mai Thu Thuy	Member (until 1 August 2019)
Ms. Tran Mai Hoa	Member
Ms. Nguyen Thi Diu	Member
Ms. Le Mai Lan	Member
Mr. Jeffrey David Perlman	Member (until 8 July 2019)
Mr. Timothy J. Daly	Member
Mr. Brett Krause	Member
Mr. Phan Thanh Son	Member (until 1 August 2019)

Board of Management

Ms. Tran Mai Hoa	General Director
Mr. Nguyen Anh Dung	Deputy General Director
Ms. Tran Thu Hien	Deputy General Director
Ms. Pham Ngoc Thoa	Chief Finance Officer

Vincom Retail Joint Stock Company
Corporate Information (continued)

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

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

Statement of the Board of Management

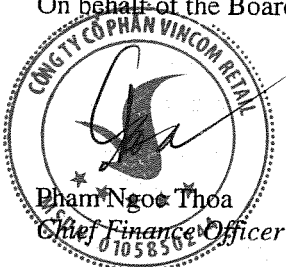
The Board of Management of Vincom Retail Joint Stock Company (“the Company”) presents this statement and the accompanying consolidated interim financial statements of the Company and its subsidiaries for the six-month period ended 30 June 2019.

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

- (a) the consolidated interim financial statements set out on pages 6 to 68 give a true and fair view of the consolidated financial position of the Company and its subsidiaries as at 30 June 2019, and of the consolidated results of operations and the consolidated cash flows of the Company and its subsidiaries for the six-month period ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Company and its subsidiaries will not be able to pay its debts as and when they fall due.

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

On behalf of the Board of Management



Hanoi, 29 August 2019



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115 Nguyen Hue Street, Ben Nghe Ward
District 1, Ho Chi Minh City, Vietnam
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INTERIM FINANCIAL STATEMENTS REVIEW REPORT

To the Shareholders Vincor Retail Joint Stock Company

We have reviewed the accompanying consolidated interim financial statements of Vincor Retail Joint Stock Company ("the Company") and its subsidiaries, which comprise the consolidated balance sheet as at 30 June 2019, the consolidated statements of income and cash flows for the six-month period then ended and the explanatory notes thereto which were authorised for issue by the Company's Board of Management on 29 August 2019, as set out on pages 6 to 68.

Management's Responsibility

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

Auditor's Responsibility

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

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



Auditor's Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not give a true and fair view, in all material respects, of the consolidated financial position of Vincom Retail Joint Stock Company and its subsidiaries as at 30 June 2019 and of their consolidated results of operations and their consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting.



KPMG Limited's Branch in Ho Chi Minh City

Vietnam
Review Report No.: 19-01-00249-19-2
CÔNG TY TNHH

Hà Vũ Đình
Practicing Auditor Registration
Certificate No. 0414-2018-007-1
Deputy General Director

Chang Hung Ch�n
Practicing Auditor Registration
Certificate No. 0863-2018-007-1

Ho Chi Minh City, 29 August 2019

Vincom Retail Joint Stock Company and its subsidiaries
Consolidated balance sheet as at 30 June 2019

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

	Code	Note	30/6/2019 VND	1/1/2019 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		4,815,223,289,934	7,122,640,820,313
Cash and cash equivalents	110	8	702,379,310,803	2,431,380,824,439
Cash	111		182,379,310,803	501,380,824,439
Cash equivalents	112		520,000,000,000	1,930,000,000,000
Short-term financial investments	120		76,125,309,785	701,416,674,850
Held-to-maturity investments	123	9	76,125,309,785	701,416,674,850
Accounts receivable – short-term	130		1,292,915,998,297	1,047,919,405,624
Accounts receivable from customers – short-term	131	10	409,216,659,502	444,767,619,024
Prepayments to suppliers – short-term	132	11	419,448,497,910	282,451,398,435
Other short-term receivables	136	12(a)	473,115,011,489	333,110,692,769
Allowance for doubtful debts – short-term	137	13	(8,864,170,604)	(12,410,304,604)
Inventories	140	14	864,044,166,919	901,518,194,206
Inventories	141		865,293,881,586	903,377,872,498
Allowance for inventories	149		(1,249,714,667)	(1,859,678,292)
Other current assets	150		1,879,758,504,130	2,040,405,721,194
Short-term prepaid expenses	151	20(a)	128,457,363,893	152,319,205,840
Deductible value added tax	152		69,300,649,873	105,086,024,990
Taxes receivable from State Treasury	153		490,364	490,364
Other current assets	155	15	1,682,000,000,000	1,783,000,000,000

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

Vincom Retail Joint Stock Company and its subsidiaries
Consolidated balance sheet as at 30 June 2019 (continued)

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

	Code	Note	30/6/2019 VND	1/1/2019 VND
Long-term assets (200 = 210 + 220 + 230 + 240 + 250 + 260)	200		32,396,881,992,381	31,561,042,607,246
Accounts receivable – long-term	210		6,193,802,116	10,106,962,116
Other long-term receivables	216	12(c)	6,193,802,116	10,106,962,116
Fixed assets	220		223,247,252,000	307,841,694,121
Tangible fixed assets	221	16	199,471,508,848	281,955,461,842
Cost	222		287,052,246,289	365,420,937,565
Accumulated depreciation	223		(87,580,737,441)	(83,465,475,723)
Intangible assets	227	17	23,775,743,152	25,886,232,279
Cost	228		46,450,431,277	45,236,328,892
Accumulated amortisation	229		(22,674,688,125)	(19,350,096,613)
Investment property	230	18	27,632,323,853,869	26,429,422,507,995
Cost	231		31,649,667,340,940	29,763,599,129,860
Accumulated depreciation	232		(4,017,343,487,071)	(3,334,176,621,865)
Long-term work in progress	240		1,102,190,088,538	1,343,477,739,304
Construction in progress	242	19	1,102,190,088,538	1,343,477,739,304
Long-term financial investments	250		830,000,000,000	1,832,000,000,000
Equity investments in other entities	253		-	2,000,000,000
Held-to-maturity investments	255	9	830,000,000,000	1,830,000,000,000
Other long-term assets	260		2,602,926,995,858	1,638,193,703,710
Long-term prepaid expenses	261	20(b)	574,530,659,109	593,378,680,356
Deferred tax assets	262	21	9,326,347,319	9,453,197,319
Other long-term assets	268	15	1,576,000,000,000	556,000,000,000
Goodwill	269	22	443,069,989,430	479,361,826,035
TOTAL ASSETS (270 = 100 + 200)	270		37,212,105,282,315	38,683,683,427,559

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

Vincom Retail Joint Stock Company and its subsidiaries
Consolidated balance sheet as at 30 June 2019 (continued)

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

	Code	Note	30/6/2019 VND	1/1/2019 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		9,904,794,563,294	10,174,402,001,701
Current liabilities	310		5,979,831,793,450	6,259,845,554,046
Accounts payable to suppliers				
– short-term	311	23	2,630,503,763,467	3,423,550,940,711
Advances from customers				
– short-term	312	24	939,296,933,556	887,933,520,492
Taxes and other payables to State Treasury	313	25	209,688,216,076	276,208,165,719
Payables to employees	314		485,110,578	840,767,194
Accrued expenses – short-term	315	26	1,131,814,614,479	777,952,158,666
Unearned revenue – short-term	318	27(a)	112,606,049,139	102,060,318,189
Other payables – short-term	319	28(a)	911,314,366,073	749,230,246,551
Short-term bonds and finance lease liabilities	320	29(a)	18,511,048,373	18,078,835,131
Provisions – short-term	321	30	22,715,534,205	21,094,443,889
Bonus and welfare funds	322		2,896,157,504	2,896,157,504
Long-term liabilities	330		3,924,962,769,844	3,914,556,447,655
Unearned revenue – long-term	336	27(b)	162,766,809,282	215,361,851,210
Other payables – long-term	337	29(b)	917,764,217,892	855,791,373,377
Long-term bonds and finance lease liabilities	338	29(b)	2,764,079,943,602	2,762,382,304,276
Deferred tax liabilities	341	21	80,351,799,068	81,020,918,792

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

Vincom Retail Joint Stock Company and its subsidiaries
Consolidated balance sheet as at 30 June 2019 (continued)

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

	Code	Note	30/6/2019 VND	1/1/2019 VND
EQUITY (400 = 410)	400		27,307,310,719,021	28,509,281,425,858
Owners' equity	410	31	27,307,310,719,021	28,509,281,425,858
Share capital	411	32	23,288,184,100,000	23,288,184,100,000
- Ordinary shares with voting rights	411a		23,288,184,100,000	23,288,184,100,000
Share premium	412		46,983,098,907	46,983,098,907
Other equity funds	420		(53,419,891,967)	(58,419,891,967)
Undistributed profits after tax	421		3,992,148,194,107	5,190,927,603,788
- Undistributed profits after tax brought forward	421a		2,740,668,273,288	2,786,541,240,791
- Net profit after tax for the current period/prior year	421b		1,251,479,920,819	2,404,386,362,997
Non-controlling interest	429		33,415,217,974	41,606,515,130
TOTAL RESOURCES (440 = 300 + 400)	440		37,212,105,282,315	38,683,683,427,559

29 August 2019

Prepared by:



Phung Thi Thanh

Approved by:



Nguyen Thi Xuan Nghia
Chief Accountant



Pham Ngoc Thoa
Chief Finance Officer

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

Vincom Retail Joint Stock Company and its subsidiaries
Consolidated statement of income for the six-month period ended 30 June 2019
Form B 02a – DN/HN
*(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	Six-month period ended	
			30/6/2019	30/6/2018
			VND	VND
Revenue from sale of goods and provision of services	01	35	4,266,785,555,719	3,133,804,699,868
Revenue deductions	02	35	-	-
Net revenue (10 = 01 - 02)	10	35	4,266,785,555,719	3,133,804,699,868
Cost of sales	11	36	2,335,660,862,758	1,579,855,228,388
Gross profit (20 = 10 - 11)	20		1,931,124,692,961	1,553,949,471,480
Financial income	21	37	157,325,757,820	333,456,180,104
Financial expenses	22	38	146,007,568,223	232,006,804,105
<i>In which: Interest expense</i>	23		145,355,109,288	231,747,729,945
Selling expenses	25	39	140,536,601,420	93,965,674,509
General and administration expenses	26	40	242,538,838,127	130,230,142,092
Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		1,559,367,443,011	1,431,203,030,878
Other income	31	41	21,593,833,285	50,715,134,470
Other expenses	32	42	15,324,978,338	7,842,000,508
Results of other activities (40 = 31 - 32)	40		6,268,854,947	42,873,133,962
Accounting profit before tax (50 = 30 + 40)	50		1,565,636,297,958	1,474,076,164,840
Current corporate income tax expense	51	44	314,699,944,019	310,569,886,785
Deferred corporate tax (income)/expense	52	44	(542,269,724)	1,866,502,212
Net profit after tax (60 = 50 - 51 - 52) (carried forward to next page)	60		1,251,478,623,663	1,161,639,775,843

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

Vincom Retail Joint Stock Company and its subsidiaries
Consolidated statement of income for the six-month period ended 30 June 2019
(continued)

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

	Code	Note	Six-month period ended 30/6/2019 VND	30/6/2018 VND
Net profit after tax (60 = 50 - 51 - 52) (brought forward from previous page)	60		1,251,478,623,663	1,161,639,775,843

Attributable to:

Equity holders of the Company	61		1,251,479,920,819	1,161,385,014,564
Non-controlling interest	62		(1,297,156)	254,761,279

	Code	Note	Six-month period ended 30/6/2019 VND	30/6/2018 VND (as restated)
Earnings per share				
Basic earnings per share	70	45	537	499

29 August 2019

Prepared by:



Phung Thi Thanh

Approved by:



Nguyen Thi Xuan Nghia
Chief Accountant



Pham Ngoc Thoa
Chief Finance Officer

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

Vincom Retail Joint Stock Company and its subsidiaries
Consolidated statement of cash flows for the six-month period ended 30 June 2019
(Indirect method)

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

	Code	Note	Six-month period ended 30/6/2019 VND	30/6/2018 VND
CASH FLOWS FROM OPERATING ACTIVITIES				
Accounting profit before tax	01		1,565,636,297,958	1,474,076,164,840
Adjustments for				
Depreciation and amortisation	02		735,071,647,246	535,381,049,561
Allowances and provisions	03		3,526,754,249	17,288,929,075
Profits from investing activities	05		(148,425,443,345)	(333,768,590,783)
Interest expense and bonds issuance costs	06		145,355,109,288	231,747,729,945
Operating profit before changes in working capital	08		2,301,164,365,396	1,924,725,282,638
Change in receivables and other assets	09		(286,486,431,629)	237,249,700,605
Change in inventories	10		38,083,990,912	(488,526,171,162)
Change in payables and other liabilities	11		140,076,981,990	(378,796,895,275)
Change in prepaid expenses	12		42,845,309,923	(76,233,227,049)
			2,235,684,216,592	1,218,418,689,757
Interest paid	14		(126,814,013,982)	(224,075,392,780)
Corporate income tax paid	15		(358,045,636,249)	(314,035,824,939)
Other receipts from operating activities	16		-	132,200,000,000
Net cash flows from operating activities	20		1,750,824,566,361	812,507,472,038

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

Vincom Retail Joint Stock Company and its subsidiaries
Consolidated statement of cash flows for the six-month period ended 30 June 2019
(Indirect method – continued)

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

	Code	Note	Six-month period ended	
			30/6/2019	30/6/2018
			VND	VND
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets and other long-term assets	21		(2,979,654,950,571)	(1,095,422,950,082)
Collections on investment deposits	21		-	484,000,000,000
Proceeds from disposals of fixed assets	22		487,111,233	1,859,121,694
Payments for granting loans and placement of term deposits	23		(24,708,634,935)	-
Receipts from collecting loans and term deposits	24		1,650,000,000,000	2,658,798,917,095
Collections of investments in other entities	26		-	136,694,692,439
Receipts of interest	27		237,991,079,904	312,314,986,700
Net cash flows (used in)/from investing activities	30		(1,115,885,394,369)	2,498,244,767,846
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments to settle loan principals	34		-	(3,200,000,000,000)
Payments of dividends	36		(2,363,940,685,628)	-
Net cash flows from financing activities	40		(2,363,940,685,628)	(3,200,000,000,000)
Net cash flows during the period (50 = 20 + 30 + 40)	50		(1,729,001,513,636)	110,752,239,884
Cash and cash equivalents at the beginning of the period	60		2,431,380,824,439	1,421,529,231,881
Cash and cash equivalents at the end of the period (70 = 50 + 60)	70	8	702,379,310,803	1,532,281,471,765

29 August 2019

Prepared by:



Phung Thi Thanh

Approved by:



Nguyen Thi Xuan Nghia
Chief Accountant



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

Vincom Retail Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2019

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
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These notes form an integral part of and should be read in conjunction with the accompanying consolidated interim financial statements.

1. Reporting entity

(a) Ownership structure

Vincom Retail Joint Stock Company (“the Company”) is incorporated as a joint stock company in Vietnam. The consolidated interim financial statements of the Company for the six-month period ended 30 June 2019 comprise the Company and its subsidiaries.

(b) Principal activities

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

(c) Normal operating cycle

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

Vincom Retail Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2019 (continued)

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

(d) Company structure

As at 30 June 2019, the Company had 3 directly owned subsidiaries and 1 indirectly owned subsidiary (1/1/2019: 3 directly owned subsidiaries). Details of subsidiaries are described as follows:

Name	Principal activities	Address	Percentage of economic interests and voting rights as at	
			30/6/2019	1/1/2019
Directly owned subsidiaries				
South Vincom Retail Limited Liability Company	Leasing malls, offices and providing related services, and trading real estate property and entertainment services.	No. 72, Le Thanh Ton Street and No. 45A Ly Tu Trong Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.	100.00%	100.00%
North Vincom Retail Limited Liability Company	Leasing malls, offices and providing related services, and trading real estate property and entertainment services.	No. 72A, Nguyen Trai Street, Thuong Dinh Ward, Thanh Xuan District, Hanoi City, Vietnam.	100.00%	100.00%
Suoi Hoa Urban Development and Investment Joint Stock Company	Leasing malls, offices and providing related services, and trading real estate property and entertainment services.	Km1 + 200, Tran Hung Dao Street, Suoi Hoa Ward, Bac Ninh City, Bac Ninh Province, Vietnam.	97.27%	97.27%
Indirectly owned subsidiary				
Ha Thanh Real Estate Development and Investment Company Limited (*)	Leasing malls, offices and providing related services, and trading real estate property and entertainment services.	No. 7, Bang Lang 1 Street, Ecological Residence of Vinhomes Riverside, Viet Hung Ward, Long Bien District, Hanoi City, Vietnam	100.00%	10.00%

All subsidiaries are incorporated in Vietnam.

- (*) On 20 June 2019, North Vincom Retail Limited Liability Company completed the acquisition of 100% equity interest in Ha Thanh Real Estate Investment and Development Company Limited (previously known as Ha Thanh Real Estate Investment and Development Joint Stock Company).

As at 30 June 2019, the Company and its subsidiaries had 3,122 employee (1/1/2019: 3,451 employee).

Vincom Retail Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2019 (continued)

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

2. Basis of preparation

(a) Statement of compliance

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

(b) Basis of measurement

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

(c) Annual accounting period

The annual accounting period of the Company and its subsidiaries are from 1 January to 31 December. These consolidated interim financial statements are prepared for the six-month period ended 30 June 2019.

(d) Accounting and presentation currency

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

3. Summary of significant accounting policies

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

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

(a) Basis of consolidation

(i) Subsidiaries

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

Vincom Retail Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2019 (continued)

Form B 09a – DN/HN
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(ii) *Non-controlling interests*

Non-controlling interests (“NCI”) are measured at the proportionate share of the acquiree’s identifiable net assets at date of acquisition.

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

(iii) *Transactions eliminated on consolidation*

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

(iv) *Asset acquisition and business combination*

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

Under the purchase method, the assets and liabilities of the acquired entity are consolidated using their fair values. Cost of business combination consists of the aggregate fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Company and its subsidiaries in exchange for control of the acquiree, and transaction costs. Goodwill represents the excess of the cost of business combination over the Company and its subsidiaries’ interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquired entity. When the excess is negative, it is recognised immediately in the consolidated statement of income.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Company and its subsidiaries incurred in connection with business combinations included any costs directly attributable to the business combination, such as professional fees paid to accountants, legal advisers, valuers and other consultants to effect the business combination. Transaction costs are capitalised into the cost of business combination. General administrative costs and other costs that cannot be directly attributed to the particular business combination being accounted for are not included in the cost of the business combination, they are recognised as an expense when incurred.

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

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

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Business combinations involving entities or business under common control

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

- The assets and liabilities of the two combined entities are reflected at their carrying amounts on the date of business combination;
- No goodwill is recognised from the business combination;
- The consolidated statement of income reflects the results of the combined entities from the date of the business combination;
- Any difference between the cost of acquisition and net assets value acquired is treated as a deemed distribution to or contribution from shareholders and recorded in equity.

(b) Foreign currency

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

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

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

(c) Cash and cash equivalents

Cash comprises call deposits and cash in transit. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

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(d) Investments

Held-to-maturity investments

Held-to-maturity investments are those that the Company and its subsidiaries have the intention and ability to hold until maturity. Held-to-maturity investments include term deposits at bank. These investments are stated at costs less allowance for diminution in value.

(e) Accounts receivable from customers and other receivables

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

(f) Inventories

(i) *Inventory properties*

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

Cost includes:

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

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

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

(ii) *Other inventories*

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

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

The perpetual method is used to record the costs of other inventories on a weighted average basis.

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(g) Tangible fixed assets

(i) Cost

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

(ii) Depreciation

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

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

(h) Intangible fixed assets

Software

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

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(i) Investment properties

Investment properties held to earn rental

Cost

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

Depreciation

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

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

The Company and its subsidiaries have contributed capital to cooperate in the investment, construction and development of shopping centers. Under business co-investment contracts, 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. Accordingly, the shopping centers are recognised by the Company and its subsidiaries as investment properties in the consolidated balance sheet upon the hand over of these properties.

(j) Construction in progress

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

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(k) 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.

(i) Prepaid rentals

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

(ii) Overhaul expenditures

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

(iii) Tools and supplies

Tools and supplies include assets held for use by the Company and its subsidiaries in the normal course of business and not qualified for recognition as fixed assets under prevailing regulations. Costs of tools and supplies are amortised on a straight-line basis not exceeding 3 years.

(iv) Prepaid land costs

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

(v) Commission fees

Sale commissions that are directly related to sale of inventory properties and lease of shopping malls are capitalised under the prepaid expenses account in the consolidated balance sheet and subsequently expensed when the Company and its subsidiaries recognise revenue from the sale of the related inventory properties and lease of shopping malls.

(vi) Committed profits

Prepaid committed profits for apartment under business cooperation contracts and apartment management service program are capitalised under the prepaid expenses account in the consolidated balance sheet and subsequently expensed when the Company and its subsidiaries recognise revenue from service rendered over the term of management service program.

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(l) Goodwill

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

Goodwill arising on acquisition of a subsidiary is amortised on a straight-line basis over 10 years.

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

(m) Accounts payable to suppliers and other payables

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

(n) Provisions

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

Provision for warranty expenses for apartments and shophouses

The provision for warranties relates to sold standard-designed apartments and shophouses. The provision is based on estimates derived from historical warranty data associated with the repair expenses of apartments and shophouses sold in the past.

(o) Share capital and share premium

Ordinary shares are recognised at issuance price less costs not directly attributable to the issue of shares, net of tax effects. Such costs less taxes directly related to the issue of shares are recognised as a deduction from share premium.

(p) Bond issued

At initial recognition, straight bonds are measured at cost which comprises proceeds from issuance net of issuance costs. Any discount, premium or issuance costs are amortised on a straight-line basis over the term of the bond.

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(q) Taxation

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

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

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

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

(r) Revenue and other income

(i) *Revenue from sale of inventory properties*

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

Revenue from sale of inventory properties also includes long-term lease of real estate properties qualified for recognition of outright sales. If the lease-term is greater than 90% of the asset's useful life, the Company and its subsidiaries will recognise the revenue for the entire prepaid lease payment if all of the following conditions are met:

- Lessee is not allowed to cancel the lease contract during the lease term, and the lessor is not responsible for reimbursing the prepaid lease payments under any circumstances;
- The prepaid lease payment is not less than 90% of the total estimated lease payment collected under contract over the lease period and lessee must pay all rental within 12 months from the commencement of the lease;
- Significant risks and rewards associated with the ownership of leased assets are transferred to the lessee; and
- The full cost of the lease must be reasonably estimated.

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(ii) *Revenue from leasing of investment properties*

Rental income arising from operating lease of properties is recognised in the consolidated statement of income on a straight line basis over the lease term. Lease incentives granted (if any) are recognised as a deduction of the total rental income.

(iii) *Rendering of services*

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

(iv) *Interest income*

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

(s) *Leased assets*

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

A lease is classified as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

Where the Company and its subsidiaries are the lessee

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

Capitalised finance leased assets are depreciated using straight-line basis over the shorter of the estimated useful life of the asset and the lease term.

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

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

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Where the Company and its subsidiaries are the lessor

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

Lease income is recognised in the consolidated statement of income on a straight-line basis over the lease term. Lease incentives granted (if any) are recognised as a deduction of the total rental income.

(t) Borrowing costs

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

(u) Earnings per share

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

(v) Segment reporting

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

(w) Related parties

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

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4. Seasonality of operations

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

5. Changes in accounting estimates and unusual items

In preparing these consolidated interim financial statements, the Company's Board of Management has made several accounting estimates. Actual results may differ from these estimates. There were no significant changes in accounting estimates made in the consolidated interim financial statements for the six-month period ended 30 June 2019 compared to those made in the most recent annual consolidated financial statements or those made in the same interim period of the prior year.

There are no significant unusual items that may affect the Company and its subsidiaries' interim consolidated financial statements for the six-month period ended 30 June 2019.

6. Changes in the composition of the Company and its subsidiaries

During the period, North Vincom Retail Limited Liability Company, a subsidiary of the Company, completed the acquisition of 100% equity interest in Ha Thanh Real Estate Investment and Development Company Limited (previously known as Ha Thanh Real Estate Investment and Development Joint Stock Company).

7. Segment reporting

(a) Business segments

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

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

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment revenue, expenses and results include transfer between business segments. Such transfers are eliminated on consolidation.

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For the six-month period ended 30 June 2019	Sale of inventory properties VND	Leasing activities and rendering of related services VND	Others VND	Total segments VND	Elimination VND	Consolidated VND
External revenue	903,140,560,007	3,258,474,194,171	105,170,801,541	4,266,785,555,719	-	4,266,785,555,719
Inter-segment revenue	-	28,434,000,000	187,885,482,929	216,319,482,929	(216,319,482,929)	-
Total segment revenue	903,140,560,007	3,286,908,194,171	293,056,284,470	4,483,105,038,648	(216,319,482,929)	4,266,785,555,719
Segment results	210,688,961,171	1,386,582,213,078	(41,463,608,174)	1,555,807,566,075	(7,758,312,661)	1,548,049,253,414
Financial income						157,325,757,820
Financial expenses						146,007,568,223
Net operating profit						1,559,367,443,011
Other income						21,593,833,285
Other expenses						15,324,978,338
Income tax expense						314,157,674,295
Net profit after tax						1,251,478,623,663

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For the six-month period ended 30 June 2018	Sale of inventory properties VND	Leasing activities and rendering of related services VND	Others VND	Total segments VND	Elimination VND	Consolidated VND
External revenue	491,563,697,652	2,617,520,582,344	24,720,419,872	3,133,804,699,868	-	3,133,804,699,868
Inter-segment revenue	-	27,645,228,801	110,024,593,077	137,669,821,878	(137,669,821,878)	-
Total segment revenue	491,563,697,652	2,645,165,811,145	134,745,012,949	3,271,474,521,746	(137,669,821,878)	3,133,804,699,868
Segment results	88,194,388,960	1,241,106,062,112	18,217,351,355	1,347,517,802,427	(17,764,147,548)	1,329,753,654,879
Financial income						333,456,180,104
Financial expenses						232,006,804,105
Net operating profit						1,431,203,030,878
Other income						50,715,134,470
Other expenses						7,842,000,508
Income tax expense						312,436,388,997
Net profit after tax						1,161,639,775,843

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As at 30 June 2019

	Sale of inventory properties VND	Leasing activities and rendering of related services VND	Others VND	Consolidated VND
Segment assets	1,367,400,694,854	33,898,368,497,625	156,972,375,030	35,422,741,567,509
Unallocated assets				1,789,363,714,806
Total assets				37,212,105,282,315
Segment liabilities	2,543,092,663,189	4,005,353,402,165	102,988,548,105	6,651,434,613,459
Unallocated liabilities				3,253,359,949,835
Total liabilities				9,904,794,563,294
For the six-month period ended 30 June 2019				
Capital expenditure	-	1,581,602,951,758	3,642,329,836	1,585,245,281,594
Depreciation of tangible fixed assets	-	11,560,328,888	7,860,493,828	19,420,822,716
Amortisation of intangible fixed assets and goodwill	-	39,731,816,908	-	39,731,816,908
Depreciation of investment property	-	671,255,835,155	4,663,172,467	675,919,007,622

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As at 1 January 2019

	Sale of inventory properties VND	Leasing activities and rendering of related services VND	Others VND	Consolidated VND
Segment assets	1,114,979,803,197	32,173,771,412,290	131,070,627,599	33,419,821,843,086
Unallocated assets				5,263,861,584,473
Total assets				38,683,683,427,559
Segment liabilities	2,458,913,690,547	4,392,888,096,930	100,992,788,243	6,952,794,575,720
Unallocated liabilities				3,221,607,425,981
Total liabilities				10,174,402,001,701

For the six-month period ended 30 June 2018

Capital expenditure	-	1,537,556,916,921	-	1,537,556,916,921
Depreciation of tangible fixed assets	-	8,759,520,912	7,195,485,649	15,955,006,561
Amortisation of intangible fixed assets and goodwill	-	39,855,363,607	-	39,855,363,607
Depreciation of investment property	-	476,483,642,614	3,087,036,779	479,570,679,393

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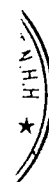
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Details of unallocated assets and liabilities are as following:

	30/6/2019	1/1/2019
	VND	VND
Cash and cash equivalents	702,379,310,803	2,431,380,824,439
Short-term financial investments	76,125,309,785	701,416,674,850
Interest income receivables from term deposits, other deposits and loan receivables	76,859,050,818	157,531,797,333
Receivables for payment on behalf	16,584,409,391	20,273,658,765
Prepaid provisional corporate income tax	8,788,146,453	8,718,916,413
Deductible value added tax	69,300,649,873	105,086,024,990
Taxes receivable from State Treasury	490,364	490,364
Long-term financial investments	830,000,000,000	1,830,000,000,000
Deferred tax assets	9,326,347,319	9,453,197,319
Unallocated assets	1,789,363,714,806	5,263,861,584,473
Taxes and others payable to State Treasury	209,688,216,076	276,208,165,719
Accrued loans and bond interests	91,220,297,844	83,917,202,063
Dividends payable	89,508,644,872	-
Short-term bonds and finance lease liabilities	18,511,048,373	18,078,835,131
Long-term bonds and finance lease liabilities	2,764,079,943,602	2,762,382,304,276
Deferred tax liabilities	80,351,799,068	81,020,918,792
Unallocated liabilities	3,253,359,949,835	3,221,607,425,981

(b) Geographical segments

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



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8. Cash and cash equivalents

	30/6/2019	1/1/2019
	VND	VND
Cash in transit	602,233,619	720,351,273
Cash in banks	181,777,077,184	500,660,473,166
Cash equivalents	520,000,000,000	1,930,000,000,000
	<hr/>	<hr/>
	702,379,310,803	2,431,380,824,439
	<hr/>	<hr/>

Cash equivalents as at 30 June 2019 included term deposits in VND with original terms ranging from 1 to 1.5 months and earned interest at the rate ranging from 5.35% per annum to 5.5% per annum (1/1/2019: term deposits in VND with original terms to maturity ranging from 1 to 3 months and earned interest at the rate ranging from 5.0% per annum to 5.5% per annum).

9. Held-to-maturity investments

	30/6/2019	1/1/2019
	VND	VND
Held-to-maturity investments – short-term		
• Term deposits at banks (i)	76,125,309,785	701,416,674,850
Held-to-maturity investments – long-term		
• Term deposits at banks (ii)	830,000,000,000	1,830,000,000,000
	<hr/>	<hr/>

- (i) Held-to-maturity investments – short-term represented term deposits with maturity term ranging from 6 to 12 months and earned interest at the rate ranging from 7.0% to 7.2% per annum (1/1/2019: term deposits with maturity of 6 months and earned interest at the rate of 6.0% - 7.1% per annum). These are maintenance funds of condotel project, handed over residential apartments and retail space projects. These funds will be transferred to the building management boards.
- (ii) Held-to-maturity investments – long-term represented term deposits with maturity of 36 months and earned interest at the rate of 7.1% per annum (1/1/2019: term deposits with maturity of 36 months and earned interest at the rate of 7.1% per annum).

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10. Accounts receivable from customers – short-term

	30/6/2019	1/1/2019
	VND	VND
Receivables from leasing activities and rendering of related services	269,170,269,769	343,180,626,731
Receivables from sale of inventory properties	100,713,490,675	86,841,373,441
Others	39,332,899,058	14,745,618,852
	<hr/> 409,216,659,502	<hr/> 444,767,619,024 <hr/>

(a) Accounts receivable from customers – short-term detailed by significant customers

	30/6/2019	1/1/2019
	VND	VND
Vincommerce General Commerce Services Joint Stock Company	72,816,169,508	64,126,136,271
Receivable from long-term leasing contract and related services fee to a corporate counterparty	-	76,904,162,177
Other customers	336,400,489,994	303,737,320,576
	<hr/> 409,216,659,502	<hr/> 444,767,619,024 <hr/>

(b) Accounts receivable from customers – short-term who are related parties

	30/6/2019	1/1/2019
	VND	VND
Vincommerce General Commerce Services Joint Stock Company	72,816,169,508	64,126,136,271
Vinhomes Joint Stock Company	34,099,431,114	30,721,509,371
Vinpro Business and Trading Services Joint Stock Company	19,588,021,291	12,069,422,494
Other related parties	18,081,785,048	25,847,307,972
	<hr/> 144,585,406,961	<hr/> 132,764,376,108 <hr/>

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11. Prepayments to suppliers – short-term

(a) Prepayments to suppliers – short-term detailed by significant suppliers

	30/6/2019 VND	1/1/2019 VND
Vinhomes Joint Stock Company	203,332,016,103	93,245,883,139
Other suppliers	216,116,481,807	189,205,515,296
	<hr/> 419,448,497,910	<hr/> 282,451,398,435 <hr/>

(b) Prepayments to suppliers – short-term who are related parties

	30/6/2019 VND	1/1/2019 VND
Vinhomes Joint Stock Company	203,332,016,103	93,245,883,139
Vincommerce General Commerce Services Joint Stock Company	-	291,660,000
Other related parties	10,437,000	-
	<hr/> 203,342,453,103	<hr/> 93,537,543,139 <hr/>

12. Other receivables

(a) Other receivables – short-term

	30/6/2019 VND	1/1/2019 VND
Customer deposits for purchasing real estate projects receivable from agents	159,288,684,837	2,372,416,812
Receivables from business co-operation contracts	92,920,467,442	4,126,477,610
Interest income receivables from term deposits, other deposits and loan receivables	76,859,050,818	157,531,797,333
Deposits for projects and contracts	31,874,339,433	52,205,744,897
Receivables for payment on behalf	16,584,409,391	20,273,658,765
Others	95,588,059,568	96,600,597,352
	<hr/> 473,115,011,489	<hr/> 333,110,692,769 <hr/>

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

	30/6/2019 VND	1/1/2019 VND
Vingroup Joint Stock Company	71,532,193,553	90,533,702,145
Vinpearl Joint Stock Company	36,109,781,579	8,869,971,608
Vietnam Investment and Consulting Investment Joint Stock Company	19,381,383,697	19,381,383,697
Vincommerce General Commerce Services Joint Stock Company	-	768,270,554
Other related parties	30,534,478,489	37,774,976,654
	<hr/> 157,557,837,318	<hr/> 157,328,304,658 <hr/>

(c) Other receivables – long-term

	30/6/2019 VND	1/1/2019 VND
Deposits for leasing office and commercial centres	4,908,802,116	10,106,962,116
Others	1,285,000,000	-
	<hr/> 6,193,802,116	<hr/> 10,106,962,116 <hr/>

13. Allowance for doubtful debts

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

	Six-month period ended 30/6/2019 VND	30/6/2018 VND
Opening balance	12,410,304,604	69,813,377,316
Increase in allowance during the period	2,327,720,300	6,807,616,905
Utilisation during the period	(6,061,761,558)	(28,860,286,952)
Written back during the period	-	(666,757,959)
Other increase	187,907,258	-
	<hr/> 8,864,170,604	<hr/> 47,093,949,310 <hr/>
Closing balance	8,864,170,604	47,093,949,310

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14. Inventories

	30/6/2019		1/1/2019	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Inventory properties under construction	844,879,276,600	(1,249,714,667)	887,106,007,234	(1,859,678,292)
Completed inventory properties	8,928,534,109	-	5,898,903,060	-
Other inventories	11,486,070,877	-	10,372,962,204	-
	865,293,881,586	(1,249,714,667)	903,377,872,498	(1,859,678,292)

Movements of the inventories during the period were as follows:

	Six-month period ended 30/6/2019 VND
Opening balance	903,377,872,498
Additions	594,984,593,801
Inventory properties sold during the period	(634,181,693,386)
Additions of other inventories	1,113,108,673
Closing balance	865,293,881,586

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

	Six-month period ended	
	30/6/2019 VND	30/6/2018 VND
Opening balance	1,859,678,292	26,290,343,710
Written back during the period	(609,963,625)	-
Increase in allowance during the period	-	11,148,070,129
Closing balance	1,249,714,667	37,438,413,839

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15. Other assets

	30/6/2019 VND	1/1/2019 VND
Other current assets		
▪ Deposits to related parties for investment purposes	1,682,000,000,000	1,783,000,000,000
Other long-term assets		
▪ Deposits to related parties for investment purposes	414,000,000,000	414,000,000,000
▪ Deposits to a third party for investment purposes	1,162,000,000,000	142,000,000,000
	1,576,000,000,000	556,000,000,000

These are deposits to a third party and to Vingroup Joint Stock Company, parent company, and some companies within Vingroup Joint Stock Company (hereby referred to as “the counterparties”) for the co-investment and co-operation of the shopping mall components of a number of real estate projects. These deposits require no collaterals. In accordance with these contracts, the counterparties have committed to transfer the shopping mall component of their properties to the Company and its subsidiaries, or to grant the Company and its subsidiaries the right to purchase the shopping malls.

Deposits to related parties for investments

	30/6/2019 VND	1/1/2019 VND
Parent company		
Vingroup Joint Stock Company	1,754,000,000,000	1,933,000,000,000
Other related parties		
Can Gio Tourist City Corporation	163,000,000,000	163,000,000,000
Gia Lam Urban Investment and Development Company Limited	98,000,000,000	-
West Hanoi Construction and Commercial Development Company Limited	81,000,000,000	-
Vinpearl Joint Stock Company	-	-
Central Park Development Limited Liability Company	-	101,000,000,000
	2,096,000,000,000	2,197,000,000,000

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16. Tangible fixed assets

	Buildings, structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Other assets VND	Total VND
Cost						
Opening 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
Transfers from construction in progress	-	3,465,994,536	-	140,861,818	-	3,606,856,354
Transfers from investment properties	-	686,557,727	-	-	-	686,557,727
Transfers to investment properties	(24,886,483,122)	(12,511,968,566)	-	(103,610,000)	(27,679,237,935)	(65,181,299,623)
Transfers to short-term prepaid expenses	-	(76,363,638)	-	-	-	(76,363,638)
Disposals	(8,430,589,569)	(6,431,136,024)	(2,180,909,911)	(361,806,592)	-	(17,404,442,096)
Closing 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						
Opening 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
Charge 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
Transfers from investment properties	-	52,912,933	-	-	-	52,912,933
Transfers to investment properties	(1,472,749,383)	(3,709,932,137)	-	(102,506)	(2,117,986,491)	(7,300,770,517)
Transfers to short-term prepaid expenses	-	(10,146,949)	-	-	-	(10,146,949)
Disposals	(3,203,600,072)	(3,988,694,444)	(548,780,793)	(306,481,156)	-	(8,047,556,465)
Closing 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 book value						
Opening 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
Closing balance	68,627,790,872	107,480,642,509	467,599,133	3,592,063,662	19,303,412,672	199,471,508,848

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Included in tangible fixed assets were assets costing VND13,994 million which were fully depreciated as at 30 June 2019 (1/1/2019: VND11,400 million), but which are still in active use.

Details of tangible fixed assets used as collaterals for bonds issued by the Company and its subsidiaries are presented in Note 29.

17. Intangible fixed assets

	Software VND
Cost	
Opening balance	45,236,328,892
Transfers from construction in progress	1,352,606,822
Disposals	(138,504,437)
Closing balance	<u>46,450,431,277</u>
Accumulated depreciation	
Opening balance	19,350,096,613
Charge for the period	3,439,980,303
Disposals	(115,388,791)
Closing balance	<u>22,674,688,125</u>
Net book value	
Opening balance	25,886,232,279
Closing balance	<u>23,775,743,152</u>

Included in intangible fixed assets were assets costing VND2,776 million which were fully depreciated as at 30 June 2019 (1/1/2019: VND2,759 million), but which are still in active use.

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18. Investment property

	Definite life land use right VND	Buildings, structures VND	Machinery and equipment VND	Total VND
Cost				
Opening balance	6,574,455,171,198	18,052,738,611,606	5,136,405,347,056	29,763,599,129,860
Additions	31,002,453,176	156,079,515,984	80,605,661,414	267,687,630,574
Transfers from construction in progress	239,447,325,024	792,223,090,654	297,144,182,199	1,328,814,597,877
Transfers from tangible fixed assets	-	29,961,517,694	35,219,781,929	65,181,299,623
Transfers to tangible fixed assets	-	-	(686,557,727)	(686,557,727)
Increase upon finalisation	110,963,359,296	90,855,564,349	23,252,317,088	225,071,240,733
Reclassification	142,823,200,219	(150,643,836,633)	7,820,636,414	-
Closing balance	7,098,691,508,913	18,971,214,463,654	5,579,761,368,373	31,649,667,340,940
Accumulated depreciation				
Opening balance	408,985,604,583	1,578,682,775,114	1,346,508,242,168	3,334,176,621,865
Charge for the period	42,639,976,501	364,414,182,583	268,864,848,538	675,919,007,622
Transfers from tangible fixed assets	-	3,285,362,359	4,015,408,158	7,300,770,517
Transfers to tangible fixed assets	-	-	(52,912,933)	(52,912,933)
Reclassification	-	10,413,363,164	(10,413,363,164)	-
Closing balance	451,625,581,084	1,956,795,683,220	1,608,922,222,767	4,017,343,487,071
Net book value				
Opening balance	6,165,469,566,615	16,474,055,836,492	3,789,897,104,888	26,429,422,507,995
Closing balance	6,647,065,927,829	17,014,418,780,434	3,970,839,145,606	27,632,323,853,869

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

As at 30 June 2019, the Company and its subsidiaries are in the process of determining the fair values of these investment properties.

Details of investment properties used as collaterals for bonds issued by the Company and its subsidiaries are disclosed in Note 29.

Rental commitment under operating leases are disclosed in Note 34.

19. Construction in progress

	Six-month period ended 30/6/2019 VND
Opening balance	1,343,477,739,304
Additions	1,092,486,410,287
Transfers to tangible fixed assets	(3,606,856,354)
Transfers to intangible fixed assets	(1,352,606,822)
Transfers to investment properties	(1,328,814,597,877)
Closing balance	<u>1,102,190,088,538</u>

Major constructions in progress were as follows:

	30/6/2019 VND	1/1/2019 VND
Vincom Di An, Binh Duong project	178,919,419,271	79,358,196,364
Vincom Plaza Soc Trang project	145,694,356,545	269,486,182
Vincom Maximark Bien Hoa project	135,650,041,438	134,398,780,978
Vincom Hoa Binh project	135,199,924,105	62,624,304,567
Vincom Plaza Cao Lanh project	127,350,346,325	23,947,149,308
Vincom Plaza Kon Tum project	111,073,967,132	200,000,000
Vincom Bac Kan project	93,851,946,524	66,429,737,371
Vincom Plaza Cam Pha project	81,856,537,752	26,351,503,232
Vincom Center Tran Duy Hung project	-	665,914,258,137
Vincom Plaza Mong Cai	-	88,580,996,854
Shopping malls renovation projects	-	148,865,523,718
Others	92,593,549,446	46,537,802,593
	<u>1,102,190,088,538</u>	<u>1,343,477,739,304</u>

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During the period, there was no borrowing costs capitalised into construction in progress (for six-month period ended 30 June 2018: VND4,484,051,664).

20. Prepaid expenses

(a) Short-term prepaid expenses

	30/6/2019 VND	1/1/2019 VND
Prepaid sale commission related to sale of inventory properties not yet handed over	51,389,426,074	60,588,694,827
Project investment costs	22,473,494,116	23,358,417,617
Prepaid land costs	13,491,780,900	24,844,967,430
Prepaid provisional corporate income tax	8,788,146,453	8,718,916,413
Prepayment for committed profit relating to business cooperation contracts of apartment management service	2,495,873,927	4,034,613,228
Others	29,818,642,423	30,773,596,325
	128,457,363,893	152,319,205,840

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(b) Long-term prepaid expenses

	Prepaid rentals VND	Overhaul expenditures VND	Tools and supplies VND	Prepaid land costs VND	Commission fees VND	Committed profits VND	Others VND	Total VND
Opening balance	268,104,640,106	91,450,247,763	31,197,501,880	2,668,302,335	11,091,976,828	174,654,105,502	14,211,905,942	593,378,680,356
Additions	-	23,570,961,614	6,875,069,256	-	19,696,762,475	7,912,531,082	-	58,055,324,427
Amortisation	(5,026,962,002)	(13,982,017,331)	(9,112,932,493)	(2,668,302,335)	(9,213,365,759)	(35,848,241,531)	(1,051,524,223)	(76,903,345,674)
Reclassifications	-	5,304,047,641	-	-	-	-	(5,304,047,641)	-
Closing balance	263,077,678,104	106,343,239,687	28,959,638,643	-	21,575,373,544	146,718,395,053	7,856,334,078	574,530,659,109

Included in the carrying amount of long-term prepaid expenses was the amount of VND263 billion prepaid to a related party, Ecology Development and Investment Joint Stock Company as at 30 June 2019 (1/1/2019: VND268 billion).

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21. Deferred tax assets and deferred tax liabilities

Recognised deferred tax assets and deferred tax liabilities

	Tax rate	30/6/2019 VND	1/1/2019 VND
Deferred tax assets:			
Revaluation of subsidiaries' net assets at merger date and others	20%	9,081,261,659	9,081,261,639
Difference of provision for inventories between separate financial statements and consolidated interim financial statements	20%	245,085,660	371,935,680
Total deferred tax assets		9,326,347,319	9,453,197,319
Deferred tax liabilities:			
Depreciation	20%	5,510,958,819	5,552,361,051
Fair value adjustment on acquisition of a subsidiary	20%	39,449,575,465	39,889,463,689
Revaluation of subsidiaries' net assets at merger date	20%	10,490,813,295	10,519,757,179
Difference from recognition of outright sales transactions – unearned revenue	20%	24,900,451,489	25,059,336,873
Total deferred tax liabilities		80,351,799,068	81,020,918,792

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22. Goodwill

	VND
Cost	
Openning/closing balance	725,836,732,102
Accumulated depreciation	
Opening balance	246,474,906,067
Charge for the period	36,291,836,605
Closing balance	282,766,742,672
Net book value	
Opening balance	479,361,826,035
Closing balance	443,069,989,430

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23. Accounts payable to suppliers – short-term

(a) Accounts payable to suppliers – short-term detailed by significant suppliers

	30/6/2019		1/1/2019	
	Cost VND	Amount within payment capacity VND	Cost VND	Amount within payment capacity VND
Vingroup Joint Stock Company	579,318,543,784	579,318,543,784	1,204,652,201,648	1,204,652,201,648
Vinhomes Joint Stock Company	738,045,636,689	738,045,636,689	938,229,564,529	938,229,564,529
Vinpearl Joint Stock Company	259,585,049,255	259,585,049,255	389,787,054,302	389,787,054,302
Vietnam Investment and Consulting Investment Joint Stock Company	746,298,254,831	746,298,254,831	762,779,924,584	762,779,924,584
Other suppliers	307,256,278,908	307,256,278,908	128,102,195,648	128,102,195,648
	2,630,503,763,467	2,630,503,763,467	3,423,550,940,711	3,423,550,940,711

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(b) Accounts payable to suppliers – short-term who are related parties

	30/6/2019		1/1/2019	
	Cost VND	Amount within payment capacity VND	Cost VND	Amount within payment capacity VND
Vingroup Joint Stock Company	579,318,543,784	579,318,543,784	1,204,652,201,648	1,204,652,201,648
Vinhomes Joint Stock Company	738,045,636,689	738,045,636,689	938,229,564,529	938,229,564,529
Vinpearl Joint Stock Company	259,585,049,255	259,585,049,255	389,787,054,302	389,787,054,302
Vietnam Investment and Consulting Investment Joint Stock Company	746,298,254,831	746,298,254,831	762,779,924,584	762,779,924,584
Other related parties	105,540,472,561	105,540,472,561	21,593,834,001	21,593,834,001
	2,428,787,957,120	2,428,787,957,120	3,317,042,579,064	3,317,042,579,064

24. Advance from customers – short-term

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

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25. Taxes and other payables to State Treasury

	1/1/2019 VND	Incurred VND	Paid VND	Net-off VND	30/6/2019 VND
Value added tax	12,235,351,117	491,722,460,936	(179,286,815,876)	(286,164,653,309)	38,506,342,868
Corporate income tax	197,822,681,380	314,699,944,019	(358,045,636,249)	222,805,412	154,699,794,562
Personal income tax	4,152,133,222	48,895,638,821	(39,501,426,640)	-	13,546,345,403
Land rental and usage	61,998,000,000	303,206,064,949	(362,268,331,706)	-	2,935,733,243
Other taxes	-	568,871,530	(568,871,530)	-	-
	276,208,165,719	1,159,092,980,255	(939,671,082,001)	(285,941,847,897)	209,688,216,076

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26. Accrued expenses – short-term

	30/6/2019 VND	1/1/2019 VND
Accrued construction costs	858,691,966,079	454,404,365,209
Accrued loans and bond interests	91,220,297,844	83,917,202,063
Accrued committed profit relating to business cooperation contracts and apartment management service program	30,078,042,689	27,079,018,489
Accrued commission and brokerage fee	12,721,724,298	55,565,047,714
Others	139,102,583,569	156,986,525,191
	<hr/> 1,131,814,614,479	<hr/> 777,952,158,666 <hr/>

Accrued expenses payable to related parties

	30/6/2019 VND	1/1/2019 VND
Other related parties	4,075,559,688	1,787,052,444
	<hr/>	<hr/>

27. Unearned revenue

(a) Unearned revenue – short-term

	30/6/2019 VND	1/1/2019 VND
Revenue received in advance from leasing activities and rendering of related services	-	2,389,611,781
Portion of long-term unearned revenue to be realised within 12 months	112,606,049,139	99,670,706,408
	<hr/> 112,606,049,139	<hr/> 102,060,318,189 <hr/>

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(b) Unearned revenue – long-term

	30/6/2019 VND	1/1/2019 VND
Revenue received in advance from leasing activities and rendering of related services	275,372,858,421	315,032,557,618
Amount to be realised within 12 months	(112,606,049,139)	(99,670,706,408)
	<hr/>	<hr/>
Amount to be realised after 12 months	162,766,809,282	215,361,851,210
	<hr/>	<hr/>

(c) Unearned revenue from related parties

	30/6/2019 VND	1/1/2019 VND
Vincommerce General Commerce Services Joint Stock Company	12,140,316,555	23,000,000,037
Other related parties	14,114,446,468	11,031,629,132
	<hr/>	<hr/>
	26,254,763,023	34,031,629,169
	<hr/>	<hr/>

28. Other payables

(a) Other payables – short-term

	30/6/2019 VND	1/1/2019 VND
Deposits received under deposit contracts and loan agreements received from customers	392,448,441,170	331,198,663,667
Deposits from tenants for leasing offices, counters and shophouses to be refunded within the next 12 months	250,457,815,952	246,846,837,923
Dividends payable	89,508,644,872	-
Deposits received for maintenance of handed-over properties	85,479,266,640	82,580,787,235
Deposits for site construction	43,651,317,572	42,904,092,521
Others	49,768,879,867	45,699,865,205
	<hr/>	<hr/>
	911,314,366,073	749,230,246,551
	<hr/>	<hr/>

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(b) Other payables – long-term

	30/6/2019	1/1/2019
	VND	VND
Deposits from tenants for leasing offices and counters – shopping center	1,168,222,033,844	1,102,638,211,300
Deposits from tenants for leasing offices and counters to be refunded within the next 12 months – shopping center	(250,457,815,952)	(246,846,837,923)
Amount due after 12 months	917,764,217,892	855,791,373,377

(c) Other payables to related parties

	30/6/2019	1/1/2019
	VND	VND
Other payables – short-term		
Vincommerce General Commerce Services Joint Stock Company	5,573,060,975	3,882,674,882
Vinhomes Joint Stock Company	7,650,605,333	-
Other related parties	11,188,175,905	2,110,919,142
	24,411,842,213	5,993,594,024
Other payables – long-term		
Vincommerce General Commerce Services Joint Stock Company	27,607,179,420	27,299,427,547
Vinschool One Member Limited Liability Company	5,651,677,898	7,053,919,917
Other related parties	24,081,878,827	22,861,832,437
	57,340,736,145	57,215,179,901

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29. Bonds and finance lease liabilities

(a) Short-term bonds and finance lease liabilities

	1/1/2019		Movements during the period		30/6/2019	
	Carrying amount VND	Amount within repayment capacity VND	Increase VND	Decrease VND	Carrying amount VND	Amount within repayment capacity VND
Finance lease principals due within 12 months from related parties (Note 29(b))	18,078,835,131	18,078,835,131	10,158,031,170	(9,725,817,928)	18,511,048,373	18,511,048,373

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(b) Long-term bonds and finance lease liabilities

	30/6/2019	1/1/2019
	VND	VND
Straight bonds (i)	2,593,388,444,480	2,592,148,777,820
Finance lease liabilities from a related party (ii)	189,202,547,495	188,312,361,587
	<hr/>	<hr/>
	2,782,590,991,975	2,780,461,139,407
Repayable within twelve months	(18,511,048,373)	(18,078,835,131)
	<hr/>	<hr/>
Repayable after twelve months	2,764,079,943,602	2,762,382,304,276
	<hr/>	<hr/>

(i) *Straight bonds*

Bonds with the par value of VND3,000 billion included 3,000 units which were issued on 8 March 2017 by Vietnam Bank for Industry and Trade Securities Joint Stock Company with duration of 5 years. Interest rate applied for the first year is 8.1 % per annum, and the rate for the subsequent year is floating, being adjusted once per year and is determined by the paid-in-arrears interest rate of 12-month VND savings in Vietnam Joint Stock Commercial Bank for Industry and Trade - Hanoi Branch plus (+) 3%. The bonds value is presented at the net amount of bond issuance costs.

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

During 2018, the Company repurchased 400 bonds prior to maturity date.

(ii) *Finance lease liabilities*

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

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30/6/2019	Total finance lease payments VND	Interests VND	Principals VND
Within 1 year	19,937,926,754	1,426,878,381	18,511,048,373
Within 2 to 5 years	85,587,197,775	25,683,671,090	59,903,526,685
More than 5 years	539,687,032,872	428,899,060,435	110,787,972,437
	<hr/> 645,212,157,401	<hr/> 456,009,609,906	<hr/> 189,202,547,495
1/1/2019	Total finance lease payments VND	Interests VND	Principals VND
Within 1 year	19,451,635,857	1,372,800,726	18,078,835,131
Within 2 to 5 years	85,100,906,878	25,617,084,386	59,483,822,492
More than 5 years	550,592,216,049	439,842,512,085	110,749,703,964
	<hr/> 655,144,758,784	<hr/> 466,832,397,197	<hr/> 188,312,361,587

30. Provisions – short-term

Provisions – short-term represented the provision for warranty for standard-designed apartments and shophouses.

	Six-month period ended 30/6/2019 VND
Opening balance	21,094,443,889
Provision made during the period	1,621,090,316
	<hr/>
Closing balance	22,715,534,205

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31. Changes in owners' equity

	Ordinary shares with voting rights VND	Share premium VND	Other equity funds VND	Undistributed profits VND	Non-controlling interest VND	Total VND
Balance at 1 January 2018	19,010,787,330,000	4,324,379,868,907	(58,419,891,967)	2,786,541,240,791	30,766,122,491	26,094,054,670,222
Net profit for the period	-	-	-	1,161,385,014,564	254,761,279	1,161,639,775,843
Balance at 30 June 2018	19,010,787,330,000	4,324,379,868,907	(58,419,891,967)	3,947,926,255,355	31,020,883,770	27,255,694,446,065
Balance at 1 January 2019	23,288,184,100,000	46,983,098,907	(58,419,891,967)	5,190,927,603,788	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
Dividends declared by the Company (Note 33)	-	-	-	(2,445,259,330,500)	-	(2,445,259,330,500)
Dividends declared by a subsidiary	-	-	-	-	(8,190,000,000)	(8,190,000,000)
Appropriation to equity funds	-	-	5,000,000,000	(5,000,000,000)	-	-
Balance at 30 June 2019	23,288,184,100,000	46,983,098,907	(53,419,891,967)	3,992,148,194,107	33,415,217,974	27,307,310,719,021

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32. Share capital

The Company's authorised and issued share capital are:

	30/6/2019		1/1/2019	
	Number of shares	VND	Number of shares	VND
Authorised and issued share capital				
Ordinary shares	2,328,818,410	23,288,184,100,000	2,328,818,410	23,288,184,100,000
Issued share capital				
Ordinary shares	2,328,818,410	23,288,184,100,000	2,328,818,410	23,288,184,100,000
Share premium	-	46,983,098,907	-	46,983,098,907

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

There was no movements in share capital during the period.

33. Dividends

According to Resolution No. 01/2019/NQ-ĐHĐC-VINCOM RETAIL on 11 April 2019, the Annual General Meeting of Shareholders of the Company resolved to distribute dividends by cash to existing shareholders at the rate of 10.5% (1 share received VND1,050) (for the six-month period ended 30 June 2018: Nil).

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34. Off balance sheet items

(a) Lease commitments

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

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

	30/6/2019 VND	1/1/2019 VND
Within 1 year	3,746,274,537,634	3,393,298,263,542
Within 2 to 5 years	7,206,979,056,549	6,532,608,078,873
More than 5 years	5,905,631,015,193	5,405,307,951,064
	<hr/> 16,858,884,609,376	<hr/> 15,331,214,293,479 <hr/>

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

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

	30/6/2019 VND	1/1/2019 VND
Within 1 year	129,782,089,464	142,903,894,567
Within 2 to 5 years	523,336,806,566	537,938,799,531
More than 5 years	3,131,598,801,984	3,298,909,256,594
	<hr/> 3,784,717,698,014	<hr/> 3,979,751,950,692 <hr/>

(b) Capital commitments

The Company and its subsidiaries have entered into construction contracts on the development of real estate projects. The estimated commitments amount of these contracts amount to VND710 billion (1/1/2019: VND1,645 billion).

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(c) Other commitments

Commitment for co-developing shopping malls

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

Commitments under business cooperation contracts relating to shopping mall projects

As disclosed in Note 15, the Company and its subsidiaries signed agreements and business cooperation contracts with Vingroup Joint Stock Company and some companies within Vingroup Joint Stock Company (hereby named as “the counterparties”) for cooperation in the development and operation of the shopping mall components of a number of real estate projects. Under these contracts, the counterparties commit to transfer the shopping mall components of these projects to the Company and its subsidiaries; or to grant the Company and its subsidiaries with the right to purchase the shopping malls. Under these contracts, the Company and its subsidiaries are expected to make additional payments estimated at VND3,537 billion (1/1/2019: VND4,678 billion) to these counterparties.

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

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

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

Commitments related to program of management services and apartment rental

South Vincom Retail Limited Liability Company has signed contracts to provide management and leasing services to customers who bought apartments at Vinpearl Riverfront Condotel Da Nang. Accordingly, for the five years from the date of apartments being handed over, customers are guaranteed by the investors to receive a higher amount between specific percentage on the selling price and 85% on the annual net leasing income from the sublease of the apartment to third parties.

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35. Revenue from sale of goods and provision of services

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

Net revenue comprised of:

	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
Total revenue		
▪ Revenue from sale of inventory properties	903,140,560,007	491,563,697,652
▪ Revenue from leasing activities and rendering of related services	3,258,474,194,171	2,617,520,582,344
▪ Other revenue	105,170,801,541	24,720,419,872
Net revenue	4,266,785,555,719	3,133,804,699,868

36. Cost of sales

	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
Total cost of sales		
▪ Cost from sale of inventory properties	634,181,693,386	328,156,310,008
▪ Cost from leasing activities and rendering of related services	1,557,323,018,674	1,227,431,702,315
▪ Cost from other services	144,156,150,698	24,267,216,065
	2,335,660,862,758	1,579,855,228,388

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	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
Interest income from bank deposits, loans and other deposits	157,318,333,389	334,352,961,241
Other financial income	7,424,431	(896,781,137)
	<hr/>	<hr/>
	157,325,757,820	333,456,180,104
	<hr/>	<hr/>

38. Financial expenses

	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
Interests on bonds and finance lease	144,115,442,628	228,116,396,615
Amortisation of bond issuing costs	1,239,666,660	3,631,333,330
Other financial expenses	652,458,935	259,074,160
	<hr/>	<hr/>
	146,007,568,223	232,006,804,105
	<hr/>	<hr/>

39. Selling expenses

	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
Marketing expenses	53,674,799,082	37,613,629,548
Staff costs	40,731,477,363	14,594,645,648
Consultancy, commission and brokerage fee	36,190,465,498	32,340,666,294
Depreciation and amortisation	4,671,655,990	4,265,172,751
Outside service expenses	1,761,616,130	-
Others	3,506,587,357	5,151,560,268
	<hr/>	<hr/>
	140,536,601,420	93,965,674,509
	<hr/>	<hr/>

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40. General and administration expenses

	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
Management fee	105,736,139,440	32,926,098,113
Staff costs	72,420,592,880	34,494,925,938
Depreciation and amortisation	39,530,404,932	39,417,629,440
Outside service expenses	7,219,922,605	3,903,650,416
Allowance for doubtful debts	2,327,720,300	6,140,858,946
Others	15,304,057,970	13,346,979,239
	<hr/>	<hr/>
	242,538,838,127	130,230,142,092
	<hr/>	<hr/>

41. Other income

	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
Penalties received	16,822,914,766	43,063,365,629
Others	4,770,918,519	7,651,768,841
	<hr/>	<hr/>
	21,593,833,285	50,715,134,470
	<hr/>	<hr/>

42. Other expenses

	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
Contract compensation paid	3,882,231,749	4,483,092,884
Loss from disposal of fixed assets	8,892,890,044	584,370,458
Others	2,549,856,545	2,774,537,166
	<hr/>	<hr/>
	15,324,978,338	7,842,000,508
	<hr/>	<hr/>

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43. Production and business costs by element

	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
Cost of construction and development of real estate properties	591,954,962,752	635,396,220,884
Staff costs	335,875,797,176	152,227,836,838
Depreciation and amortisation	735,071,647,246	535,381,049,561
Outside services expenses	856,881,279,728	708,415,824,355
Other expenses	156,725,884,769	79,870,024,227

44. Corporate income tax

(a) Recognised in the consolidated statement of income

	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
Current tax expense		
Current period	314,699,944,019	310,569,886,785
Deferred tax (income)/expense		
Origination and reversal of temporary differences	(542,269,724)	1,866,502,212
Income tax expenses	314,157,674,295	312,436,388,997

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(b) Reconciliation of effective tax rate

	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
Accounting profit before tax	1,565,636,297,958	1,474,076,164,840
Tax at the Company's tax rate	313,127,259,592	294,815,232,968
Amortisation of goodwill	7,258,367,321	7,258,367,321
Non-deductible expenses	814,964,935	927,864,392
Other adjustments	(7,042,917,553)	9,434,924,316
	314,157,674,295	312,436,388,997

(c) Applicable tax rates

The Company and its subsidiaries have an obligation to pay corporate income tax to the government at corporate income tax rate of 20% (for the six-month period ended 30 June 2018: 20%).

45. Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share for the six-month period ended 30 June 2019 was based on the profit attributable to ordinary shareholders after deducting amount appropriated to bonus and welfare funds for the accounting period, of VND1,251,479,920,819 (for the six-month period ended 30 June 2018: VND1,161,385,014,564) and a weighted average number of ordinary shares outstanding of 2,328,818,410 (for the six-month period ended 30 June 2018: 2,328,818,410 shares – as restated), calculated as follows:

(i) Net profit attributable to ordinary shareholders

	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
Net profit attributable to ordinary shareholders after bonus and welfare fund accruals	1,251,479,920,819	1,161,385,014,564

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(ii) Weighted average number of ordinary shares

	Six-month period ended	
	30/6/2019	30/6/2018
		(as restated)
Issued ordinary shares at the beginning of the period – currently in circulation	2,328,818,410	1,901,078,733
Effect of shares issued	-	427,739,677
Weighted average number of ordinary shares during the period – currently in circulation	2,328,818,410	2,328,818,410

In November 2018, the Company issued 427,739,677 ordinary shares as bonus shares to its existing shareholders. The issuance was completed.

Issued ordinary shares for the period ended 30 June 2018 have been adjusted to reflect the shares issued in November 2018. Basic earnings per share for the six-month period ended 30 June 2018 have also been restated accordingly to reflect these issued shares.

(iii) Earnings per share

	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
		(as restated)
Earnings per share	537	499

(b) Diluted earnings per share

As at 30 June 2019 and 1 January 2019, the Company did not have potential ordinary shares, therefore the presentation of diluted earnings per share is not applicable.

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46. Significant transactions with related parties

Terms and conditions of transactions with related parties:

During the period, the Company and its subsidiaries sold goods and services to and purchased goods and services from related parties based on contractual agreement.

Accounts receivable from or payable to related parties are under normal course of business and are receivable or payable based on contractual agreements.

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

	Transaction value	
	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
Shareholders		
Hanoi Southern City Development and Trading Limited Liability Company		
Dividends payable	201,797,768,550	-
Sai Dong Urban Development and Investment Joint Stock Company		
Dividends payable	788,582,488,050	-
Parent company		
Vingroup Joint Stock Company		
Purchase of goods and services	127,298,800,916	60,307,099,877
Revenue from the provision of management services, rental and related services receivable	6,802,753,205	-
Interest income from loans and other deposits	3,570,410,967	145,997,716,911
Deposits for investment	-	38,747,645,529
Collection of deposits for investments	-	484,000,000,000
Acquisition of assets	50,881,314,386	957,332,602,714
Collection of loans	-	2,613,600,000,000
Dividends payable	449,100,856,050	-
Other related companies		
Vincommerce General Commerce Services Joint Stock Company		
Sales of goods and services	388,299,709,828	364,748,008,092
Purchase of goods and services	25,276,486,134	39,659,109,067

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	Transaction value	
	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
Vincom Construction and Consultant Limited Liability Company (merged into Vinhomes Joint Stock Company since 1 October 2018)		
Purchase of goods and services	-	274,720,782,716
Vinhomes Joint Stock Company		
Sales of goods and services	144,281,196,176	216,534,151,350
Purchase of goods and services	193,438,243,509	13,526,888,902
Interest income from deposits	-	61,855,434,931
Acquisition of assets	169,558,394,957	-
Vinpearl Joint Stock Company		
Sales of goods and services	44,947,984,198	18,967,669,327
Purchase of goods and services	14,010,845,353	1,124,342,769
Acquisition of assets	57,964,553,866	-
Deposit for investment	-	178,425,269,922
Vinfast Trading and Production Limited Liability Company		
Sales of goods and services	22,177,228,191	-
Vinpro Business and Trading Services Joint Stock Company		
Sales of goods and services	109,282,773,569	24,622,932,518
Vincom Security Service Co., Ltd		
Purchase of goods and services	-	51,671,087,570
Vincom General Service Trading Limited Liability Company		
Purchase of goods and services	-	47,789,963,566
Ecology Development and Investment Joint Stock Company		
Rental expense	18,542,573,740	18,542,573,740
Vinschool One Member Limited Liability Company		
Sales of goods and services	38,755,128,182	39,199,719,692
Thoi Dai Commercial Trading and Development Co., Ltd		
Revenue from provision of services	1,061,140,403	17,362,397,899

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	Transaction value	
	Six-month period ended 30/6/2019 VND	30/6/2018 VND
Millenium Trading Investment and Development Company Limited		
Revenue from provision of services	15,648,403,056	2,521,963,875
Members of the Board of Directors and Board of Management		
Salary and bonus	23,004,485,208	13,580,152,736

47. Corresponding figures

Corresponding figures as at 1 January 2019 and for the six-month period ended 30 June 2018 were derived respectively from the balances and amounts reported in the Company and its subsidiaries' consolidated financial statements as at and for the year ended 31 December 2018 and from the Company and its subsidiaries' consolidated interim financial statements as at and for the period ended 30 June 2018.

29 August 2019

Prepared by:



Phung Thi Thanh

Approved by:



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Chief Accountant



Pham Ngoc Thoa
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