

# **Vincom Retail Joint Stock Company**

Consolidated financial statements

Quarter IV 2019



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# Vincom Retail Joint Stock Company

## GENERAL INFORMATION

### THE COMPANY

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

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

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

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

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

### BOARD OF DIRECTORS

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

Ms. Thai Thi Thanh Hai	Chairwoman
Ms. Mai Thu Thuy	Member (resigned on 01 August 2019)
Ms. Tran Mai Hoa	Member
Ms. Nguyen Thi Diu	Member
Ms. Le Mai Lan	Member
Mr. Brett Krause	Independent member
Mr. Timothy J. Daly	Independent member
Mr. Jeffrey David Perlman	Member (resigned on 08 July 2019)
Mr. Phan Thanh Son	Independent member (resigned on 01 August 2019)

### MANAGEMENT

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

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

### BOARD OF SUPERVISION

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

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

### LEGAL REPRESENTATIVE

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

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

# Vincom Retail Joint Stock Company

## REPORT OF MANAGEMENT

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

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

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

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

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

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

### STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Company and its subsidiaries as at 31 December 2019, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of consolidated financial statements.



For and on behalf of the management:

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Pham Ngoc Thoa  
Chief Finance Officer

Hanoi, Vietnam

30 January 2020

CONSOLIDATED BALANCE SHEET  
as at 31 December 2019

Currency: VND million

Code	ASSETS	Notes	As at 31/12/2019	As at 31/12/2018
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>4,368,190</b>	<b>7,122,640</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>4</b>	<b>1,388,344</b>	<b>2,431,381</b>
111	1. Cash		1,368,344	501,381
112	2. Cash equivalents		20,000	1,930,000
<b>120</b>	<b>II. Short-term investments</b>		<b>88,537</b>	<b>701,417</b>
123	1. Held-to-maturity investments	5	88,537	701,417
<b>130</b>	<b>III. Current accounts receivable</b>		<b>724,237</b>	<b>1,047,919</b>
131	1. Short-term trade receivables	6.1	431,915	444,768
132	2. Short-term advances to suppliers	6.2	121,081	282,451
136	3. Other short-term receivables	7	182,697	333,110
137	4. Provision for doubtful short-term receivables	6.1	(11,456)	(12,410)
<b>140</b>	<b>IV. Inventories</b>	<b>9</b>	<b>985,989</b>	<b>901,518</b>
141	1. Inventories		986,800	903,378
149	2. Provision for obsolete inventories		(811)	(1,860)
<b>150</b>	<b>V. Other current assets</b>		<b>1,181,083</b>	<b>2,040,405</b>
151	1. Short-term prepaid expenses	10	78,130	152,319
152	2. Value-added tax deductible		37,455	105,086
153	3. Tax and other receivables from the State		498	-
155	4. Other current assets	11	1,065,000	1,783,000
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>31,454,343</b>	<b>31,561,043</b>
<b>210</b>	<b>I. Long-term receivables</b>		<b>8,659</b>	<b>10,107</b>
216	1. Other long-term receivables		8,659	10,107
<b>220</b>	<b>II. Fixed assets</b>		<b>473,832</b>	<b>307,842</b>
221	1. Tangible fixed assets	12	450,446	281,956
222	Cost		580,540	365,421
223	Accumulated depreciation		(130,094)	(83,465)
227	2. Intangible assets	13	23,386	25,886
228	Cost		49,787	45,236
229	Accumulated amortisation		(26,401)	(19,350)
<b>230</b>	<b>III. Investment properties</b>	<b>14</b>	<b>28,063,677</b>	<b>26,429,422</b>
231	1. Cost		32,702,792	29,763,599
232	2. Accumulated depreciation		(4,639,115)	(3,334,177)
<b>240</b>	<b>IV. Long-term assets in progress</b>		<b>640,442</b>	<b>1,343,478</b>
242	1. Construction in progress	15	640,442	1,343,478
<b>250</b>	<b>V. Long-term investments</b>		<b>700,000</b>	<b>1,832,000</b>
253	1. Investment in other entities		-	2,000
255	2. Held-to-maturity investments	5	700,000	1,830,000
<b>260</b>	<b>VI. Other long-term assets</b>		<b>1,567,733</b>	<b>1,638,194</b>
261	1. Long-term prepaid expenses	10	554,712	593,379
262	2. Deferred tax assets		9,243	9,453
268	3. Other long-term assets	11	597,000	556,000
269	4. Goodwill	16	406,778	479,362
<b>270</b>	<b>TOTAL ASSETS</b>		<b>35,822,533</b>	<b>38,683,683</b>

CONSOLIDATED BALANCE SHEET (continued)  
as at 31 December 2019

Currency: VND million

Code	RESOURCES	Notes	As at 31/12/2019	As at 31/12/2018
<b>300</b>	<b>C. LIABILITIES</b>		<b>8,872,448</b>	<b>10,174,402</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>4,767,529</b>	<b>6,259,846</b>
311	1. Short-term trade payables	17	2,055,093	3,423,551
312	2. Short-term advances from customers	18	470,926	887,934
313	3. Statutory obligations	19	300,399	276,208
314	4. Payables to employees		801	841
315	5. Short-term accrued expenses	20	947,107	777,952
318	6. Short-term unearned revenues	22	116,291	102,060
319	7. Short-term other payables	21	830,809	749,231
320	8. Short-term loan and debts	23.1	19,415	18,079
321	9. Short-term provisions		23,792	21,094
322	10. Bonus and welfare fund		2,896	2,896
<b>330</b>	<b>II. Non-current liabilities</b>		<b>4,104,919</b>	<b>3,914,556</b>
336	1. Long-term unearned revenues	22	129,524	215,362
337	2. Other long-term liabilities	21	1,129,871	855,791
338	3. Long-term loan and debts	23.2	2,765,306	2,762,382
341	4. Deferred tax liabilities		80,218	81,021
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>26,950,085</b>	<b>28,509,281</b>
<b>410</b>	<b>I. Capital</b>	<b>24</b>	<b>26,950,085</b>	<b>28,509,281</b>
411	1. Issued share capital		23,288,184	23,288,184
411a	- Shares with voting rights		23,288,184	23,288,184
412	2. Share premium		46,983	46,983
415	3. Treasury shares		(1,954,258)	-
420	4. Other funds belonging to owners' equity		(53,420)	(58,420)
421	5. Undistributed earnings		5,588,726	5,190,927
421a	- Undistributed earnings up to prior year		2,740,668	2,786,541
421b	- Undistributed earnings of current year		2,848,058	2,404,386
429	6. Non-controlling interests		33,870	41,607
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>35,822,533</b>	<b>38,683,683</b>

Phung Thi Thanh  
Preparer

Nguyen Thi Xuan Nghia  
Chief Accountant



Pham Ngoc Thoa  
Chief Finance Officer

30 January 2020

CONSOLIDATED INCOME STATEMENT  
Quarter IV 2019

Currency: VND million

Code	ITEMS	Notes	Quarter IV 2019	Quarter IV 2018	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	25.1	2,784,403	3,011,557	9,259,257	9,123,952
02	2. Deductions	25.1	-	-	-	-
10	3. Net revenue from sale of goods and rendering of services	25.1	2,784,403	3,011,557	9,259,257	9,123,952
11	4. Cost of goods sold and services rendered	26	(1,388,356)	(1,878,335)	(4,854,155)	(5,482,655)
20	5. Gross profit from sale of goods and rendering of services		1,396,047	1,133,222	4,405,102	3,641,297
21	6. Finance income	25.2	47,314	90,125	265,083	519,224
22	7. Finance expenses	27	(80,077)	(73,881)	(302,500)	(417,400)
23	In which: Interest expenses		(79,192)	(71,759)	(299,007)	(375,271)
25	8. Selling expenses	28	(162,431)	(123,963)	(371,432)	(408,675)
26	9. General and administrative expenses	28	(102,731)	(132,972)	(448,658)	(342,115)
30	10. Operating profit		1,098,122	892,531	3,547,595	2,992,331

CONSOLIDATED INCOME STATEMENT (continued)  
Quarter IV 2019

Currency: VND million

Code	ITEMS	Notes	Quarter IV 2019	Quarter IV 2018	Current year	Previous year
31	11. Other income		32,734	15,811	70,729	78,051
32	12. Other expenses		(19,664)	(5,113)	(40,372)	(17,597)
40	13. Other profit		13,070	10,698	30,357	60,454
50	14. Accounting profit before tax		1,111,192	903,229	3,577,952	3,052,785
51	15. Current corporate income tax expenses	29	(231,602)	(194,734)	(730,035)	(616,686)
52	16. Deferred tax expenses	29	641	(12,627)	594	(22,872)
60	17. Net profit after tax		880,231	695,868	2,848,511	2,413,227
61	18. Net profit after tax attributable to shareholders of the parent		880,005	688,509	2,848,058	2,404,386
62	19. Net profit after tax attributable to non-controlling interests		226	7,359	453	8,841

Phung Thi Thanh  
Preparer

Nguyen Thi Xuan Nghia  
Chief Accountant



Pham Ngoc Thoa  
Chief Finance Officer

30 January 2020



CONSOLIDATED CASH FLOW STATEMENT  
Quarter IV 2019

Currency: VND million

Code	ITEMS	Current year	Previous year
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
01	Profit before tax	3,577,952	3,052,785
	Adjustments for:		
02	Depreciation of tangible fixed assets and investment properties and amortisation of intangible assets (including amortisation of goodwill)	1,447,324	1,156,999
03	Provisions	7,322	2,576
05	Profits from investing activities	(256,352)	(517,861)
06	Interest expenses and bond issue costs	299,007	375,271
08	Operating profit before changes in working capital	5,075,253	4,069,770
09	Changes in receivables	270,881	257,413
10	Changes in inventories	(67,652)	1,087,893
11	Changes in payables (other than interest, corporate income tax)	(899,378)	(1,039,269)
12	Changes in prepaid expenses	108,793	(12,285)
14	Interest paid	(258,031)	(360,745)
15	Corporate income tax paid	(662,851)	(561,242)
16	Other cash inflow	-	132,200
20	Net cash flows from operating activities	3,567,015	3,573,735
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
21	Purchase, construction of fixed assets and other long-term assets	(3,942,435)	(2,577,933)
21	Collection on investment deposits	1,596,000	585,000
22	Proceeds from disposals of fixed assets and other long-term assets	13,011	475
23	Loans to other entities and payments for purchase of debt instruments of other entities	(33,941)	(685,953)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities	1,780,000	2,659,268
25	Payments for investments in other entities (net of cash held by entity being acquired)	-	(2,000)
26	Proceeds from sale of investments in other entities (net of cash held by entity being disposed)	-	136,695
27	Interest and dividends received	382,787	520,565
30	Net cash flows (used in)/from investing activities	(204,578)	636,117

CONSOLIDATED CASH FLOW STATEMENT (continued)  
Quarter IV 2019

Currency: VND million

Code	ITEMS	Current year	Previous year
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
32	Capital redemption	(1,954,258)	-
34	Repayment of borrowings	-	(3,200,000)
36	Dividends paid	(2,451,216)	-
40	<b>Net cash (used in) financing activities</b>	<b>(4,405,474)</b>	<b>(3,200,000)</b>
50	<b>Net (decrease)/increase in cash and cash equivalents for the year</b>	<b>(1,043,037)</b>	<b>1,009,852</b>
60	<b>Cash and cash equivalents at the beginning of the year</b>	<b>2,431,381</b>	<b>1,421,529</b>
70	<b>Cash and cash equivalents at the end of the year</b>	<b>1,388,344</b>	<b>2,431,381</b>



Phung Thi Thanh  
Preparer



Nguyen Thi Xuan Nghia  
Chief Accountant



Pham Ngoc Thoa  
Chief Finance Officer

30 January 2020

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
Quarter IV 2019

**1. CORPORATE INFORMATION**

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

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

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

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

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

The number of the Company's employees as at 31 December 2019 is 1,076 (31 December 2018: 981).

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

**Corporate structure**

The Company has 04 following subsidiaries as at 31 December 2019:

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

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

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

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

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

**2.2 Applied accounting documentation system**

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

**2.3 Fiscal year**

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

**2.4 Accounting currency**

The Company's accounting currency is VND.

The currency used when preparing and presenting the separate financial statements is million VND.

**2.5 Basic of consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the financial year ended 31 December 2019.

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter IV 2019

**2. BASIS OF PREPARATION (continued)**

**2.5 Basic of consolidation (continued)**

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

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

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Cash and cash equivalents**

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

**3.2 Inventories**

*Inventory properties*

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

Cost includes:

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

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

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

*Other inventories*

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

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

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

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

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

**3.3 Receivables**

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

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

**3.4 Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

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

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

**3.5 Leased assets**

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

*Where the Company and its subsidiaries are the lessee*

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter IV 2019

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.5 Leased assets (continued)**

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

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

Assets subject to finance leases are included as the Company and its subsidiaries' investment properties in the Consolidated balance sheet.

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

*Where the Company and its subsidiaries are the lessor*

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

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

**3.6 Intangible assets**

Intangible assets are stated at cost less accumulated amortisation.

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

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

**3.7 Depreciation and amortisation**

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter IV 2019

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.8 *Investment properties***

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

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

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

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

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

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

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

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

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



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

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

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

**3.10 *Prepaid expenses***

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

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

**3.11 *Business combinations and goodwill***

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

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

***Assets acquisitions and business combinations***

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

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

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

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

- ▶ The assets and liabilities of the two combined entities are reflected at their carrying amounts at the date of business combination;
- ▶ No goodwill is recognised from the business combination;
- ▶ The consolidated income statement reflects the results of the combined entities from the date of the business combination; and
- ▶ Any difference between the consideration paid and the net assets of the acquiree is recorded in equity.

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

**3.12 Held-to-maturity investments**

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

**3.13 Payables and accruals**

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

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

**3.14 Provisions**

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

Expenses relating to provisions are recognised in the Consolidated income statement.

*Provision for warranty expenses for apartments and shop-houses*

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

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

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

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

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

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

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

**3.16 Appropriation of net profits**

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

**3.17 Advance from customers**

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

**3.18 Revenue recognition**

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

*Revenue from sale of inventory properties*

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

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

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

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

*Revenue from leasing of investment properties*

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

*Rendering of services*

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

*Gains from capital transfer*

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

*Interest*

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

*Dividends*

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

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

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

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

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

*Deferred tax*

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter IV 2019

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.19 Taxation (continued)**

*Deferred tax (continued)*

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

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

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

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

**3.20 Related parties**

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

**4. CASH AND CASH EQUIVALENTS**

*Currency: VND million*

	<i>As at 31/12/2019</i>	<i>As at 31/12/2018</i>
Cash in banks	1,368,215	500,661
Cash in transit	129	720
Cash equivalents	20,000	1,930,000
<b>TOTAL</b>	<b>1,388,344</b>	<b>2,431,381</b>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter IV 2019

## 5. HELD-TO-MATURITY INVESTMENTS

Currency: VND million

	<u>As at 31/12/2019</u>	<u>As at 31/12/2018</u>
Short-term held-to-maturity investments (i)	88,537	701,417
Long-term held-to-maturity investments (ii)	700,000	1,830,000
<b>TOTAL</b>	<b>788,537</b>	<b>2,531,417</b>

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

## 6. SHORT-TERM TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

## 6.1 Short-term trade receivables

Currency: VND million

	<u>As at 31/12/2019</u>	<u>As at 31/12/2018</u>
Receivables from leasing activities and rendering related services	268,761	343,181
Receivables from sale of inventory	128,647	86,841
Others	34,507	14,746
<b>TOTAL</b>	<b>431,915</b>	<b>444,768</b>
<i>In which:</i>		
Trade receivables from customers	363,091	312,004
Trade receivables from related parties (Note 30)	68,824	132,764
Provision for doubtful short-term receivables	(11,456)	(12,410)
Details of receivables which account for more than 10% of total balance:		
Receivable from Vincommerce General Commerce Services JSC	51,924	64,126
Receivable from Vinhomes JSC	19,394	30,722
Receivable from a long-term leasing contract and related services fee to a corporate counterparty	-	76,904

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

Currency: VND million

	<u>As at 31/12/2019</u>	<u>As at 31/12/2018</u>
Advances to suppliers	112,268	188,913
Advances to related parties (Note 30)	8,813	93,538
<b>TOTAL</b>	<b>121,081</b>	<b>282,451</b>

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

<i>Advance to Vinhomes JSC</i>	5,995	93,246
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**7. OTHER SHORT-TERM RECEIVABLES**

Currency: VND million

	<u>As at 31/12/2019</u>	<u>As at 31/12/2018</u>
Interests on bank deposits, deposits and loans	39,820	157,532
Guarantee deposits for project development and contract implementation	41,764	52,206
Value added tax receivables	3,713	4,126
Customer deposits for purchasing real	-	2,372
Receivable for payment on behalf	17,655	20,274
Others	79,745	96,600
<b>TOTAL</b>	<b>182,697</b>	<b>333,110</b>

*In which:*

<i>Other receivables</i>	128,142	175,782
<i>Other receivables from related parties (Note 30)</i>	54,555	157,328



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter IV 2019

**8. BAD DEBTS**

Bad debts of the Company and its subsidiaries include:

*Currency: VND million*

<i>Debtor</i>	<i>As at 31/12/2019</i>		<i>As at 31/12/2018</i>	
	<i>Cost</i>	<i>Recoverable amount (i)</i>	<i>Cost</i>	<i>Recoverable amount</i>
Trade receivables	138,285	126,829	99,729	87,319
Other receivables	622	622	74	74
<b>TOTAL</b>	<b>138,907</b>	<b>127,451</b>	<b>99,803</b>	<b>87,393</b>

(i) The recoverable amount comprises overdue trade receivables with total amount of VND 55.4 billion that are secured by deposits from customers under their lease contracts and bank guarantee under bank guarantee agreements.

**9. INVENTORIES**

*Currency: VND million*

	<i>As at 31/12/2019</i>		<i>As at 31/12/2018</i>	
	<i>Cost</i>	<i>Provision</i>	<i>Cost</i>	<i>Provision</i>
Inventory properties under construction (i)	828,622	(811)	887,106	(1,860)
Completed inventory	137,286	-	5,899	-
Others	20,892	-	10,373	-
<b>TOTAL</b>	<b>986,800</b>	<b>(811)</b>	<b>903,378</b>	<b>(1,860)</b>

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

**10. PREPAID EXPENSES**

*Currency: VND million*

	<i>As at 31/12/2019</i>	<i>As at 31/12/2018</i>
<b>Short-term:</b>		
Selling expenses related to sale of inventory properties not yet handed over	26,458	60,589
Provisional corporate income tax	4,621	8,719
Project investment costs	1,014	23,358
Prepaid land rental	14,995	24,845
Others	31,042	34,808
<b>TOTAL</b>	<b>78,130</b>	<b>152,319</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter IV 2019

## 10. PREPAID EXPENSES (continued)

	Currency: VND million	
	As at 31/12/2019	As at 31/12/2018
<b>Long-term:</b>		
Prepaid rental to a related party for leasing commercial areas (Note 30) (i)	258,051	268,105
Prepayment for committed profit relating to business cooperation contracts and apartment management service program	114,798	174,654
Overhaul expenditures	111,029	91,450
Tools and supplies	36,132	31,198
Prepaid land rental	4,685	6,257
Commission fees for leasing commercial areas	19,827	11,092
Others	10,190	10,623
<b>TOTAL</b>	<b>554,712</b>	<b>593,379</b>

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

## 11. OTHER ASSETS

	Currency: VND million	
	As at 31/12/2019	As at 31/12/2018
<b>Short-term:</b>		
Deposits to related parties for investment purposes (Note 30) (i)	1,065,000	1,783,000
<b>TOTAL</b>	<b>1,065,000</b>	<b>1,783,000</b>
<b>Long-term:</b>		
Deposits to related parties for investment purposes (Note 30) (i)	597,000	556,000
<b>TOTAL</b>	<b>597,000</b>	<b>556,000</b>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter IV 2019

## 12. TANGIBLE FIXED ASSETS

Currency: VND million

	<i>Buildings and structures</i>	<i>Machinery and equipment</i>	<i>Means of transportation</i>	<i>Office equipment</i>	<i>Others</i>	<i>Total</i>
<b>Cost:</b>						
Beginning balance	115,572	182,407	3,980	11,229	52,233	365,421
- Transferred from completed construction in progress	5,738	11,001	-	2,730	332	19,801
- Reclassification	(131)	131	-	-	-	-
- Reclassified to investment properties	(28,699)	(8,803)	-	-	(27,679)	(65,181)
- Reclassified from investment properties	196,849	76,017	-	4,636	657	278,159
- Sold, disposal	(8,431)	(6,431)	(2,398)	(362)	-	(17,622)
- Other adjustments	-	(38)	-	-	-	(38)
Ending balance	280,898	254,284	1,582	18,233	25,543	580,540
<b>Accumulated depreciation:</b>						
Beginning balance	15,200	54,729	1,672	6,637	5,227	83,465
- Depreciation for the year	5,536	24,888	303	1,855	3,767	36,349
- Reclassified to investment properties	(3,263)	(1,991)	-	72	(2,118)	(7,300)
- Reclassification from investment properties	3,061	21,025	-	1,690	64	25,840
- Sold, disposal	(3,204)	(3,989)	(757)	(306)	-	(8,256)
- Other adjustments	-	(4)	-	-	-	(4)
Ending balance	17,330	94,658	1,218	9,948	6,940	130,094
<b>Net carrying amount:</b>						
Beginning balance	100,372	127,678	2,308	4,592	47,006	281,956
Ending balance	263,568	159,626	364	8,285	18,603	450,446

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter IV 2019**13. INTANGIBLE ASSETS**

Currency: VND million

	<u>Computer software</u>
<b>Cost:</b>	
Beginning balance	45,236
- Transferred from completed construction in progress	4,690
- Dispose	(139)
Ending balance	49,787
<b>Accumulated amortisation:</b>	
Beginning balance	19,350
- Amortisation for the year	7,166
- Dispose	(115)
Ending balance	26,401
<b>Net carrying amount:</b>	
Beginning balance	<u>25,886</u>
Ending balance	<u>23,386</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter IV 2019

## 14. INVESTMENT PROPERTIES

Currency: VND million

	<i>Land use rights</i>	<i>Building and structures</i>	<i>Machinery and equipment</i>	<i>Total</i>
<b>Cost:</b>				
Beginning balance	6,574,455	18,052,739	5,136,405	29,763,599
Transferred from completed construction in progress	267,608	1,921,674	685,163	2,874,445
Increase due to finalisation of construction contracts	146,347	(187,589)	354,831	313,589
Reclassification	(115,780)	341,800	(226,020)	-
Reclassified from tangible fixed assets	-	56,378	8,803	65,181
Reclassified to tangible fixed assets	(160,082)	(97,707)	(20,369)	(278,158)
Reclassified to inventory properties	(1,102)	(13,946)	(5,991)	(21,039)
Other adjustments	-	(14,825)	-	(14,825)
Ending balance	6,711,446	20,058,524	5,932,822	32,702,792
<b>Accumulated depreciation:</b>				
Beginning balance	408,986	1,578,683	1,346,508	3,334,177
Depreciation for the year	54,089	720,426	556,710	1,331,225
Reclassified from tangible fixed assets	-	5,381	1,920	7,301
Reclassified to tangible fixed assets	-	(12,768)	(13,072)	(25,840)
Reclassified to inventory properties	-	(1,705)	(3,564)	(5,269)
Reclassification	(10,481)	16,331	(5,850)	-
Other adjustments	-	(2,479)	-	(2,479)
Ending balance	452,594	2,303,869	1,882,652	4,639,115
<b>Net carrying amount:</b>				
Beginning balance	6,165,469	16,474,056	3,789,897	26,429,422
Ending balance	6,258,852	17,754,655	4,050,170	28,063,677

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter IV 2019

**14. INVESTMENT PROPERTIES (continued)**

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

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

**15. CONSTRUCTION IN PROGRESS**

Currency: VND million

	As at 31/12/2019	As at 31/12/2018
Vincom Plaza Bien Hoa 2	135,650	134,399
Vincom+ Thai Nguyen	108,973	-
Vincom Plaza My Tho	103,448	-
Vincom Plaza Bac Lieu	92,312	-
Bac Ninh Hotel Project	51,034	-
Shopping malls renovation projects	39,809	148,866
Vincom Center Tran Duy Hung	-	665,914
Vincom Plaza Mong Cai	-	88,581
Vincom Plaza Di An, Binh Duong	-	79,358
Vincom Plaza Bac Kan	-	66,430
Vincom Plaza Cam Pha	-	62,624
Other projects	109,216	97,306
<b>TOTAL</b>	<b>640,442</b>	<b>1,343,478</b>

**16. GOODWILL**

Currency: VND million

	Goodwill arisen from acquisition of			Total
	Vincom Center Long Bien One Member LLC (i)	Khanh Gia Investment Trading Services JSC (i)	An Phong Investment JSC (i)	
<b>Cost:</b>				
Beginning balance	33,000	210,288	482,549	725,837
Ending balance	33,000	210,288	482,549	725,837
<b>Accumulated amortisation:</b>				
Beginning balance	18,670	75,759	152,046	246,475
Amortisation for the year	3,300	21,029	48,255	72,584
Ending balance	21,970	96,788	200,301	319,059
<b>Net carrying amount:</b>				
Beginning balance	14,330	134,529	330,503	479,362
Ending balance	11,030	113,500	282,248	406,778

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter IV 2019

## 17. SHORT-TERM TRADE PAYABLES

Currency: VND million

	<u>As at 31/12/2019</u>	<u>As at 31/12/2018</u>
Trade payables to suppliers	220,759	106,508
Trade payables to related parties (Note 30)	1,834,334	3,317,043
<b>TOTAL</b>	<b>2,055,093</b>	<b>3,423,551</b>

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

<i>Payables to Vingroup JSC</i>	348,467	1,204,652
<i>Payables to Vinpearl JSC</i>	230,732	389,787
<i>Payables to Vinhomes JSC</i>	411,058	938,230
<i>Payables to Vietnam Investment and Consulting Investment JSC</i>	725,226	762,780
<i>Payables to Central Park Development LLC</i>	112,381	-

## 18. ADVANCE FROM CUSTOMERS

Currency: VND million

	<u>As at 31/12/2019</u>	<u>As at 31/12/2018</u>
Downpayment from customers under sale and purchase of real estate agreements	460,737	873,307
Others	10,189	14,627
<b>TOTAL</b>	<b>470,926</b>	<b>887,934</b>
<i>In which:</i>		
<i>Downpayment from other parties</i>	470,926	887,934
<i>Downpayment from related parties</i>	-	-

## 19. STATUTORY OBLIGATIONS

Currency: VND million

	<u>As at 31/12/2019</u>	<u>As at 31/12/2018</u>
<b>Payables</b>		
Corporate income tax	260,911	197,823
Value added tax	33,567	12,235
Personal income tax	5,921	4,152
Others	-	61,998
<b>TOTAL</b>	<b>300,399</b>	<b>276,208</b>

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

Currency: VND million

	<u>As at 31/12/2019</u>	<u>As at 31/12/2018</u>
Accrued construction costs	586,384	454,404
Accrued loans and bond interests	100,130	83,917
Accrued commission and brokerage fee	59,909	55,565
Accrued committed profit relating to business cooperation contracts and apartment management service program	30,381	27,079
Interest supporting fee payables	7,297	23,358
Accrued labor expenses	41,933	28,895
Others	121,073	104,734
<b>TOTAL</b>	<b>947,107</b>	<b>777,952</b>
<i>In which:</i>		
<i>Accrued expenses due to others</i>	<i>944,145</i>	<i>776,165</i>
<i>Accrued expenses due to related parties (Note 30)</i>	<i>2,962</i>	<i>1,787</i>

**21. OTHER PAYABLES**

Currency: VND million

	<u>As at 31/12/2019</u>	<u>As at 31/12/2018</u>
<b>Short-term:</b>		
Deposits received under deposit and loan contracts	274,198	331,199
Deposits from tenants to be refunded within the next 12 months	368,470	246,847
Maintenance fund	88,977	82,581
Deposits for site construction	48,474	42,904
Dividend payable	2,234	-
Other payables	48,456	45,700
<b>TOTAL</b>	<b>830,809</b>	<b>749,231</b>
<i>In which:</i>		
<i>Other short-term payables</i>	<i>807,410</i>	<i>743,237</i>
<i>Other short-term payables to related parties (Note 30)</i>	<i>23,399</i>	<i>5,994</i>
<b>Long-term:</b>		
Deposits from tenants	1,498,341	1,102,638
Less: Deposits from tenants to be refunded within the next 12 months (Presented in Short-term)	(368,470)	(246,847)
<b>TOTAL</b>	<b>1,129,871</b>	<b>855,791</b>
<i>In which:</i>		
<i>Other long-term payables</i>	<i>933,109</i>	<i>798,576</i>
<i>Other long-term payables to related parties (Note 30)</i>	<i>196,762</i>	<i>57,215</i>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter IV 2019

**22. UNEARNED REVENUE**

	Currency: VND million	
	<i>As at 31/12/2019</i>	<i>As at 31/12/2018</i>
Short-term unearned revenue	116,291	102,060
Long-term unearned revenue	129,524	215,362
<b>TOTAL</b>	<b>245,815</b>	<b>317,422</b>
<i>In which:</i>		
<i>Unearned revenue received from related parties (Note 30)</i>	10,999	34,032
<i>Unearned revenue received from others</i>	234,816	283,390

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

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

Currency: VND million

	Note	As at 31/12/2019		As at 31/12/2018	
		Carrying value	Payable amount	Carrying value	Payable amount
Current portion of long-term debts from related parties	30	19,415	19,415	18,079	18,079
<b>TOTAL</b>		<b>19,415</b>	<b>19,415</b>	<b>18,079</b>	<b>18,079</b>

**23.2 Long-term loans and debt**

Currency: VND million

	Note	As at 31/12/2019		As at 31/12/2018	
		Carrying value	Payable amount	Carrying value	Payable amount
Corporate bonds	(i)	2,594,628	2,594,628	2,592,149	2,592,149
Other long-term debts from related parties	30	170,678	170,678	170,233	170,233
<b>TOTAL</b>		<b>2,765,306</b>	<b>2,765,306</b>	<b>2,762,382</b>	<b>2,762,382</b>

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter III 2019

24. OWNERS' EQUITY

24.1 Increase and decrease in owner's equity

Currency: VND million

	Shares with voting right	Share premium	Treasury shares	Undistributed earnings	Other funds belonging to owners' equity	Non-controlling interests	Total
<b>For the financial year ended 31 December 2018</b>							
Beginning balance	19,010,787	4,324,380	-	2,786,541	(58,420)	30,766	26,094,054
- Net profit for the year	-	-	-	2,404,386	-	8,841	2,413,227
- Share capital increase from owners' equity	4,277,397	(4,277,397)	-	-	-	-	-
- Capital contribution in subsidiaries	-	-	-	-	-	2,000	2,000
Ending balance	23,288,184	46,983	-	5,190,927	(58,420)	41,607	28,509,281
<b>For the financial year ended 31 December 2019</b>							
Beginning balance	23,288,184	46,983	-	5,190,927	(58,420)	41,607	28,509,281
- Net profit for the year	-	-	-	2,848,058	-	453	2,848,511
- Increase in reserve fund to supplement charter capital	-	-	-	(5,000)	5,000	-	-
- Dividend declare for the Company's shareholders (i)	-	-	-	(2,445,259)	-	-	(2,445,259)
- Dividend declare for non-controlling interests (ii)	-	-	-	-	-	(8,190)	(8,190)
- Treasury shares buy-back (iii)	-	-	(1,954,258)	-	-	-	(1,954,258)
Ending balance	23,288,184	46,983	(1,954,258)	5,588,726	(53,420)	33,870	26,950,085

- (i) According to Resolution No.01/2019/NQ-DHDCD-VINCOM RETAIL dated 11 April 2019, the Company's Annual General Meeting of Shareholders approved the payment of cash dividends for existing shareholders at the ratio of 10.5% (each eligible shareholder who holds 01 share is entitled to receive VND 1,050 as dividends). Dividend payment was made in Quarter II 2019.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter IV 2019

**24. OWNERS' EQUITY (continued)**

**24.1 Increase and decrease in owner's equity (continued)**

- (i) On 18 February 2019, Annual General Meeting of Shareholders of Suoi Hoa Urban Development and Investment JSC - a subsidiary, approved the payment of cash dividends for existing shareholders, accordingly, total dividend payable to non-controlling interests was VND 8,190 million.
- (ii) According to Resolution No.06/2019/NQ-HDQT-VCR dated 30 October 2019, the Company's Board of Management approved the treasury shares buy-back transaction using retained earnings. In year, the Company bought-back 56,500,000 shares.

**24.2 Shares**

	As at 31/12/2019		As at 31/12/2018	
	Quantity	Amount VND million	Quantity	Amount VND million
<b>Registered and issued shares</b>				
Ordinary shares	2,328,818,410	23,288,184	2,328,818,410	23,288,184
Preference shares	-	-	-	-
<b>Total</b>	<b>2,328,818,410</b>	<b>23,288,184</b>	<b>2,328,818,410</b>	<b>23,288,184</b>
<b>Outstanding shares</b>				
Ordinary shares	2,272,318,410	22,723,184	2,328,818,410	23,288,184
Preference shares	-	-	-	-
<b>Total</b>	<b>2,272,318,410</b>	<b>22,723,184</b>	<b>2,328,818,410</b>	<b>23,288,184</b>

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

**25. REVENUE**

**25.1 Revenue from sale of goods and rendering of services**

Currency: VND million

<b>Gross revenue</b>	<b>2,784,403</b>	<b>3,011,557</b>
In which:		
Leasing activities and rendering of related services	1,951,265	1,491,027
Sale of inventory properties	785,050	1,440,349
Others	48,088	80,181
<b>Deduction</b>	<b>-</b>	<b>-</b>
<b>Net revenue</b>	<b>2,784,403</b>	<b>3,011,557</b>
In which:		
Revenue from sale to related parties	548,387	349,515
Revenue from sale to others	2,236,016	2,662,042

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter IV 2019**25. REVENUE (continued)****25.2 Finance income**

Currency: VND million

	Quarter IV 2019	Quarter IV 2018
Interest income from bank deposits, loans and deposits	47,314	90,044
Others	-	81
<b>TOTAL</b>	<b>47,314</b>	<b>90,125</b>

**25.3 Revenue and expenses relating to investment properties**

Currency: VND million

	Quarter IV 2019	Quarter IV 2018
Revenue from leasing of investment properties and rendering of related services (Note 25.1)	1,951,265	1,491,027
Direct operating costs related to investment properties generating income in the year (Note 26)	862,853	636,331

**26. COST OF GOODS SOLD AND SERVICES RENDERED**

Currency: VND million

	Quarter IV 2019	Quarter IV 2018
Cost of leasing activities and rendering of related services	862,853	636,331
Cost of inventory properties sold	450,317	1,105,557
Others	75,186	136,447
<b>TOTAL</b>	<b>1,388,356</b>	<b>1,878,335</b>

**27. FINANCE EXPENSES**

Currency: VND million

	Quarter IV 2019	Quarter IV 2018
Interests on loans and bond	78,572	71,140
Amortisation of bond issue costs	620	620
Others	885	2,121
<b>TOTAL</b>	<b>80,077</b>	<b>73,881</b>

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

Currency: VND million

	Quarter IV 2019	Quarter IV 2018
<b>Selling expenses</b>	<b>162,431</b>	<b>123,963</b>
Labour cost	15,007	9,725
Consulting, commission and brokerage fees	36,826	58,898
Brand and marketing fee	105,766	50,604
Depreciation and amortisation	2,157	952
Out-sourcing services	1,312	1,095
Others	1,363	2,689
<b>General and administrative expenses</b>	<b>102,731</b>	<b>132,972</b>
Labour cost	58,006	18,433
Depreciation and amortisation	19,331	19,398
Provision expenses	1,676	3,425
Out-sourcing services	12,706	7,209
Others	5,182	12,659
Management fee	5,830	71,848
<b>TOTAL</b>	<b>265,162</b>	<b>256,935</b>

**29. CORPORATE INCOME TAX**

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

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

Currency: VND million

	Quarter IV 2019	Quarter IV 2018
Current corporate income tax expenses	231,602	194,734
Deferred tax (income)/expenses	(641)	12,627
<b>TOTAL</b>	<b>230,961</b>	<b>207,361</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter IV 2019**30. TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

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

<u>Related parties</u>	<u>Relationship</u>
Vingroup JSC	Parent company
Vinhomes JSC	Under common control
Vincom Construction and Consultant LLC (Merged into Vinhomes JSC since 01 October 2018)	Under common control
Vincommerce General Commerce Services JSC (*)	Under common control (To 31 December 2019)
Vinpro Business and Trading Services JSC	Under common control
Ecology Development and Investment JSC	Under common control
Vinpearl JSC	Under common control
Central Park Development LLC	Under common control
Vietnam Investment and Consulting Investment JSC	Under common control
Can Gio Tourist City Corporation	Under common control
Vincom General Services Trading LLC (Merged into Vinpearl JSC since 14 January 2019)	Under common control
Vincom Security Service LLC	Under common control
Vinschool One Member LLC	Under common control
West Hanoi Urban Development and Trading Investment Limited Company (Merged into Thai Son Investment Construction Corporation since 28 May 2019)	Under common control
Green City Development Joint Stock Company	Under common control (Since 01 July 2019)
Vinfast Manufacturing and Trading Company Limited	Under common control
Gia Lam Urban Development and Investment Limited Company	Under common control
Hanoi Southern City Development and Trading LLC	Share holder
Saidong Urban Development and Investment JSC	Share holder

(\*) As at 31 December 2019, Vincommerce General Commerce Services JSC (Vincommerce) is no longer a related party of the Company. Therefore, the Company does not present the balances with Vincommerce as at 31 December 2019 as the balance with related parties. Transactions arising during the year between the Company and Vincommerce are still presented as related party transactions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter IV 2019**30. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)**

Significant transactions with related parties during the year:

Currency: VND million

	<u>Current year</u>	<u>Previous year</u>
<b>Receivables from leasing and rendering of related services</b>		
Vincommerce General Commerce Services JSC	767,851	629,316
Vinhomes JSC	281,258	330,467
Vinpro Business and Trading Services JSC	211,771	99,738
Gia Lam Urban Development and Investment Limited Company	158,075	-
Vinschool One Member LLC	70,113	73,836
Vinpearl JSC	91,516	56,772
<b>Payables for purchase of goods and services</b>		
Vingroup JSC	209,501	293,171
Vincom Construction and Consultant LLC	-	530,039
Vinpearl JSC	33,933	119,673
Vincommerce General Commerce Services JSC	83,631	106,468
Vincom General Services Trading LLC	-	76,245
Vincom Security Service LLC	-	56,414
Vinhomes JSC	261,861	302,830
Ecology Development and Investment JSC	33,714	37,085
<b>Acquisition of assets</b>		
Vingroup JSC	-	2,513,757
Vinhomes JSC	-	2,081,046
Central Park Development LLC	239,581	-
Vinpearl JSC	-	388,414
Vietnam Investment and Consulting Investment JSC	-	489,763
<b>Deposit for investment purpose</b>		
West Hanoi Urban Development and Trading Investment Limited Company	81,000	-
Gia Lam Urban Development and Investment Limited Company	98,000	-
Green City Development Joint Stock Company	220,000	-
<b>Collection from deposit for investment</b>		
Vingroup JSC	796,000	585,000
<b>Collection of loan principal</b>		
Vingroup JSC	-	2,613,600



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

## 30. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

## Significant transactions with related parties during the year (continued):

Currency: VND million

	Current year	Previous year
<b>Interests receivable</b>		
Vingroup JSC	7,200	169,080
Green City Development Joint Stock Company	90,989	8,403
Vinhomes JSC	-	84,791
<b>Interests received</b>		
Vingroup JSC	91,627	192,261
Green City Development Joint Stock Company	96,318	-
Vinhomes JSC	-	96,966
<b>Dividend payable</b>		
Vingroup JSC	449,101	-
Hanoi Southern City Development and Trading LLC	201,798	-
Saidong Urban Development and Investment JSC	788,582	-
<b>Dividend paid</b>		
Vingroup JSC	449,101	-
Hanoi Southern City Development and Trading LLC	201,798	-
Saidong Urban Development and Investment JSC	788,582	-

## Amounts due from and due to related parties

Currency: VND million

Related parties	Transactions	As at 31/12/2019	As at 31/12/2018
<b>Short-term trade receivable (Note 6.1)</b>			
Vincommerce General Commerce	Receivables from leasing property and provision of related services	-	64,126
Vinhomes JSC	Receivables from leasing property and provision of related services	19,394	30,722
Vinpro Business and Trading Services JSC	Receivables from leasing property and provision of related services	17,972	12,069
Other companies in the Group	Other receivables	31,458	25,847
		<b>68,824</b>	<b>132,764</b>

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

## 30. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

## Amounts due from and due to related parties (continued)

Currency: VND million

<i>Related parties</i>	<i>Transactions</i>	<i>As at 31/12/2019</i>	<i>As at 31/12/2018</i>
<b>Advances to suppliers (Note 6.2)</b>			
Vinhomes JSC	Advances for purchase of services	5,995	93,246
Vincommerce General Commerce Services JSC	Advances for purchase of services	-	292
Other companies in the Group	Advances for purchase of services	2,818	-
		<b>8,813</b>	<b>93,538</b>
<b>Other short-term receivables (Note 7)</b>			
Vingroup JSC	Interests receivable from	4,144	89,639
	Other receivables	1,432	894
Vinpearl JSC	Shared profit receivable	3,713	4,126
	Other receivables	3,275	4,743
Vietnam Investment and Consulting Investment JSC	Interests receivable from	19,381	19,381
	Other receivables	78	-
Can Gio Tourist City Corporation	Interests receivable from deposits	9,557	11,879
Green City Development Joint Stock Company	Interests receivable from deposits	3,075	-
Other companies in the Group	Other receivables	9,900	26,666
		<b>54,555</b>	<b>157,328</b>
<b>Long-term prepaid expenses (Note 10)</b>			
Ecology Development and Investment JSC	Long-term lease prepaid	258,051	268,105
		<b>258,051</b>	<b>268,105</b>

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

## 30. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

## Amounts due from and due to related parties (continued)

Currency: VND million

<i>Related parties</i>	<i>Transactions</i>	<i>As at 31/12/2019</i>	<i>As at 31/12/2018</i>
<b><i>Other current assets</i></b> (Note 11)			
Vingroup JSC	Deposits for business cooperation	886,000	1,682,000
Central Park Development LLC	Deposits for business cooperation	-	101,000
West Hanoi Construction and Commercial Development LLC	Deposits for business cooperation	81,000	-
Gia Lam Urban Investment and Development LLC	Deposits for business cooperation	98,000	-
		<b>1,065,000</b>	<b>1,783,000</b>
<b><i>Other long-term assets</i></b> (Note 11)			
Vingroup JSC	Deposits for business cooperation	72,000	251,000
Can Gio Tourist City Corporation	Deposits for business cooperation	163,000	163,000
Green City Development JSC	Deposits for business cooperation	362,000	142,000
		<b>597,000</b>	<b>556,000</b>
<b><i>Short-term trade payables</i></b> (Note 17)			
Vinpearl JSC	Payables for purchase of assets	220,771	375,404
	Payables for purchase of goods and services	9,961	14,383
Vinhomes JSC	Payables for purchase of assets	360,058	510,046
	Payables for purchase of goods and services	51,000	428,184
Vingroup JSC	Payables for purchase of assets	339,398	1,083,686
	Payables for purchase of goods and services	9,069	120,966
Vietnam Investment and Consulting Investment JSC	Payables for purchase of assets	716,143	762,780
	Payables for purchase of goods and services	9,083	-
Central Park Development LLC	Payables for purchase of assets	109,487	-
	Payables for purchase of goods and services	2,894	-
Vincommerce General Commerce Services JSC	Payables for purchase of goods and services	-	7,292
Other companies in the Group	Other payables	6,470	14,302
		<b>1,834,334</b>	<b>3,317,043</b>

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

## 30. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

## Amounts due from and due to related parties (continued)

Currency: VND million

<i>Related parties</i>	<i>Transactions</i>	<i>As at 31/12/2019</i>	<i>As at 31/12/2018</i>
<b>Short-term accrued expenses</b> (Note 20)			
Companies in the Group	Other payables	2,962	1,787
		<b>2,962</b>	<b>1,787</b>
<b>Other short-term payables</b> (Note 21)			
Vincommerce General Commerce	Deposit for leasing retail	-	3,883
Vinhomes JSC	Deposit for leasing retail	7,695	-
	Other payables	584	-
Other companies in the Group	Other payables	15,120	2,111
		<b>23,399</b>	<b>5,994</b>
<b>Other long-term liabilities</b> (Note 21)			
Vincommerce General Commerce Services JSC	Deposit for leasing retail	-	27,299
Vinschool One Member LLC	Deposit for leasing retail	4,247	7,054
Vinfast Manufacturing and Trading	Deposit for leasing retail	6,124	2,664
Vinpearl JSC	Deposits for business cooperation	180,000	-
	Payables for purchase	2,310	-
Other companies in the Group	Deposit for leasing retail	4,081	20,198
		<b>196,762</b>	<b>57,215</b>
<b>Unearned revenues</b> (Note 22)			
Vincommerce General Commerce Services JSC	Unearned revenue from leasing and rendering of related services	-	23,000
Other companies in the Group	Unearned revenue from leasing and rendering of related services	10,999	11,032
		<b>10,999</b>	<b>34,032</b>

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

Financial lease liabilities from a related party as at 31 December 2019 was as follow:

<i>Related parties</i>	<i>As at 31/12/2019</i>	<i>Interest rate</i>	<i>Maturity date</i>
	<i>VND million</i>	<i>per annum</i>	
Ecology Development and Investment JSC	190,093	From 8.58% to 14.02%	March 2045
<i>In which: Current-portion</i>	<i>(19,415)</i>		
<b>TOTAL (i)</b>	<b>170,678</b>		

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

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

<i>Related parties</i>	<i>As at 31/12/2018</i>	<i>Interest rate</i>	<i>Maturity date</i>
	<i>VND million</i>	<i>per annum</i>	
Ecology Development and Investment JSC	188,312	From 8.58% to 14.02%	March 2045
<i>In which: Current-portion</i>	<i>(18,079)</i>		
<b>TOTAL</b>	<b>170,233</b>		

**31. EVENTS AFTER THE BALANCE SHEET DATE**

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


Phung Thi Thanh  
Preparer

Nguyen Thi Xuan Nghia  
Chief Accountant

Pham Ngoc Thoa  
Chief Finance Officer

30 January 2020

# Công ty Cổ phần Vincom Retail

PHỤ LỤC  
Quý IV năm 2019

## PHỤ LỤC 1 - CƠ CẤU TỔ CHỨC TẠI NGÀY 31 THÁNG 12 NĂM 2019

<i>STT</i>	<i>Tên công ty</i>	<i>Tỷ lệ biểu quyết (%)</i>	<i>Tỷ lệ lợi ích (%)</i>	<i>Trụ sở chính</i>	<i>Hoạt động chính</i>
1	Công ty TNHH Vincom Retail Miền Bắc	100,00	100,00	Số 72A, Nguyễn Trãi, phường Thượng Đình, quận Thanh Xuân, TP Hà Nội	Cho thuê mặt bằng bán lẻ và kinh doanh bất động sản
2	Công ty TNHH Vincom Retail Miền Nam	100,00	100,00	Số 72 Lê Thánh Tôn và số 45A Lý Tự Trọng, phường Bến Nghé, quận 1, TP Hồ Chí Minh	Cho thuê mặt bằng bán lẻ và kinh doanh bất động sản
3	Công ty Cổ phần Đầu tư và Phát triển Đô thị Suối Hoa	97,27	97,27	Km1 + 200, đường Trần Hưng Đạo, phường Suối Hoa, TP Bắc Ninh, tỉnh Bắc Ninh	Cho thuê mặt bằng bán lẻ và kinh doanh bất động sản
4	Công ty TNHH Đầu tư và Phát triển Bất động sản Hà Thành	100,00	100,00	Số 7, đường Bằng Lăng 1, khu đô thị sinh thái Vinhomes Riverside, phường Việt Hưng, quận Long Biên, TP Hà Nội	Cho thuê mặt bằng bán lẻ và kinh doanh bất động sản

# Vincom Retail Joint Stock Company

APPENDIX (continued)  
Quarter IV 2019

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

		Currency: VND million			
Code	Item	Quarter IV 2019	Quarter IV 2018	Variance	%
10	Net revenue from sale of goods and rendering of services	2,784,403	3,011,557	(227,154)	-8%
11	Cost of goods sold and services rendered	1,388,356	1,878,335	(489,979)	-26%
20	Gross profit from sale of goods and rendering of services	1,396,047	1,133,222	262,825	23%
21	Financial income	47,314	90,125	(42,811)	-48%
60	Net profit after tax	880,231	695,868	184,363	26%

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

- Net revenue from sale of goods and rendering of services in Quarter IV 2019 decreased VND 227 billion in comparison with previous period mainly because of: (i) an increase amounted to VND 460 billion in revenue from leasing activities and rendering of related services which mostly came from stable operation of newly opening shopping malls in 2018; and (ii) a decrease amounted to VND 655 billion from sale of inventory properties due to the delivery of a large amount of apartments in the Suoi Hoa (Bac Ninh) project in Quarter IV 2018. Cost of goods sold and services rendered decreased correspondingly to the decrease of revenue from sale of goods and rendering of services
- Gross profit increased VND 263 billion because of better gross profit margin of sale of inventory properties.
- Finance income decreased VND 43 billion because of the decrease of interest income from bank deposits, loans and deposits.
- Net profit after tax increased VND 184 billion in comparison with previous period because of above mentioned reasons.