

# **Vincom Retail Joint Stock Company**

Separate 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 Dui	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 this report and the separate financial statements of the Company for Quarter IV 2019.

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

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

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

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

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

### STATEMENT BY MANAGEMENT

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

The Company has subsidiaries as disclosed in the separate financial statements. The Company prepared these separate financial statements to meet the prevailing requirements in relation to disclosure of information, specifically the Circular 155/2015/TT-BTC on disclosure of information on the securities market. In addition, as required by these regulations, the Company has also prepared the consolidated financial statements of the Company and its subsidiaries for Quarter IV 2019 ("the consolidated financial statement") dated 30 January 2020.

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

For and on behalf of management:



Pham Ngoc Thoa  
Chief Finance Officer

Hanoi, Vietnam

30 January 2020

SEPARATE 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>4,664,417</b>	<b>6,838,572</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>4</b>	<b>1,197,520</b>	<b>2,051,375</b>
111	1. Cash		1,197,520	401,375
112	2. Cash equivalents		-	1,650,000
<b>120</b>	<b>II. Short-term investments</b>		<b>-</b>	<b>600,000</b>
123	1. Held-to-maturity investments	5	-	600,000
<b>130</b>	<b>III. Current accounts receivable</b>		<b>1,398,011</b>	<b>1,520,935</b>
131	1. Short-term trade receivables	6	279,822	262,676
132	2. Short-term advances to suppliers		54,606	164,344
135	3. Short-term loan receivables	27	-	792,293
136	4. Other short-term receivables	7	1,064,460	301,667
137	5. Provision for doubtful short-term receivables	6	(877)	(45)
<b>140</b>	<b>IV. Inventories</b>	<b>8</b>	<b>952,143</b>	<b>772,330</b>
141	1. Inventories		952,143	772,330
<b>150</b>	<b>V. Other current assets</b>		<b>1,116,743</b>	<b>1,893,932</b>
151	1. Short-term prepaid expenses	9	50,860	110,932
152	2. Value-added tax deductible		650	-
153	3. Tax and other receivables from the State		233	-
155	2. Other current assets	10	1,065,000	1,783,000
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>24,366,725</b>	<b>22,716,754</b>
<b>210</b>	<b>I. Long-term receivables</b>		<b>1,403,223</b>	<b>1,401,849</b>
215	1. Long-term loan receivables	27	1,400,000	1,400,000
216	2. Other long-term receivables		3,223	1,849
<b>220</b>	<b>II. Fixed assets</b>		<b>31,862</b>	<b>27,850</b>
221	1. Tangible fixed assets	11	10,264	3,686
222	Cost		13,054	5,088
223	Accumulated depreciation		(2,790)	(1,402)
227	2. Intangible assets	12	21,598	24,164
228	Cost		44,222	40,170
229	Accumulated amortisation		(22,624)	(16,006)
<b>230</b>	<b>III. Investment properties</b>	<b>13</b>	<b>4,268,587</b>	<b>2,858,866</b>
231	1. Cost		4,692,049	3,145,230
232	2. Accumulated depreciation		(423,462)	(286,364)
<b>240</b>	<b>IV. Long-term assets in progress</b>		<b>373,197</b>	<b>371,762</b>
242	1. Construction in progress	14	373,197	371,762
<b>250</b>	<b>V. Long-term investments</b>		<b>17,642,609</b>	<b>17,469,885</b>
251	1. Investments in subsidiaries	15	12,579,789	12,199,789
253	2. Investments in other entities	16	4,362,820	3,570,096
255	3. Held-to-maturity investments	5	700,000	1,700,000
<b>260</b>	<b>VI. Other long-term assets</b>		<b>647,247</b>	<b>586,542</b>
261	1. Long-term prepaid expenses	9	50,247	30,542
268	2. Other long-term assets	10	597,000	556,000
<b>270</b>	<b>TOTAL ASSETS</b>		<b>29,031,142</b>	<b>29,555,326</b>

SEPARATE BALANCE SHEET (continued)  
as at 31 December 2019

Currency: VND million

Code	EQUITY	Notes	As at 31/12/2019	As at 31/12/2019
<b>300</b>	<b>C. LIABILITIES</b>		<b>5,024,774</b>	<b>5,252,580</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>2,031,641</b>	<b>2,275,745</b>
311	1. Short-term trade payables	17.1	214,731	419,861
312	2. Short-term advances from customers	17.2	436,259	778,647
313	3. Statutory obligations	18	78,986	95,614
314	4. Payables to employees		469	655
315	5. Short-term accrued expenses	19	562,236	370,205
318	6. Short-term unearned revenue		7,332	4,208
319	7. Other short-term payables	20	721,783	598,923
321	8. Short-term provisions		9,845	7,632
<b>330</b>	<b>II. Non-current liabilities</b>		<b>2,993,133</b>	<b>2,976,835</b>
336	1. Long-term unearned revenue		120,204	107,774
337	2. Other long-term liabilities	20	274,834	271,846
338	3. Long-term loans and debts	21	2,598,095	2,597,215
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>24,006,368</b>	<b>24,302,746</b>
<b>410</b>	<b>I. Capital</b>	<b>22</b>	<b>24,006,368</b>	<b>24,302,746</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		5,000	-
421	5. Undistributed earnings		2,620,459	967,579
421a	- Accumulated losses by the end of prior year		-	(260,011)
421b	- Undistributed earnings of current period		2,620,459	1,227,590
<b>440</b>	<b>TOTAL EQUITY</b>		<b>29,031,142</b>	<b>29,555,326</b>

Phung Thi Thanh  
Preparer

Nguyen Thi Xuan Nghia  
Chief Accountant

Pham Ngoc Thoa  
Chief Finance Officer

30 January 2020

SEPARATE 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	23.1	1,332,408	450,789	3,808,486	1,526,303
02	2. Deductions	23.1	-	-	-	-
10	3. Net revenue from sale of goods and rendering of services	23.1	1,332,408	450,789	3,808,486	1,526,303
11	4. Cost of goods sold and services rendered	24	(771,937)	(309,762)	(2,343,655)	(1,017,675)
20	5. Gross profit from sale of goods and rendering of services		560,471	141,027	1,464,831	508,628
21	6. Finance income	23.2	1,285,442	141,849	3,433,674	1,337,762
22	7. Finance expenses	25	(72,800)	(65,548)	(275,249)	(351,290)
23	In which: Interest expenses		(72,800)	(65,548)	(274,908)	(351,230)
25	8. Selling expenses	26	(80,082)	(17,876)	(156,695)	(59,787)
26	9. General and administrative expenses	26	(15,581)	(21,038)	(96,375)	(40,959)
30	10. Operating profit		1,677,450	178,414	4,370,186	1,394,354

SEPARATE 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		5,456	555	12,930	1,488
32	12. Other expenses		(822)	(375)	(1,186)	(7,080)
40	13. Other profit/(loss)		4,634	180	11,744	(5,592)
50	14. Accounting profit before tax		1,682,084	178,594	4,381,930	1,388,762
51	15. Current corporate income tax expenses	27	(96,787)	(37,890)	(278,791)	(161,172)
60	16. Net profit after tax		1,585,297	140,704	4,103,139	1,227,590



Phung Thi Thanh  
Preparer

30 January 2020



Nguyen Thi Xuan Nghia  
Chief Accountant



Pham Ngoc Thoa  
Chief Finance Officer



SEPARATE 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	4,381,930	1,388,762
	Adjustments for:		
02	Depreciation of tangible fixed assets and investment properties and amortisation of intangible assets	145,109	124,715
03	Provisions	3,045	213
05	Profits from investing activities	(3,433,674)	(1,337,538)
06	Interest expenses and bond issue costs	274,908	351,230
08	Operating profit before changes in working capital	1,371,318	527,382
09	Changes in receivables	176,122	(121,104)
10	Changes in inventories	(179,813)	(396,040)
11	Changes in payables (other than interests, corporate income tax)	(548,094)	1,259,550
12	Changes in prepaid expenses	40,401	(77,909)
14	Interests paid	(257,653)	(360,206)
15	Corporate income tax paid	(156,235)	(172,216)
20	Net cash flows from operating activities	446,046	659,457
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
21	Purchase, construction of fixed assets and other long-term assets	(3,844,785)	(1,160,329)
21	Collection on investment deposits	1,596,000	585,000
	Proceeds from disposals of fixed assets	-	1,530
23	Loans to other entities and payments for purchase of debt instruments of other entities	(305,000)	(50,000)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities	2,697,293	2,936,385
25	Payments for investments in other entities	(380,000)	(1,000)
26	Proceeds from sale of investments in other entities	1,000	100,000
27	Interests and dividends received	3,335,094	1,420,256
30	Net cash flows from investing activities	3,099,602	3,831,842

SEPARATE 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 and bonds	-	(3,200,000)
36	Dividends paid	(2,445,245)	-
40	<b>Net cash flows (used in) financing activities</b>	<b>(4,399,503)</b>	<b>(3,200,000)</b>
50	<b>Net (decrease)/increase in cash and cash equivalents for the year</b>	<b>(853,855)</b>	<b>1,291,299</b>
60	<b>Cash and cash equivalents at the beginning of the year</b>	<b>2,051,375</b>	<b>760,077</b>
70	<b>Cash and cash equivalents at the end of the year</b>	<b>1,197,520</b>	<b>2,051,376</b>


Phung Thi Thanh  
Preparer

Nguyen Thi Xuan Nghia  
Chief Accountant

Pham Ngoc Thoa  
Chief Finance Officer

30 January 2020

## NOTES TO THE SEPARATE 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 Ho Chi Minh Stock Exchange (HOSE) since 6 November 2017.

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

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

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

The number of the Company's employees as at 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 subsidiaries as at 31 December 2019, as follows:

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 SEPARATE FINANCIAL STATEMENTS (continued)  
Quarter IV 2019**2. BASIS OF PREPARATION****2.1 Purpose of preparing the separate financial statements**

The Company has subsidiaries as disclosed in Note 1 and Note 15. The Company prepared these separate financial statements to meet the prevailing requirements in relation to disclosure of information, specifically the Circular 155/2015/TT-BTC on disclosure of information on the securities market. In addition, as required by these regulations, the Company has also prepared the consolidated financial statements of the Company and its subsidiaries for Quarter IV 2019 ("the consolidated financial statements") dated 30 January 2020.

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

**2.2 Accounting standards and system**

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

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

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

**2.3 Applied accounting documentation system**

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

**2.4 Fiscal year**

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

**2.5 Accounting currency**

The Company's accounting currency is VND.

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
Quarter IV 2019**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****3.1 Cash and cash equivalents**

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

**3.2 Inventories***Inventory properties*

Properties being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory properties and is measured at the lower of cost incurred in bringing the inventories to their present location and condition, and net realisable value.

Cost includes:

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

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

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

**3.3 Receivables**

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

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

**3.4 Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
Quarter IV 2019**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.5 Leased assets**

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

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

*Where the Company is the lessee*

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

*Where the Company is the lessor*

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

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

**3.6 Intangible assets**

Intangible assets are stated at cost less accumulated amortisation.

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

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

**3.7 Depreciation and amortisation**

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

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

**3.8 Investment properties**

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

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

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

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

**3.8 Investment properties (continued)**

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

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

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

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the assets is recognised in the separate 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 properties to owner-occupied properties or inventories does not change the cost or the carrying value of the properties for subsequent accounting at the date of change in use.

**3.9 Borrowing costs**

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

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

**3.10 Prepaid expenses**

Prepaid expenses are reported as short-term or long-term prepaid expenses on the separate balance sheet and amortised over the 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 and other long-term prepaid expenses that bring future economic benefits for more than one year period.

**3.11 Investments**

*Investments in subsidiaries*

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

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
Quarter IV 2019**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.11 Investments (continued)***Investments in other entities*

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

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

Provision is made for any diminution in value of the investments in capital of other entities at the balance sheet date in accordance with the guidance under Circular No. 228/2009/TT-BTC dated 7 December 2009 and Circular No. 89/2013/TT-BTC dated 28 June 2013 issued by the Ministry of Finance. Increases or decreases to the provision balance are recorded as finance expense in the separate income statement.

*Held-to-maturity investments*

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

**3.12 Payables and accruals**

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

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

**3.13 Provisions**

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

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

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

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



NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
Quarter IV 2019**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.14 Foreign currency transactions**

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

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

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

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

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

**3.15 Advances from customers**

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

**3.16 Appropriation of net profits**

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

**3.17 Revenue recognition**

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

*Revenue from sale of inventory properties*

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

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
Quarter IV 2019**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.17 Revenue recognition (continued)***Revenue from sale of inventory properties (continued)*

- ▶ 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 separate income statement on a straight line basis over the lease terms.

*Rendering of services*

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

*Gains from securities trading, capital transfer*

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

*Interests*

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

*Dividends*

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

**3.18 Taxation***Current income tax*

Current income tax assets and liabilities for the current and prior 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 separate income statement, except when it relates to items recognised directly to equity, in which case the current income tax is also dealt with in equity.

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
Quarter IV 2019**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.18 Taxation (continued)***Deferred tax*

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

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

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

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

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the 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 separate income statement, except when it relates to items recognised directly to equity, in which case the deferred tax is also dealt with in the equity account.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
Quarter IV 2019**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.18 Taxation (continued)***Deferred tax (continued)*

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

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

**3.19 Related parties**

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

**4. CASH AND CASH EQUIVALENTS**

Currency: VND million

	<i>As at 31/12/2019</i>	<i>As at 31/12/2018</i>
Cash in banks	1,197,500	401,316
Cash in transit	20	59
Cash equivalents	-	1,650,000
<b>TOTAL</b>	<b>1,197,520</b>	<b>2,051,375</b>

**5. HELD-TO-MATURITY INVESTMENTS**

Currency: VND million

	<i>As at 31/12/2019</i>	<i>As at 31/12/2018</i>
Short-term held-to-maturity investments	-	600,000
Long-term held-to-maturity investments (i)	700,000	1,700,000
<b>TOTAL</b>	<b>700,000</b>	<b>2,300,000</b>

- (i) Ending balance of long-term held-to-maturity investments comprise long-term bank deposits at Vietnam Technological and Commercial Joint Stock Bank with terms of 36 months and earning interest at the rate of 7.1% per annum (31 December 2018: terms of 36 months and earning interest at the rate of 7.1% per annum).

## NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

Quarter IV 2019

## 6. 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	86,346	128,894
Receivables from sale of inventory	107,513	32,777
Receivables from rendering management services	85,963	101,005
<b>TOTAL</b>	<b>279,822</b>	<b>262,676</b>
<i>In which:</i>		
Trade receivables from customers	166,820	138,585
Trade receivables from related parties (Note 28)	113,002	124,091
Provision for doubtful short-term receivables	(877)	(45)
		-
Details of receivables which account for more than 10% of total balance:		
Receivable from rendering services to South Vincom Retail LLC	32,713	28,954
Receivable from rendering services to North Vincom Retail LLC	64,938	40,827
Receivable from rendering services to Suoi Hoa Urban Development and Investment JSC	1,252	31,918
Receivable from a long-term leasing contract and related services fee to a corporate counterparty	-	76,904

## 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	51,270	172,690
Receivable for payment on behalf	13,945	56,001
Dividends receivable	220,000	-
Deposits for land bidding	14,565	39,000
Deposits for mall acquisition	750,000	-
Receivable for deposit of inventory properties	-	2,372
Others	14,680	31,604
<b>TOTAL</b>	<b>1,064,460</b>	<b>301,667</b>
<i>In which:</i>		
Other receivables	23,458	100,956
Other receivables from related parties (Note 28)	1,041,002	200,711

## NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

Quarter IV 2019

## 8. INVENTORIES

Currency: VND million

	<u>As at 31/12/2019</u>	<u>As at 31/12/2018</u>
Materials	9,373	1,099
Inventory properties under construction (i)	812,345	769,200
Completed inventory properties	130,405	2,026
Others	20	5
<b>TOTAL</b>	<b>952,143</b>	<b>772,330</b>

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

## 9. PREPAID EXPENSES

Currency: VND million

	<u>As at 31/12/2019</u>	<u>As at 31/12/2018</u>
<b>Short-term:</b>		
Selling expenses related to sale of inventory properties not yet handed over	24,541	54,766
Project prepayment costs	-	21,879
Prepaid land rental	13,236	17,197
Provisional corporate income tax	4,332	7,750
Others	8,751	9,340
<b>TOTAL</b>	<b>50,860</b>	<b>110,932</b>
<b>Long-term:</b>		
Commission expense	17,218	9,817
Tools and supplies	20,694	8,978
Overhaul expenditures	11,142	11,070
Others	1,193	676
<b>TOTAL</b>	<b>50,247</b>	<b>30,541</b>

## 10. OTHER ASSETS

Currency: VND million

	<u>As at 31/12/2019</u>	<u>As at 31/12/2018</u>
<b>Short-term:</b>		
Deposits to related parties for investment purposes (Note 28) (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 28) (i)	597,000	556,000
<b>TOTAL</b>	<b>597,000</b>	<b>556,000</b>

## NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

Quarter IV 2019

**10. OTHER ASSETS (continued)**

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

**11. TANGIBLE FIXED ASSETS**

Currency: VND million

	<i>Definite land use rights</i>	<i>Building and structures</i>	<i>Machineries and equipment</i>	<i>Total</i>
<b>Cost:</b>				
Beginning balance	226	4,036	826	5,088
Newly constructed	-	6,085	1,919	8,004
Reclassification to tools and supplies	-	(38)	-	(38)
Ending balance	226	10,083	2,745	13,054
<b>Accumulated depreciation:</b>				
Beginning balance	139	933	329	1,401
Depreciation for the year	45	1,157	191	1,393
Reclassification to tools and supplies	-	(4)	-	(4)
Ending balance	184	2,086	520	2,790
<b>Net carrying amount:</b>				
Beginning balance	87	3,103	497	3,687
Ending balance	42	7,997	2,225	10,264

**12. INTANGIBLE ASSETS**

Currency: VND million

	<i>Computer software</i>
<b>Cost:</b>	
Beginning balance	40,170
- Newly purchased	4,052
Ending balance	44,222
<b>Accumulated amortisation:</b>	
Beginning balance	16,006
- Amortisation for the year	6,618
Ending balance	22,624
<b>Net carrying amount:</b>	
Beginning balance	24,164
Ending balance	21,598

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
Quarter IV 2019**13. INVESTMENT PROPERTIES**

Currency: VND million

	<i>Definite land use rights</i>	<i>Building and structures</i>	<i>Machineries and equipment</i>	<i>Total</i>
<b>Cost:</b>				
Beginning balance	191,249	2,369,536	584,445	3,145,230
Transferred from completed construction in progress	136,463	970,436	439,920	1,546,819
Ending balance	327,712	3,339,972	1,024,365	4,692,049
<b>Accumulated depreciation:</b>				
Beginning balance	12,460	171,401	102,503	286,364
Depreciation for the year	4,471	77,707	54,920	137,098
Ending balance	16,931	249,108	157,423	423,462
<b>Net carrying amount:</b>				
Beginning balance	178,789	2,198,135	481,942	2,858,866
Ending balance	310,781	3,090,864	866,942	4,268,587

Investment properties mainly include the shopping malls of the Company.

Revenue and operating expenses related to investment properties are disclosed in Note 23.3.

**14. CONSTRUCTION IN PROGRESS**

Currency: VND million

	<i>As at 31/12/2019</i>	<i>As at 31/12/2018</i>
Vincom+ Thai Nguyen	108,973	-
Vincom Plaza My Tho	103,448	-
Vincom Plaza Bac Lieu	92,312	-
Vincom Plaza Mong Cai	-	88,581
Vincom Plaza Di An, Binh Duong	-	79,358
Vincom Plaza Bac Kan	-	66,430
Vincom Plaza Hoa Binh	-	62,624
Other projects	68,464	74,769
<b>TOTAL</b>	<b>373,197</b>	<b>371,762</b>



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

## 15. INVESTMENTS IN SUBSIDIARIES

*Currency: VND million*

No.	Company	As at 31/12/2019			As at 31/12/2018		
		Number of shares	Carrying value (VND million)	Ownership (%)	Number of shares	Carrying value (VND million)	Ownership (%)
1	North Vincom Retail LLC	(*)	5,858,780	100.00	(*)	5,858,780	100.00
2	South Vincom Retail LLC	(*)	5,779,000	100.00	(*)	5,779,000	100.00
3	Ha Thanh Real Estate Investment and Development Company Limited	(*)	380,000	100.00		-	
4	Suoi Hoa Urban Development and Investment JSC	34,240,000	562,009	97.27	34,240,000	562,009	97.27
<b>TOTAL</b>			<b>12,579,789</b>			<b>12,199,789</b>	

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

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

16. INVESTMENTS IN OTHER ENTITIES

No.	Investment	As at 31/12/2019			As at 31/12/2018		
		Number of shares	Carrying value (VND million)	Ownership (%)	Number of shares	Carrying value (VND million)	Ownership (%)
1	Investment in business co-operation contracts (i)		4,362,820			3,569,096	
2	Investment in Ha Thanh Real Estate Investment and Development Company Limited		-		100,000	1,000	5
<b>TOTAL</b>			<b>4,362,820</b>			<b>3,570,096</b>	

- (i) Ending balance comprises deposits to Vingroup JSC, the ultimate parent company, and some companies within and outside the Group, for the co-investment and operation of shopping mall component of a number of real estate projects under business co-investment and operation contracts (the "BCC"). These shopping malls had been completed and ready for commercial operations. As a result, the parties signed the BCC giving the Company the right to control, manage and operate the shopping malls, and a portion of profit before tax from the operation of the shopping malls will be shared to the counterparty.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
Quarter IV 2019**17. TRADE PAYABLES AND ADVANCES FROM CUSTOMERS****17.1 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	159,441	70,687
Trade payables to related parties (Note 28)	55,290	349,174
<b>TOTAL</b>	<b>214,731</b>	<b>419,861</b>
Details of trade payables which account for more than 10% of total balance:		
Payables to Vinhomes JSC	32,933	233,894
Payables to Vingroup JSC	3,944	103,973

**17.2 Short-term advances 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	433,041	775,031
Others	3,218	3,616
<b>TOTAL</b>	<b>436,259</b>	<b>778,647</b>
<i>In which:</i>		
Advances from other parties	436,259	778,647
Advances from related parties	-	-

**18. STATUTORY OBLIGATIONS**

Currency: VND million

	<u>As at 31/12/2019</u>	<u>As at 31/12/2018</u>
<b>Payables</b>		
Value added tax	-	5,614
Corporate income tax	75,303	26,049
Personal income tax	3,683	1,953
Others	-	61,998
<b>TOTAL</b>	<b>78,986</b>	<b>95,614</b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
Quarter IV 2019**19. SHORT-TERM ACCRUED EXPENSES**

Currency: VND million

	<u>As at 31/12/2019</u>	<u>As at 31/12/2018</u>
Accrued loans and bond interests	103,993	85,199
Accrued construction costs	344,272	178,420
Accrued labour costs	18,878	9,820
Accrued commission and brokerage fee	22,809	49,602
Others	72,284	47,164
<b>TOTAL</b>	<b>562,236</b>	<b>370,205</b>
<i>In which:</i>		
Accrued expenses due to others	560,843	368,418
Accrued expenses due to related parties (Note 28)	1,393	1,787

**20. 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	318,243
Centralised cash management in master account payable to subsidiaries	308,888	236,820
Dividend payable	14	-
Deposits from tenants to be refunded within the next 12 months	106,401	19,282
Deposits for site construction	16,341	12,967
Other payables	15,941	11,611
<b>TOTAL</b>	<b>721,783</b>	<b>598,923</b>
<i>In which:</i>		
Other payables	407,148	357,499
Other payables to related parties (Note 28)	314,635	241,424
<b>Long-term:</b>		
Deposits from tenants	381,235	291,128
Less: Deposits from tenants to be refunded within the next 12 months (Presented in Short-term)	(106,401)	(19,282)
<b>TOTAL</b>	<b>274,834</b>	<b>271,846</b>
<i>In which:</i>		
Other payables	267,968	261,810
Other payables to related parties (Note 28)	6,866	10,036

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
Quarter IV 2019**21. LONG TERM LOANS AND DEBTS**

<i>Currency: VND million</i>				
	<i>As at 31/12/2019</i>		<i>As at 31/12/2018</i>	
	<i>Carrying value</i>	<i>Payable amount</i>	<i>Carrying value</i>	<i>Payable amount</i>
Corporate bonds (i)	2,598,095	2,598,095	2,597,215	2,597,215
<b>TOTAL</b>	<b>2,598,095</b>	<b>2,598,095</b>	<b>2,597,215</b>	<b>2,597,215</b>

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

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

22. OWNERS' EQUITY

22.1 Increase and decrease in owners' equity

Currency: VND million

	Shares with voting right	Share premium	Treasury shares	Other funds belonging to owners' equity	(Accumulated losses)/ Undistributed earnings	Total
<b>For the financial year ended 31 December 2018</b>						
Beginning balance	19,010,787	4,324,380	-	-	(260,011)	23,075,156
- Net profit for the year	-	-	-	-	1,227,590	1,227,590
- Capital increase in year	4,277,397	(4,277,397)	-	-	-	-
Ending balance	23,288,184	46,983	-	-	967,579	24,302,746
<b>For the financial year ended 31 December 2019</b>						
Beginning balance	23,288,184	46,983	-	-	967,579	24,302,746
- Net profit for the year	-	-	-	-	4,103,139	4,103,139
- Increase in reserve fund to supplement charter capital	-	-	-	5,000	(5,000)	-
- Dividend declared (i)	-	-	-	-	(2,445,259)	(2,445,259)
- Treasury shares buy-back (ii)	-	-	(1,954,258)	-	-	(1,954,258)
Ending balance	23,288,184	46,983	(1,954,258)	5,000	2,620,459	24,006,368

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
Quarter IV 2019**22. OWNERS' EQUITY (continued)****22.2 Shares**

	<i>As at 31/12/2019</i>		<i>As at 31/12/2018</i>	
	<i>Quantity</i>	<i>Amount VND million</i>	<i>Quantity</i>	<i>Amount VND million</i>
<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 is VND10,000 per share (31 December 2018: 10,000VND per share).

**23. REVENUE****23.1 Revenue from sale of goods and rendering of services**

Currency: VND million

	<i>Quarter IV 2019</i>	<i>Quarter IV 2018</i>
<b>Gross revenue</b>	<b>1,332,408</b>	<b>450,789</b>
In which:		
Sale of inventory properties	770,438	68,461
Leasing activities and rendering of related services	461,817	268,132
Rendering management services	97,252	110,258
Others	2,901	3,938
<b>Deduction</b>	<b>-</b>	<b>-</b>
<b>Net revenue</b>	<b>1,332,408</b>	<b>450,789</b>
In which:		
Revenue from sale to others	1,091,995	284,890
Revenue from sale to related parties	240,413	165,899

**23.2 Finance income**

Currency: VND million

	<i>Quarter IV 2019</i>	<i>Quarter IV 2018</i>
Dividend receivable from subsidiaries	1,200,000	-
Interest income from bank deposits, loans and deposits	85,442	141,849
<b>TOTAL</b>	<b>1,285,442</b>	<b>141,849</b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
Quarter IV 2019**23.3 Revenue and cost related to investment properties**

Currency: VND million

	<u>Quarter IV 2019</u>	<u>Quarter IV 2018</u>
Revenue from leasing of investment properties and rendering of related services (Note 23.1)	461,817	268,132
Direct operating costs related to investment properties generating income in the year (Note 24)	233,051	152,001

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

Currency: VND million

	<u>Quarter IV 2019</u>	<u>Quarter IV 2018</u>
Cost of inventory properties sold	446,007	47,127
Cost of leasing activities and rendering of related services	233,051	152,001
Cost of rendering management services	90,738	108,928
Others	2,141	1,706
<b>TOTAL</b>	<b>771,937</b>	<b>309,762</b>

**25. FINANCE EXPENSES**

Currency: VND million

	<u>Quarter IV 2019</u>	<u>Quarter IV 2018</u>
Interests on loans and bond	72,580	65,328
Amortisation of bond issue costs	220	220
<b>TOTAL</b>	<b>72,800</b>	<b>65,548</b>

**26. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES**

Currency: VND million

	<u>Quarter IV 2019</u>	<u>Quarter IV 2018</u>
<b>Selling expenses</b>	<b>80,082</b>	<b>17,876</b>
Consulting, commission and brokerage fees	34,943	3,729
Brand and marketing fee	28,878	8,939
Others	16,261	5,208
<b>General and administrative expenses</b>	<b>15,581</b>	<b>21,038</b>
Management services fee	15,891	13,419
Others	(310)	7,619
<b>TOTAL</b>	<b>95,663</b>	<b>38,914</b>



NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
Quarter IV 2019**27. CORPORATE INCOME TAX**

The statutory corporate income tax ("CIT") applicable to the Company for Quarter IV 2019 is 20% on taxable profits (for Quarter IV 2018: 20%).

The tax returns filed by the Company is subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the separate 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 tax expenses	96,787	35,501
Adjustment for under accrual of CIT from previous years	-	-
<b>TOTAL</b>	<b>96,787</b>	<b>35,501</b>

**28. 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
North Vincom Retail LLC	Subsidiary
South Vincom Retail LLC	Subsidiary
Suoi Hoa Urban Development and Investment JSC	Subsidiary
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
Vinpearl JSC	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)
Gia Lam Urban Development and Investment Limited Company	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
Hanoi Southern City Development and Trading LLC	Share holder
Saidong Urban Development and Investment JSC	Share holder

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
Quarter IV 2019**28. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)**

(\*) 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.

**Significant transactions with related parties during the year:**

Currency: VND million

	Current year	Previous year
<b>Receivables from leasing and rendering of related services</b>		
North Vincom Retail LLC	206,603	143,464
South Vincom Retail LLC	197,413	152,690
Vincommerce General Commerce Services JSC	64,836	84,808
Vinhomes JSC	6,602	38,945
Vinpro Business and Trading Services JSC	4,501	20,533
<b>Payables for purchase of goods and services</b>		
Vingroup JSC	323,040	217,435
Vincom Construction and Consultant LLC	-	274,837
Vinpearl JSC	37,126	11,636
Vincommerce General Commerce Services JSC	12,388	13,469
Vinhomes JSC	314,179	226,534
<b>Capital contribution to subsidiaries/other investments</b>		
Vingroup JSC	289,495	-
Vinhomes JSC	273,485	-
Central Park Development LLC	20,814	-
Vinpearl JSC	108,931	-
<b>Deposit for investment purpose</b>		
Vingroup JSC	-	589,487
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	-
Vinpearl JSC	-	178,425
<b>Collection from deposit for investment</b>		
Vingroup JSC	796,000	585,000
<b>Receivables from disposal of investment</b>		
North Vincom Retail LLC	380,000	-

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
Quarter IV 2019**28. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)***Significant transactions with related parties during the year (continued):*

Currency: VND million

	Current year	Previous year
<b>Cash inflow from subsidiaries to Master account</b>		
North Vincom Retail LLC	201,965	841,841
South Vincom Retail LLC	2,100,561	2,097,273
Suoi Hoa Urban Development and Investment JSC	535,382	-
<b>Cash outflow from Master account to subsidiaries</b>		
North Vincom Retail LLC	244,289	815,772
South Vincom Retail LLC	2,174,782	1,951,518
Suoi Hoa Urban Development and Investment JSC	346,769	-
<b>Lending</b>		
South Vincom Retail LLC	305,000	50,000
<b>Collection of loan principal</b>		
Vingroup JSC	-	2,613,600
North Vincom Retail LLC	-	900,000
South Vincom Retail LLC	1,037,293	202,300
<b>Interests receivable</b>		
Vingroup JSC	7,200	169,080
North Vincom Retail LLC	88,699	711,769
South Vincom Retail LLC	100,250	132,858
Green City Development Joint Stock Company	90,989	8,403
Vinhomes JSC	-	84,791
<b>Interests received</b>		
Vingroup JSC	91,627	192,261
North Vincom Retail LLC	89,272	116,854
South Vincom Retail LLC	106,847	223,057
Green City Development Joint Stock Company	96,318	-
Vinhomes JSC	-	96,966
<b>Dividend receivable</b>		
North Vincom Retail LLC	1,900,000	600,000
North Vincom Retail LLC	800,000	-
Suoi Hoa Urban Development and Investment JSC	291,810	-
<b>Dividend received</b>		
North Vincom Retail LLC	1,680,000	600,000
North Vincom Retail LLC	800,000	-
Suoi Hoa Urban Development and Investment JSC	291,810	-

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
Quarter IV 2019**28. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)***Significant transactions with related parties during the year (continued):*

Currency: VND million

	Current year	Previous year
<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 to and due from related parties are as follows:**

Currency: VND million

Related parties	Transactions	As at 31/12/2019	As at 31/12/2018
<b>Short-term trade receivable (Note 6)</b>			
South Vincom Retail LLC	Receivables from rendering of services	32,713	28,954
North Vincom Retail LLC	Receivables from rendering of services	64,938	40,827
Suoi Hoa Urban Development and Investment JSC	Receivables from rendering of services	1,252	31,918
Vincommerce General Commerce Services JSC	Receivables from rendering of services	-	11,497
Other companies in the Group	Other receivables	14,099	10,895
		<b>113,002</b>	<b>124,091</b>

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

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

Amounts due to and due from related parties as follows: (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>Other short-term receivables</b> (Note 7)			
Vingroup JSC	Interests receivable	4,144	88,571
	Other receivables	147	13
South Vincom Retail LLC	Interests receivable	4,294	10,891
	Deposit for mall acquisition	750,000	
	Other receivables	3,888	441
North Vincom Retail LLC	Interests receivable	7,644	8,216
	Dividends receivable	220,000	-
	Other receivables	14,935	51,731
Vietnam Investment and Consulting	Interests receivable	19,381	19,381
	Other receivables	78	-
Other companies in the Group	Other receivables	16,491	21,467
		<b>1,041,002</b>	<b>200,711</b>
<b>Other current assets</b> (Note 10)			
Vingroup JSC	Deposit for business cooperation	886,000	1,682,000
West Hanoi Construction and Commercial Development Company Limited	Deposit for business cooperation	81,000	-
Gia Lam Urban Investment and Development Company Limited	Deposit for business cooperation	98,000	-
Central Park Development LLC	Deposit for business cooperation	-	101,000
		<b>1,065,000</b>	<b>1,783,000</b>
<b>Other long-term assets</b> (Note 10)			
Vingroup JSC	Deposit for business cooperation	72,000	251,000
Green City Development JSC	Deposit for business cooperation	362,000	142,000
Can Gio Tourist City Corporation	Deposit for business cooperation	163,000	163,000
		<b>597,000</b>	<b>556,000</b>

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

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

Amounts due to and due from related parties as follows: (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 trade payables</b> (Note 17.1)			
Vinhomes JSC	Construction cost payable	7,635	207,821
	Other payables	25,298	26,073
Vingroup JSC	Management fee and other service fee	3,944	103,973
Vietnam Investment and Consulting Investment JSC	Sharing profit and other payables	9,083	-
Other companies in the Group	Other payables	9,330	11,307
		<b>55,290</b>	<b>349,174</b>
<b>Short-term accrued expenses</b> (Note 19)			
Companies in the Group	Other payables	1,393	1,787
		<b>1,393</b>	<b>1,787</b>
<b>Other short-term payables</b> (Note 20)			
South Vincom Retail LLC	Payables relating to Master account	117,551	191,772
	Other payables	1,718	1,581
North Vincom Retail LLC	Payables relating to Master account	2,724	45,048
	Other payables	3,240	2,485
Suoi Hoa Urban Development and	Payables relating to Master account	188,613	-
	Other payables	648	243
Other companies in the Group	Other payables	141	295
		<b>314,635</b>	<b>241,424</b>
<b>Other long-term liabilities</b> (Note 20)			
Companies in the Group	Other payables	6,866	10,036
		<b>6,866</b>	<b>10,036</b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
Quarter IV 2019**28. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)****Loan receivables from related parties**

The Company has no short- term loan receivables as at 31 December 2019

Details of unsecured short-term loans to related parties as at 31 December 2018:

<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>	
South Vincom Retail LLC	792,293	10.0%	March 2019
	<b>792,293</b>		

Details of unsecured long-term loans to related parties as at 31 December 2019:

<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>	
North Vincom Retail LLC	900,000	9.8%	March 2022
South Vincom Retail LLC	500,000	9.8%	March 2022
	<b>1,400,000</b>		

Details of unsecured long-term loan to related parties as at 31 December 2018:

<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>	
North Vincom Retail LLC	900,000	9.8%	March 2022
South Vincom Retail LLC	500,000	9.8%	March 2022
	<b>1,400,000</b>		

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

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

There is no matter or circumstance that has risen since the balance date that requires adjustment or disclosure in the separate financial statement of the Company.

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Phung Thi Thanh  
Preparer

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Nguyen Thi Xuan Nghia  
Chief Accountant




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Pham Ngoc Thoa  
Chief Finance Officer

30 January 2020



# Vincom Retail Joint Stock Company

APPENDIX  
Quarter IV 2019

## APPENDIX 1 - CORPORATE STRUCTURE AS AT 31 DECEMBER 2019

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

# 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	1,332,408	450,789	881,619	196%
11	Cost of goods sold and services rendered	771,937	309,762	462,175	149%
21	Finance income	1,285,442	141,849	1,143,593	806%
25	Selling expenses	80,082	17,876	62,206	348%
26	General and administrative expenses	15,581	21,038	(5,457)	-26%
60	Net profit after tax	1,585,297	143,093	1,442,204	1008%

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

- Net revenue from sale of goods and rendering of services increased VND 882 billion because of an increase amounted to VND 702 billion in revenue from leasing activities and rendering of related services which came from newly opening shopping malls in 2018 are now stable operating; an increase amounted to VND 194 billion from sale of inventory properties. Cost of goods sold and services rendered increases corresponding to the revenue from sale of goods and rendering of services.
- Finance income increased VND 1,144 billion in comparison with the previous period because: (i) the dividend receivable from subsidiaries amounted to VND 1,200 billion; (ii) the decrease of interest from loans and investment activities amounted to VND 56 billion.
- Selling and general and administrative expenses increased in line with the growth of revenue.
- Net profit after tax increased by VND 1,442 billion in comparison with the previous period because of above mentioned reasons.