

# **Vincom Retail Joint Stock Company**

Interim separate financial statements

Quarter I 2020

# Vincom Retail Joint Stock Company

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# Vincom Retail Joint Stock Company

## GENERAL INFORMATION

### THE COMPANY

Vincom Retail Joint Stock Company ("the Company"), previously known as Vincom Retail Company Limited, is established in accordance with the Business Registration Certificate No. 0105850244 issued by the Hanoi Department of Planning and Investment on 11 April 2012. In accordance with the 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 period and at the date of this report are:

Ms. Thai Thi Thanh Hai	Chairwoman
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

### MANAGEMENT

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

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

### BOARD OF SUPERVISION

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

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

### LEGAL REPRESENTATIVE

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

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

# Vincom Retail Joint Stock Company

## REPORT OF MANAGEMENT

Management of Vincom Retail Joint Stock Company ("the Company") presents this report and the interim separate financial statements of the Company for Quarter I 2020.

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

Management is responsible for the interim separate financial statements of each reporting period which give a true and fair view of the financial position of the Company, and of the results of its operations and its cash flows for the period. In preparing those interim 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 interim separate financial statements; and
- ▶ prepare the interim 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 interim separate financial statements.

### STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying interim separate financial statements give a true and fair view of the separate financial position of the Company as at 31 March 2020, 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 interim separate financial statements.

The Company has subsidiaries as disclosed in the interim separate financial statements. The Company prepared these interim 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 interim consolidated financial statements of the Company and its subsidiaries for Quarter I 2020 ("the interim consolidated financial statement") dated 27 April 2020.

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

For and on behalf of management:



Pham Ngoc Thoa  
Chief Finance Officer

Hanoi, Vietnam

27 April 2020

INTERIM SEPARATE BALANCE SHEET  
as at 31 March 2020

Currency: VND million

Code	ASSETS	Notes	As at 31/3/2020	As at 31/12/2019
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>5,478,686</b>	<b>5,364,782</b>
<b>110</b>	<b>I. Cash</b>	<b>4</b>	<b>1,870,934</b>	<b>1,197,520</b>
111	1. Cash		1,870,934	1,197,520
<b>120</b>	<b>II. Short-term investments</b>		<b>-</b>	<b>700,000</b>
123	1. Held-to-maturity investments	5	-	700,000
<b>130</b>	<b>III. Current accounts receivable</b>		<b>1,330,530</b>	<b>1,398,011</b>
131	1. Short-term trade receivables	6	294,099	279,822
132	2. Short-term advances to suppliers		66,317	54,606
136	3. Other short-term receivables	7	971,592	1,064,460
137	4. Provision for doubtful short-term receivables	6	(1,478)	(877)
<b>140</b>	<b>IV. Inventories</b>	<b>8</b>	<b>939,579</b>	<b>952,143</b>
141	1. Inventories		939,579	952,143
<b>150</b>	<b>V. Other current assets</b>		<b>1,337,643</b>	<b>1,117,108</b>
151	1. Short-term prepaid expenses	9	119,535	51,225
152	2. Value-added tax deductible		-	650
153	3. Tax and other receivables from the State		193	233
155	4. Other current assets	10	1,217,915	1,065,000
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>24,468,119</b>	<b>23,670,937</b>
<b>210</b>	<b>I. Long-term receivables</b>		<b>2,031,223</b>	<b>1,403,223</b>
215	1. Long-term loan receivables	28	2,028,000	1,400,000
216	2. Other long-term receivables		3,223	3,223
<b>220</b>	<b>II. Fixed assets</b>		<b>36,265</b>	<b>31,862</b>
221	1. Tangible fixed assets	11	10,020	10,264
222	Cost		13,513	13,054
223	Accumulated depreciation		(3,493)	(2,790)
227	2. Intangible assets	12	26,245	21,598
228	Cost		50,718	44,222
229	Accumulated amortisation		(24,473)	(22,624)
<b>230</b>	<b>III. Investment properties</b>	<b>13</b>	<b>4,305,887</b>	<b>4,268,587</b>
231	1. Cost		4,777,374	4,692,049
232	2. Accumulated depreciation		(471,487)	(423,462)
<b>240</b>	<b>IV. Long-term assets in progress</b>		<b>507,885</b>	<b>377,409</b>
242	1. Construction in progress	14	507,885	377,409
<b>250</b>	<b>V. Long-term investments</b>		<b>16,942,609</b>	<b>16,942,609</b>
251	1. Investments in subsidiaries	15	12,579,789	12,579,789
253	2. Investments in other entities	16	4,362,820	4,362,820
<b>260</b>	<b>VI. Other long-term assets</b>		<b>644,250</b>	<b>647,247</b>
261	1. Long-term prepaid expenses	9	47,250	50,247
268	2. Other long-term assets	10	597,000	597,000
<b>270</b>	<b>TOTAL ASSETS</b>		<b>29,946,805</b>	<b>29,035,719</b>

INTERIM SEPARATE BALANCE SHEET (continued)  
as at 31 March 2020

Currency: VND million

Code	EQUITY	Notes	As at 31/3/2020	As at 31/3/2020
<b>300</b>	<b>C. LIABILITIES</b>		<b>5,741,874</b>	<b>5,029,817</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>2,726,993</b>	<b>2,036,684</b>
311	1. Short-term trade payables	17.1	286,433	214,731
312	2. Short-term advances from customers	17.2	947,056	436,259
313	3. Statutory obligations	18	110,674	78,870
314	4. Payables to employees		99	469
315	5. Short-term accrued expenses	19	509,240	567,395
318	6. Short-term unearned revenue		8,295	7,332
319	7. Other short-term payables	20	855,029	721,783
321	8. Short-term provisions		10,167	9,845
<b>330</b>	<b>II. Non-current liabilities</b>		<b>3,014,881</b>	<b>2,993,133</b>
336	1. Long-term unearned revenue		124,273	120,204
337	2. Other long-term liabilities	20	292,293	274,834
338	3. Long-term loans and debts	21	2,598,315	2,598,095
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>24,204,931</b>	<b>24,005,902</b>
<b>410</b>	<b>I. Capital</b>	<b>22</b>	<b>24,204,931</b>	<b>24,005,902</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)	(1,954,258)
420	4. Other funds belonging to owners' equity		5,000	5,000
421	5. Undistributed earnings		2,819,022	2,619,993
421a	- Undistributed earnings by the end of prior year		2,619,993	-
421b	- Undistributed earnings of current period		199,029	2,619,993
<b>440</b>	<b>TOTAL EQUITY</b>		<b>29,946,805</b>	<b>29,035,719</b>


Phung Thi Thanh  
Preparer

Nguyen Thi Xuan Nghia  
Chief AccountantPham Ngoc Hoa  
Chief Finance Officer

27 April 2020

INTERIM SEPARATE INCOME STATEMENT (continued)  
Quarter I 2020

Currency: VND million

Code	ITEMS	Notes	Quarter I 2020	Quarter I 2019
01	1. Revenue from sale of goods and rendering of services	23.1	626,410	953,866
02	2. Deductions	23.1	-	-
10	3. Net revenue from sale of goods and rendering of services	23.1	626,410	953,866
11	4. Cost of goods sold and services rendered	24	(352,111)	(603,541)
20	5. Gross profit from sale of goods and rendering of services		274,299	350,325
21	6. Finance income	23.2	75,225	1,917,320
22	7. Finance expenses	25	(69,582)	(66,468)
23	<i>In which: Interest expenses</i>		(69,582)	(66,468)
25	8. Selling expenses	26	(19,776)	(41,080)
26	9. General and administrative expenses	26	(22,043)	(23,904)
30	10. Operating profit		238,123	2,136,193
31	11. Other income		13,403	2,360
32	12. Other expenses		(789)	(14)
40	13. Other profit		12,614	2,346
50	14. Accounting profit before tax		250,737	2,138,539
51	15. Current corporate income tax expenses	27	(51,708)	(69,366)
60	16. Net profit after tax		199,029	2,069,173


Phung Thi Thanh  
Preparer

27 April 2020


Nguyen Thi Xuan  
Nghia  
Chief AccountantPham Ngoc Thoa  
Chief Finance  
Officer

INTERIM SEPARATE CASH FLOW STATEMENT (continued)  
Quarter I 2020

Currency: VND million

Code	ITEMS	Current year	Previous year
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
01	<b>Profit before tax</b>	<b>250,737</b>	<b>2,138,539</b>
	<i>Adjustments for:</i>		
02	Depreciation of tangible fixed assets and investment properties and amortisation of intangible assets	50,577	32,557
03	Provisions	923	936
05	Profits from investing activities	(75,225)	(1,917,320)
06	Interest expenses and bond issue costs	69,582	66,468
08	<b>Operating profit before changes in working capital</b>	<b>296,594</b>	<b>321,180</b>
09	Changes in receivables	(13,089)	32,747
10	Changes in inventories	12,564	11,373
11	Changes in payables (other than interests, corporate income tax)	766,858	161,165
12	Changes in prepaid expenses	(65,313)	(9,126)
14	Interests paid	(131,444)	(126,714)
15	Corporate income tax paid	(53,587)	(32,208)
20	<b>Net cash flows from operating activities</b>	<b>812,583</b>	<b>358,417</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
21	Purchase, construction of fixed assets and other long-term assets	(367,052)	(1,878,091)
23	Loans to other entities and payments for purchase of debt instruments of other entities	(878,000)	(40,000)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities	950,000	60,000
27	Interests and dividends received	155,883	55,568
30	<b>Net cash flows (used in) investing activities</b>	<b>(139,169)</b>	<b>(1,802,523)</b>
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
40	<b>Net cash flows from financing activities</b>	<b>-</b>	<b>-</b>
50	<b>Net increase/(decrease) in cash for the period</b>	<b>673,414</b>	<b>(1,444,106)</b>
60	<b>Cash at the beginning of the period</b>	<b>1,197,520</b>	<b>2,051,375</b>
70	<b>Cash at the end of the period</b>	<b>1,870,934</b>	<b>607,269</b>


Phung Thi Thanh  
Preparer

Nguyen Thi Xuan Nghia  
Chief AccountantPham Ngoc Thoa  
Chief Finance Officer

27 April 2020



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS  
Quarter I 2020

**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 March 2020 is 1,075 (31 December 2019: 1,076).

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 March 2020, 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 INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
Quarter I 2020**2. BASIS OF PREPARATION****2.1 Purpose of preparing the interim separate financial statements**

The Company has subsidiaries as disclosed in Note 1 and Note 14. The Company prepared these interim 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 interim consolidated financial statements of the Company and its subsidiaries for Quarter I 2020 ("the interim consolidated financial statements") dated 27 April 2020.

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

**2.2 Accounting standards and system**

The interim separate financial statements of the Company, which are expressed in Vietnam dong ("VND"), 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/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 interim 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 interim 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 interim separate financial statements is million VND.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
Quarter I 2020**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 interim 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 interim 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 interim 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 interim separate income statement.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
Quarter I 2020**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 interim 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 interim separate balance sheet.

Lease income is recognised in the interim 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 interim 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 interim 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 INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
Quarter I 2020

**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, 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 interim separate income statement in the period of retirement or disposal.

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment properties when, and only when, there is change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. The transfer from investment 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 period 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 interim separate balance sheet and amortised over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

Long-term prepaid expenses include long-term prepaid land rental in accordance with Circular No. 45/2013/TT-BTC 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 interim separate balance sheet.

Distributions from accumulated net profits of the subsidiaries arising subsequent to the date of acquisition are recognised in the interim 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 INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
Quarter I 2020**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 interim separate balance sheet at the date when 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 interim 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 interim 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 Interim 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 INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
Quarter I 2020**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 reporting period, 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 period and arising from the revaluation of monetary accounts denominated in foreign currency at period-end are taken to the interim 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 interim 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 INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
Quarter I 2020**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 interim 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 periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the balance sheet date.

Current income tax is charged or credited to the interim 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 INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
Quarter I 2020**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 period when the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date.

Deferred tax is charged or credited to the interim 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 INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
Quarter I 2020**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.18 Taxation (continued)***Deferred tax*

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 period 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***Currency: VND million*

	<u>As at 31/3/2020</u>	<u>As at 31/12/2019</u>
Cash in banks	1,870,934	1,197,500
Cash in transit	-	20
<b>TOTAL</b>	<b><u>1,870,934</u></b>	<b><u>1,197,520</u></b>

**5. HELD-TO-MATURITY INVESTMENTS***Currency: VND million*

	<u>As at 31/3/2020</u>	<u>As at 31/12/2019</u>
Short-term held-to-maturity investments	-	700,000
<b>TOTAL</b>	<b><u>-</u></b>	<b><u>700,000</u></b>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
Quarter I 2020

## 6. SHORT-TERM TRADE RECEIVABLES

	<i>Currency: VND million</i>	
	<u>As at 31/3/2020</u>	<u>As at 31/12/2019</u>
Receivables from leasing activities and rendering related services	112,258	86,346
Receivables from sale of inventory	103,604	107,513
Receivables from rendering management	78,237	85,963
<b>TOTAL</b>	<b>294,099</b>	<b>279,822</b>
<i>In which:</i>		
<i>Trade receivables from customers</i>	171,995	166,820
<i>Trade receivables from related parties</i> (Note 28)	122,104	113,002
Provision for doubtful short-term receivables	(1,478)	(877)
Details of receivables which account for more than 10% of total balance:		
<i>Receivable from South Vincom Retail LLC</i>	19,130	32,713
<i>Receivable from North Vincom Retail LLC</i>	69,657	64,938

## 7. OTHER SHORT-TERM RECEIVABLES

	<i>Currency: VND million</i>	
	<u>As at 31/3/2020</u>	<u>As at 31/12/2019</u>
Interests on bank deposits, deposits and loans	83,052	51,270
Receivable for payment on behalf	18,849	13,945
Dividends receivable	96,000	220,000
Deposits for land bidding	4,783	14,565
Deposits for mall acquisition	750,000	750,000
Others	18,908	14,680
<b>TOTAL</b>	<b>971,592</b>	<b>1,064,460</b>
<i>In which:</i>		
<i>Other receivables</i>	14,560	23,458
<i>Other receivables from related parties</i> (Note 28)	957,032	1,041,002

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
Quarter I 2020**8. INVENTORIES**

*Currency: VND million*

	<u>As at 31/3/2020</u>	<u>As at 31/12/2019</u>
Materials	9,545	9,373
Inventory properties under construction (i)	881,135	812,345
Completed inventory properties	48,899	130,405
Others	-	20
<b>TOTAL</b>	<b><u>939,579</u></b>	<b><u>952,143</u></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 31/3/2020</u>	<u>As at 31/12/2019</u>
<b>Short-term:</b>		
Selling expenses related to sale of inventory properties not yet handed over	92,656	24,541
Prepaid land rental	13,236	13,236
Provisional corporate income tax	9,440	4,331
Others	4,203	9,117
<b>TOTAL</b>	<b><u>119,535</u></b>	<b><u>51,225</u></b>
<b>Long-term:</b>		
Commission expense	16,740	17,218
Tools and supplies	18,680	20,694
Overhaul expenditures	11,830	11,142
Others	-	1,193
<b>TOTAL</b>	<b><u>47,250</u></b>	<b><u>50,247</u></b>

**10. OTHER ASSETS**

*Currency: VND million*

	<u>As at 31/3/2020</u>	<u>As at 31/12/2019</u>
<b>Short-term:</b>		
Deposits to related parties for investment purposes (Note 28) (i)	1,217,915	1,065,000
<b>TOTAL</b>	<b><u>1,217,915</u></b>	<b><u>1,065,000</u></b>
<b>Long-term:</b>		
Deposits to related parties for investment purposes (Note 28) (i)	597,000	597,000
<b>TOTAL</b>	<b><u>597,000</u></b>	<b><u>597,000</u></b>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
Quarter I 2020**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>Building and structures</i>	<i>Machineries and equipment</i>	<i>Office equipment</i>	<i>Total</i>
<b>Cost:</b>				
Beginning balance	226	10,083	2,745	13,054
Newly constructed	-	384	75	459
Ending balance	226	10,467	2,820	13,513
<b>Accumulated depreciation:</b>				
Beginning balance	184	2,086	520	2,790
Depreciation for the period	11	605	87	703
Ending balance	195	2,691	607	3,493
<b>Net carrying amount:</b>				
Beginning balance	42	7,997	2,225	10,264
Ending balance	31	7,776	2,213	10,020

**12. INTANGIBLE ASSETS**

Currency: VND million

	<i>Computer software</i>
<b>Cost:</b>	
Beginning balance	44,222
- Newly purchased	6,496
Ending balance	50,718
<b>Accumulated amortisation:</b>	
Beginning balance	22,624
- Amortisation for the period	1,849
Ending balance	24,473
<b>Net carrying amount:</b>	
Beginning balance	21,598
Ending balance	26,245

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
Quarter I 2020**13. INVESTMENT PROPERTIES**

Currency: VND million

	<i>Building and structures</i>	<i>Machineries and equipment</i>	<i>Total</i>
<b>Cost:</b>			
Beginning balance	3,667,684	1,024,365	4,692,049
Transferred from completed construction in progress	-	85,325	85,325
Ending balance	3,667,684	1,109,690	4,777,374
<b>Accumulated depreciation:</b>			
Beginning balance	266,039	157,423	423,462
Depreciation for the period	27,422	20,603	48,025
Ending balance	293,461	178,026	471,487
<b>Net carrying amount:</b>			
Beginning balance	<u>3,401,645</u>	<u>866,942</u>	<u>4,268,587</u>
Ending balance	<u>3,374,223</u>	<u>931,664</u>	<u>4,305,887</u>

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

	<u>As at 31/3/2020</u>	<u>As at 31/12/2019</u>
Vincom+ Thai Nguyen	108,991	108,973
Vincom Plaza My Tho	146,496	103,448
Vincom Plaza Bac Lieu	107,710	92,312
Other projects	<u>144,688</u>	<u>72,676</u>
<b>TOTAL</b>	<u>507,885</u>	<u>377,409</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
Quarter I 2020

## 15. INVESTMENTS IN SUBSIDIARIES

No.	Company	As at 31/3/2020			As at 31/12/2019		
		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		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>12,579,789</b>	

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

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
Quarter I 2020**16. INVESTMENTS IN OTHER ENTITIES**

	<u>As at 31/3/2020</u>	<u>As at 31/12/2019</u>
Investments in business cooperation contracts (i)	4,362,820	4,362,820
<b>TOTAL</b>	<b><u>4,362,820</u></b>	<b><u>4,362,820</u></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.

**17. TRADE PAYABLES AND ADVANCES FROM CUSTOMERS****17.1 Short-term trade payables**

Currency: VND million

	<u>As at 31/3/2020</u>	<u>As at 31/12/2019</u>
Trade payables to suppliers	166,627	159,441
Trade payables to related parties (Note 28)	119,806	55,290
<b>TOTAL</b>	<b><u>286,433</u></b>	<b><u>214,731</u></b>
Details of trade payables which account for more than 10% of total balance:		
<i>Payables to Vinhomes JSC</i>	29,227	32,933
<i>Payables to Vingroup JSC</i>	62,744	3,944

**17.2 Short-term advances from customers**

Currency: VND million

	<u>As at 31/3/2020</u>	<u>As at 31/12/2019</u>
Downpayment from customers under sale and purchase of real estate agreements	944,027	433,041
Others	3,029	3,218
<b>TOTAL</b>	<b><u>947,056</u></b>	<b><u>436,259</u></b>
<i>In which:</i>		
<i>Advances from other parties</i>	947,056	436,259
<i>Advances from related parties</i>	-	-



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
Quarter I 2020**18. STATUTORY OBLIGATIONS**

Currency: VND million

	<u>As at 31/3/2020</u>	<u>As at 31/12/2019</u>
<b>Payables</b>		
Value added tax	31,405	-
Corporate income tax	77,213	75,187
Personal income tax	2,056	3,683
<b>TOTAL</b>	<b>110,674</b>	<b>78,870</b>

**19. SHORT-TERM ACCRUED EXPENSES**

Currency: VND million

	<u>As at 31/3/2020</u>	<u>As at 31/12/2019</u>
Accrued loans and bond interests	38,149	103,993
Accrued construction costs	337,851	359,167
Accrued labour costs	4,722	18,878
Accrued commission and brokerage fee	74,692	22,809
Others	53,826	62,548
<b>TOTAL</b>	<b>509,240</b>	<b>567,395</b>
<i>In which:</i>		
<i>Accrued expenses due to others</i>	486,003	566,002
<i>Accrued expenses due to related parties (Note 28)</i>	23,237	1,393

**20. OTHER PAYABLES**

Currency: VND million

	<u>As at 31/3/2020</u>	<u>As at 31/12/2019</u>
<b>Short-term:</b>		
Deposits received under deposit and loan contracts	617,360	361,832
Centralised cash management in master account payable to subsidiaries	188,399	308,888
Dividend payable	14	14
Deposits from tenants to be refunded within the next 12 months	18,374	18,767
Deposits for site construction	13,921	16,341
Other payables	16,961	15,941
<b>TOTAL</b>	<b>855,029</b>	<b>721,783</b>
<i>In which:</i>		
<i>Other payables</i>	652,478	407,148
<i>Other payables to related parties (Note 28)</i>	202,551	314,635
<b>Long-term:</b>		
Deposits from tenants	310,667	293,601
<i>Less: Deposits from tenants to be refunded within the next 12 months (Presented in Short-term)</i>	<i>(18,374)</i>	<i>(18,767)</i>
<b>TOTAL</b>	<b>292,293</b>	<b>274,834</b>
<i>In which:</i>		
<i>Other payables</i>	278,135	267,968
<i>Other payables to related parties (Note 28)</i>	14,158	6,866

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
Quarter I 2020**21. LONG TERM LOANS AND DEBTS**

	<i>Currency: VND million</i>			
	<i>As at 31/3/2020</i>		<i>As at 31/12/2019</i>	
	<i>Carrying value</i>	<i>Payable amount</i>	<i>Carrying value</i>	<i>Payable amount</i>
Corporate bonds (i)	2,598,315	2,598,315	2,598,095	2,598,095
<b>TOTAL</b>	<b>2,598,315</b>	<b>2,598,315</b>	<b>2,598,095</b>	<b>2,598,095</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 shopping malls which are owned by North Vincom Retail LLC and South Vincom Retail LLC, two subsidiaries.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
 Quarter I 2020

**22. OWNERS' EQUITY**

**22.1 Increase and decrease in owners' equity**

*Currency: VND million*

	<i>Shares with voting right</i>	<i>Share premium</i>	<i>Treasury shares</i>	<i>Other funds belonging to owners' equity</i>	<i>Undistributed earnings</i>	<i>Total</i>
<b>For the three months preriod ended 31 March 2019</b>						
Beginning balance	23,288,184	46,983	-	-	967,579	24,302,746
- Net profit for the period	-	-	-	-	2,069,173	2,069,173
Ending balance	23,288,184	46,983	-	-	3,036,752	26,371,919
<b>For the three months preriod ended 31 March 2020</b>						
Beginning balance	23,288,184	46,983	(1,954,258)	5,000	2,619,993	24,005,902
- Net profit for the period	-	-	-	-	199,029	199,029
Ending balance	23,288,184	46,983	(1,954,258)	5,000	2,819,022	24,204,931

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
Quarter I 2020**22. OWNERS' EQUITY (continued)****22.2 Shares**

	<i>As at 31/3/2020</i>		<i>As at 31/12/2019</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	2,272,318,410	22,723,184
Preference shares	-	-	-	-
<b>Total</b>	<b>2,272,318,410</b>	<b>22,723,184</b>	<b>2,272,318,410</b>	<b>22,723,184</b>

Par value of each outstanding share is VND10,000 per share (31 December 2019: 10,000VND per share).

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

*Currency: VND million*

	<i>Quarter I 2020</i>	<i>Quarter I 2019</i>
<b>Gross revenue</b>	<b>626,410</b>	<b>953,866</b>
In which:		
Sale of inventory properties	188,197	512,744
Leasing activities and rendering of related services	353,047	344,019
Rendering management services	82,529	93,290
Others	2,637	3,813
<b>Deduction</b>	<b>-</b>	<b>-</b>
<b>Net revenue</b>	<b>626,410</b>	<b>953,866</b>
In which:		
Revenue from sale to others	529,132	783,094
Revenue from sale to related parties	97,278	170,772

**23.2 Finance income**

*Currency: VND million*

	<i>Quarter I 2020</i>	<i>Quarter I 2019</i>
Dividend receivable from subsidiaries	-	1,791,810
Interest income from bank deposits, loans and deposits	75,225	125,510
<b>TOTAL</b>	<b>75,225</b>	<b>1,917,320</b>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
Quarter I 2020**23.3 Revenue and cost related to investment properties**

Currency: VND million

	<u>Quarter I 2020</u>	<u>Quarter I 2019</u>
Revenue from leasing of investment properties and rendering of related services (Note 23.1)	353,047	344,019
Direct operating costs related to investment properties generating income in the year (Note 24)	221,974	172,509

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

Currency: VND million

	<u>Quarter I 2020</u>	<u>Quarter I 2019</u>
Cost of inventory properties sold	63,675	339,415
Cost of leasing activities and rendering of related services	221,974	172,509
Cost of rendering management services	64,985	90,119
Others	1,477	1,498
<b>TOTAL</b>	<b><u>352,111</u></b>	<b><u>603,541</u></b>

**25. FINANCE EXPENSES**

Currency: VND million

	<u>Quarter I 2020</u>	<u>Quarter I 2019</u>
Interests on loans and bond	69,362	66,248
Amortisation of bond issue costs	220	220
<b>TOTAL</b>	<b><u>69,582</u></b>	<b><u>66,468</u></b>

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

Currency: VND million

	<u>Quarter I 2020</u>	<u>Quarter I 2019</u>
<b>Selling expenses</b>	<b>19,776</b>	<b>41,080</b>
Consulting, commission and brokerage fees	11,256	24,809
Brand and marketing fee	2,722	8,213
Others	5,798	8,058
<b>General and administrative expenses</b>	<b>22,043</b>	<b>23,904</b>
Management services fee	20,108	23,492
Others	1,935	412
<b>TOTAL</b>	<b><u>41,819</u></b>	<b><u>64,984</u></b>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
Quarter I 2020**27. CORPORATE INCOME TAX**

The statutory corporate income tax ("CIT") applicable to the Company for Quarter I 2020 is 20% on taxable profits (for Quarter I 2019: 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 interim separate financial statements could change at a later date upon final determination by the tax authorities.

*Currency: VND million*

	<u>Quarter I 2020</u>	<u>Quarter I 2019</u>
Current tax expenses	50,506	69,366
Adjustment for under accrual of CIT from previous years	1,202	-
<b>TOTAL</b>	<b><u>51,708</u></b>	<b><u>69,366</u></b>

**28. TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

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

<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
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
Thai Son Investment Construction Corporation	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
Vinsmart Research and Manufacture Joint Stock Company	Under common control
Vinfast Trading and Service Limited Liability Company	Under common control

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
Quarter I 2020

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

*Significant transactions with related parties during the period:*

Currency: VND million

	<u>Quarter I 2020</u>	<u>Quarter I 2019</u>
<b>Receivables from leasing and rendering of related services</b>		
North Vincom Retail LLC	50,567	10,642
South Vincom Retail LLC	45,130	11,925
Vincommerce General Commerce Services JSC	-	15,716
Vinpro Business and Trading Services JSC	132	5,007
<b>Payables for purchase of goods and services</b>		
Vingroup JSC	56,129	77,392
Vinhomes JSC	41,365	128,793
<b>Capital contribution to subsidiaries/other investments</b>		
Vingroup JSC	-	289,495
Vinhomes JSC	-	123,712
Vinpearl JSC	-	108,931
<b>Deposit for investment purpose</b>		
Thai Son Investment Construction Corporation	121,256	81,000
Gia Lam Urban Development and Investment Limited Company	31,659	98,000
Central Park Development LLC	-	20,814
<b>Cash inflow from subsidiaries to Master account</b>		
North Vincom Retail LLC	24,207	129,303
South Vincom Retail LLC	517,269	467,764
Suoi Hoa Urban Development and Investment JSC	2,376	-
<b>Cash outflow from Master account to subsidiaries</b>		
North Vincom Retail LLC	-	101,187
South Vincom Retail LLC	474,344	545,037
Suoi Hoa Urban Development and Investment JSC	189,996	-
<b>Lending</b>		
South Vincom Retail LLC	-	40,000
Vinsmart Research and Manufacture Joint Stock Company	878,000	-

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
Quarter I 2020

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

*Significant transactions with related parties during the period:*

Currency: VND million

	<u>Quarter I 2020</u>	<u>Quarter I 2019</u>
<b>Collection of loan principal</b>		
South Vincom Retail LLC	150,000	60,000
Vinsmart Research and Manufacture Joint Stock Company	100,000	-
<b>Interests receivable</b>		
North Vincom Retail LLC	22,438	21,748
South Vincom Retail LLC	9,537	30,857
Vinsmart Research and Manufacture Joint Stock Company	13,882	-
Green City Development Joint Stock Company	9,025	-
<b>Interests received</b>		
North Vincom Retail LLC	7,644	8,216
South Vincom Retail LLC	10,858	31,026
<b>Dividend receivable</b>		
North Vincom Retail LLC	-	1,500,000
Suoi Hoa Urban Development and Investment JSC	-	291,810
<b>Dividend received</b>		
North Vincom Retail LLC	124,000	-

**Amounts due to and due from related parties are as follows:**

Currency: VND million

<u>Related parties</u>	<u>Transactions</u>	<u>As at 31/3/2020</u>	<u>As at 31/12/2019</u>
<b>Short-term trade receivable (Note 6)</b>			
South Vincom Retail LLC	Receivables from rendering of services	19,130	32,713
North Vincom Retail LLC	Receivables from rendering of services	69,657	64,938
Suoi Hoa Urban Development and Investment JSC	Receivables from rendering of services	2,405	1,252
Vinpro Business and Trading Services JSC	Receivables from rendering of services	18,245	6,216
Other companies in the Group	Other receivables	12,667	7,883
		<u>122,104</u>	<u>113,002</u>



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
Quarter I 2020

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

Amounts due to and due from related parties are as follows:

Currency: VND million

<i>Related parties</i>	<i>Transactions</i>	<i>As at 31/3/2020</i>	<i>As at 31/12/2019</i>
<b><i>Other short-term receivables</i></b> (Note 7)			
Vingroup JSC	Interests receivable	5,939	4,144
	Other receivables	71	147
South Vincom Retail LLC	Interests receivable	2,973	4,294
	Deposit for mall acquisition	750,000	
	Other receivables	4,340	3,888
North Vincom Retail LLC	Interests receivable	22,438	7,644
	Dividends receivable	96,000	220,000
	Other receivables	18,903	14,935
Vietnam Investment and Consulting Investment JSC	Interests receivable	7,822	19,381
	Other receivables	78	78
Other companies in the Group	Other receivables	48,468	16,491
		<b>957,032</b>	<b>291,002</b>
<b><i>Other current assets</i></b> (Note 10)			
Vingroup JSC	Deposit for business cooperation	886,000	886,000
Thai Son Investment	Deposit for business cooperation	202,256	81,000
Gia Lam Urban Investment and Development Company Limited	Deposit for business cooperation	129,659	98,000
		<b>1,217,915</b>	<b>1,065,000</b>
<b><i>Other long-term assets</i></b> (Note 10)			
Vingroup JSC	Deposit for business cooperation	72,000	72,000
Green City Development JSC	Deposit for business cooperation	362,000	362,000
Can Gio Tourist City Corporation	Deposit for business cooperation	163,000	163,000
		<b>597,000</b>	<b>597,000</b>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
Quarter I 2020

## 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 31/3/2020</i>	<i>As at 31/12/2019</i>
<b>Short-term trade payables</b> (Note 17.1)			
Vinhomes JSC	Construction cost payable	4,757	7,635
	Other payables	24,470	25,298
Vingroup JSC	Management fee and other service fee	62,744	3,944
Vietnam Investment and Consulting Investment JSC	Sharing profit and other payables	3,715	9,083
Other companies in the Group	Other payables	24,120	9,330
		<b>119,806</b>	<b>55,290</b>
<b>Short-term accrued expenses</b> (Note 19)			
Vinfast Trading and Service Limited Liability Company	Other payables	22,600	-
Companies in the Group	Other payables	637	1,393
		<b>23,237</b>	<b>1,393</b>
<b>Other short-term payables</b> (Note 20)			
South Vincom Retail LLC	Payables relating to Master account	160,476	117,551
	Other payables	5,699	1,718
North Vincom Retail LLC	Payables relating to Master account	26,931	2,724
	Other payables	6,139	3,240
Suoi Hoa Urban Development and	Payables relating to Master account	992	188,613
	Other payables	773	648
Other companies in the Group	Other payables	1,541	141
		<b>202,551</b>	<b>314,635</b>
<b>Other long-term liabilities</b> (Note 20)			
Companies in the Group	Other payables	14,158	6,866
		<b>14,158</b>	<b>6,866</b>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
Quarter I 2020**28. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)****Loan receivables from related parties**

Details of long-term loans to related parties as at 31 March 2020:

Currency: VND million

<i>Related parties</i>	<i>As at 31/3/2020</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	350,000	9.8%	March 2022
Vinsmart Research and Manufacture Joint Stock Company	778,000	10.0%	April 2021
	<b>2,028,000</b>		

Details of 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>		

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

The company has announced its plan to issue separate corporate bonds on March 30, 2020 and April 13, 2020 with a maximum issuance volume of VND 1,050 billion. The bonds were issued in April 2020.




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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

27 April 2020

# Vincom Retail Joint Stock Company

APPENDIX  
Quarter I 2020

## APPENDIX 1 - CORPORATE STRUCTURE AS AT 31 MARCH 2020

<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 I 2020

## 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*

<u>Code</u>	<u>Item</u>	<u>Quarter I 2020</u>	<u>Quarter I 2019</u>	<u>Variance</u>	<u>%</u>
10	Net revenue from sale of goods and rendering of	626,410	953,866	(327,456)	-34%
11	Cost of goods sold and services rendered	352,111	603,541	(251,430)	-42%
21	Finance income	75,225	1,917,320	(1,842,095)	-96%
25	Selling expenses	19,776	41,080	(21,304)	-52%
60	Net profit after tax	199,029	2,069,173	(1,870,144)	-90%

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

- Net revenue from sale of goods and rendering of services in Quarter I 2020 decreased VND 327 billion, in which: Revenue from leasing activities and rendering of related services increased VND 9 billion; sale of inventory properties decreased VND 325 billion. Cost of goods sold and services rendered decreased corresponding to the decrease of revenue.
- Finance income decreased VND 1,842 billion in comparison with the prior period because: (i) There was no dividend receivables from subsidiaries in current period as in prior period which amounted to VND 1,792 billion; and (ii) interest income from bank deposits, loans and deposits decreased VND 50 billion.
- Selling expenses decreased VND 21 billion due to decrease in selling expense of inventory property sales
- Net profit after tax decreased VND 1,870 billion in comparison with the prior period because of above mentioned reasons.