



VINCOM RETAIL

# NEW WAVE OF RETAIL

ANNUAL REPORT



2019

NEW WAVE OF RETAIL

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CHAPTER

# 01

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# Vision, Mission and Core Values

As a member of Vingroup, Vincom Retail inherits and promotes Vingroup's vision, mission and core values.

## Vision

Vincom Retail develops, operates and manages a leading retail mall platform in many provinces and cities in Vietnam. The Company's dominance is based on its scale, speed of development, international standards and quality of service.

## Mission

Vincom Retail delivers retail, entertainment and dining experiences that help shaping lifestyles for the people of Vietnam.

Vincom Retail and its retail partners are bringing modern shopping, quality products and premium services to Vietnam, introducing consumers to the latest trends in retail experiences.

## Core Values

Vincom Retail shares with Vingroup the six core values of CREDIBILITY, INTEGRITY, CREATIVITY, SPEED, QUALITY, and COMPASSION.



### Credibility

Vincom Retail vigorously protects its Credibility as one would protect his honor, continuously strengthening its deployment readiness and execution competences; and spares no effort in delivering its commitments.



### Integrity

Integrity lays the foundation for Vincom Retail where we strictly respect and comply with the laws and ethical standards, putting the interests of our customers first.



### Creativity

Vincom Retail sees Creativity as its vitalizing catalyst for growth, embracing the entrepreneurial spirit to build an enterprise of constant learning.



### Speed

Vincom Retail values Speed and Efficiency as the principles of its Decision-making – "Fast To Decide, Fast To Invest, Fast To Deploy, Fast To Sell, Fast To Change, and Fast To Adapt".



### Quality

Vincom Retail's commitment to high quality in its operations is expressed as "Best in People, Best in Products and Services, Best in Quality of Life, and delivering the Best in Society."



### Compassion

Vincom Retail nurtures its relationships with Compassion, treasuring human capital as its most valuable asset and harmonizing all the stakeholders' benefits on the basis of fairness, integrity and solidarity.

## Logo

Vincom Retail's logo shows a bird in flight toward the sun, expressing both our goal of reaching new heights and our determination to achieve new levels of success. The V-shape of the bird's wings refers to Vietnam's national pride and to "Victory" in our competitive markets.



## 2019 At a Glance

VND **7.0** TRILLION  
REVENUE FROM LEASING

**27%**  
YEAR-ON-YEAR REVENUE  
INCREASE FROM LEASING

VND **3.1** TRILLION  
IN PRE-TAX  
PROFIT FROM LEASING

**79**  
RETAIL MALLS

**43**  
CITIES AND PROVINCES

**1.6** MILLION Sq METERS  
RETAIL GROSS  
FLOOR AREA (GFA)

# 2019 Highlights

1

## Vincom Center Landmark 81 was honored as the **Best International Retail Development**

Just a year after launching in July 2018, Vincom Center Landmark 81 became a symbol of the dynamic and modern lifestyle in Ho Chi Minh City. It is the only retail mall in Vietnam honored with dual awards of Best Retail Development – Asia Pacific and Best International Retail Development by International Property Awards.



2

## Opened **13 new retail malls**

In 2019, Vincom Retail completed an impressive network expansion with 13 new retail malls in 43 out of 63 cities and provinces. That raised the total number of malls to 79 nationwide, including three Vincom Mega Malls, seven Vincom Centers, 54 Vincom Plazas and 15 Vincom+ Malls. Vincom continued to maintain its position as the leading developer, operator and owner of retail malls in Vietnam.



3

## **Top 10 Vietnam Most Valuable Brands**

2019 also marked the success of Vincom Retail after it was honored as one of the Top 10 Vietnam Most Valuable Brands, judged by Forbes Vietnam to have a brand value of USD 155.6 million.

4

## **15 years accompanying Vietnamese people**

Starting with Vincom City Tower (currently Vincom Center Ba Trieu) in 2004, Vincom Retail pioneered the creation and development of modern retail mall network in Vietnam. Vincom Retail has transformed shopping, entertainment and culinary culture for multiple generations of Vietnamese over the last 15 years, becoming a symbol of urban development.

5

## Record number of more than **225 million visitors**

During 2019, Vincom retail malls nationwide attracted a record number of 225 million visitors. In addition, 4,630 marketing events were organized throughout the year, over 1,000 retail brands and 5,000 stores were introduced across our retail network. Vincom shopping malls have become the first choice of customers, enhancing communities and putting smiles on people's faces everywhere.



6

## A commitment to **service from the heart** for all customers

With the belief of "What comes from the heart will go to the heart," Vincom retail malls constantly enhance services with dedication to customer satisfaction.



7

## Introducing **new products** to the market

The primary goal of the Vincom mall network is to provide innovative and market-leading products to customers. In 2019, Vincom Retail introduced three Mega Mall projects: Ocean Park, Smart City and Grand Park to the market. All three have impressive features in design and planning, as well as many unique amenities, facilities and services that will meet customers' needs in the new digital era. Vincom Retail also became the first operator to lease and operate a large-scale retail tourism format with the introduction of the Grand World Phu Quoc project.

8

## Launching **digital transformation projects**

As the world enters the era of Industry 4.0, Vincom Retail has launched a number of strategic information technology projects. The goal is to simplify administrative and operating procedures, and to bring attractive shopping and entertainment experiences to customers. This devotion to excellence will help Vincom Retail maintain its success in 2020.

# Message from the Board of Directors

Dear Valued Shareholders,

On behalf of the Board of Directors and the Board of Management of Vincom Retail Joint Stock Company, I would like to send our warmest greetings and best wishes for your health and success!

During the last five years, Vietnam has been rated one of the most dynamic and attractive retail markets, in both Asia and around the world. 2019 saw significant development of the Vietnamese market. Total retail sales of goods and services nationwide reached USD 161 billion, a 12.7% increase over 2018. In addition, the country's Consumer Confidence Index reached 126 points in 2019, making Vietnam the Asia Pacific leader in consumer confidence.

Retail GFA per capita in Hanoi and Ho Chi Minh City is only one-seventh of the average of regional countries. The vast potential for development of the Vietnamese market and consumers' optimism to welcome new trends are great opportunities for Vincom's mall network to thrive and expand.

## PIONEERING BREAKTHROUGHS

In 2019, Vincom Retail maintained its position as **Vietnam's leading retail property developer**, with the opening of 13 new malls and ownership of 1.6 million square meters of retail GFA. Vincom Retail also recorded impressive growth: **VND 9.3 trillion** in net revenue and after-tax profit of **VND 2.9 trillion**, an **18%** increase over 2018. As of 31 December 2019, Vincom Retail has 79 operational malls in 43 out of Vietnam's 63 cities and provinces nationwide. Vincom Plazas

combined with Vincom Shophouses have become event-driven retail destinations, bringing diverse and modern shopping, entertainment and culinary experiences to customers. In 2019, Vincom network welcomed more than **225 million visitors**, an increase of **40%** compared to 2018. With more than 4,600 events throughout the country, Vincom has become the destination for local communities.

With continuous innovation, Vincom Retail has been a **trusted partner of more than 1,000 well-known domestic and international retail brands**. These include Zara, Mango, H&M, Adidas, Nike, California Fitness, CGV Cinemas and tiNiWorld. In 2019, Vincom Retail continued to successfully introduce new brands, such as Decathlon, OVS, Cotton:On, MLB and Jaju.

Thanks to its massive footprint in the Vietnamese market, Vincom was honored among the **Top 10 Vietnam Most Valuable Brands** voted by Forbes. In particular, Vincom Center Landmark 81 became the sole retail mall in Vietnam to win dual awards from the **International Property Awards 2019: Best Retail Development – Asia Pacific** and **Best International Retail Development**.

With the belief of **"What comes from the heart will go to the heart,"** Vincom Retail started a 160-day journey of changing and winning the hearts of

customers. The Service from the Heart campaign has become the standard of Vincom's customer service. More than 2,500 Vincom employees and 11,300 staff members of all stores in the Vincom retail malls took part in extensive training programs to become ambassadors of the **Service from the Heart** culture. This mentality is the foundation of Vincom Retail's strategy for the year 2020, to make each Vincom mall a source of pride in its local community.

## TRANSFORMING FOR THE FUTURE

Turning to the new decade, Vincom Retail aims to maintain its leadership position in Vietnam's retail sector in terms of scale, products, and service quality. All the while, the retail division will bring modern consumer trends and new shopping experiences to customers and continue to introduce unique products to the market, following global retail trends.

Vincom Retail will be the operator who leases and operates a new product format – large-scale retail tourist destinations – at **Grand World Phu Quoc, the sleepless shopping city** with colorful festivals and 24/7 entertainment activities.

In sales and leasing plans, Vincom Retail continues to work closely with partners to identify for new tenants. The aim is to become the chosen mall of international

brands opening their first stores in Vietnam. In addition, Vincom Retail remains a trusted partner of Vietnamese brands in creating streamlined local retail formats that still offer variety for each mall. In 2020, the Vincom network will be the destination of major brands such as Uniqlo, H&M, Haidilao Hot Pot, Pizza 4P's, Golden Gate dining brands, and CGV Cinemas.

With service development, Vincom continues to follow a customer-centric strategy, aiming to address all customer needs. With Service from the Heart as its foundation, Vincom Retail continues its effort to standardize systems, enhance facilities, and boost the service spirit of its employees. At the same time, Vincom will partner with tenants in all activities to attract more customers.

In governance, Vincom Retail plans to **develop its human capital** and **build a digital transformation roadmap**. Its human resource management in 2020 will focus on core development via internal training. This is expected to result in multi-purpose and multi-tasking personnel plans, thus optimizing resources and raising individual leadership capabilities.

Vincom Retail is also committed to keeping up with the world's digital transformation trends in retail. In 2020, Vincom will apply advanced technology to its Operating and Marketing activities. This will create breakthrough changes in its business environment with the motto of **"Customer-centric practice."** From 2019 to 2021, the digital transformation roadmap is deployed in three stages: Foundation and optimization; expansion; and transformation. For shoppers, Vincom Retail will introduce interactive websites/

apps and refresh information channels, **simplifying and streamlining** the shopping experience for customers. For tenants, Vincom Retail will **standardize** and **automate** procedures to enhance two-way interaction and understand its partners through online portals.

For on-site operation, Vincom Retail plans to launch an asset management system and conduct research on energy-saving solutions. Upon completion, the new system will optimize operating costs and boost productivity. Total revenue will surge when the information sharing between the business and operational divisions develop synergy. This will become the perfect foundation for Vincom Retail to make a significant leap in growth and expansion needs in the future.

## Ladies and Gentlemen,

Turning to its 16<sup>th</sup> year of operation, Vincom Retail is on a never-ending journey to reach the pinnacle of its profession with its relentless efforts in product development. This will further elevate service to the highest international standards. We are pleased to listen to feedback and suggestions from our shareholders, business partners and customers. The joint efforts of Vincom Retail and our partners will be the foundation of sustainable development in the retail market. Subsequently we will continue our mission to shape and lead Vietnamese consumption habits.

On behalf of the Board of Vincom Retail, I express my sincere gratitude for your past support and I look forward to a successful partnership as we continue to reach our lofty goals.

I wish you the best of health, happiness and success!

Sincerely,

**On Behalf of The Board of Directors  
Board Member  
and Chief Executive Officer**

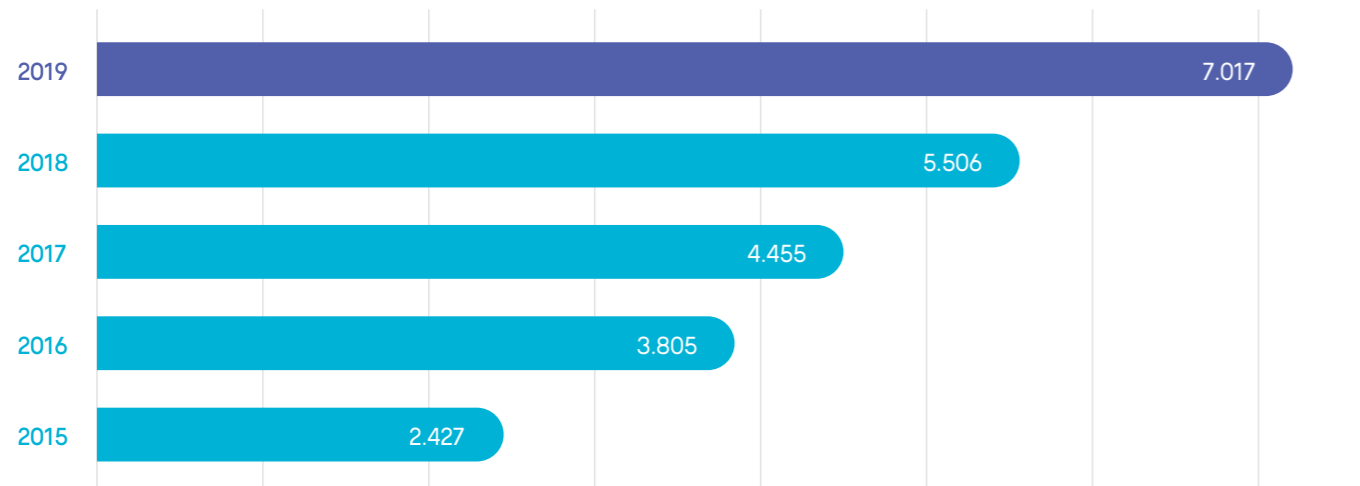


**TRAN MAI HOA**

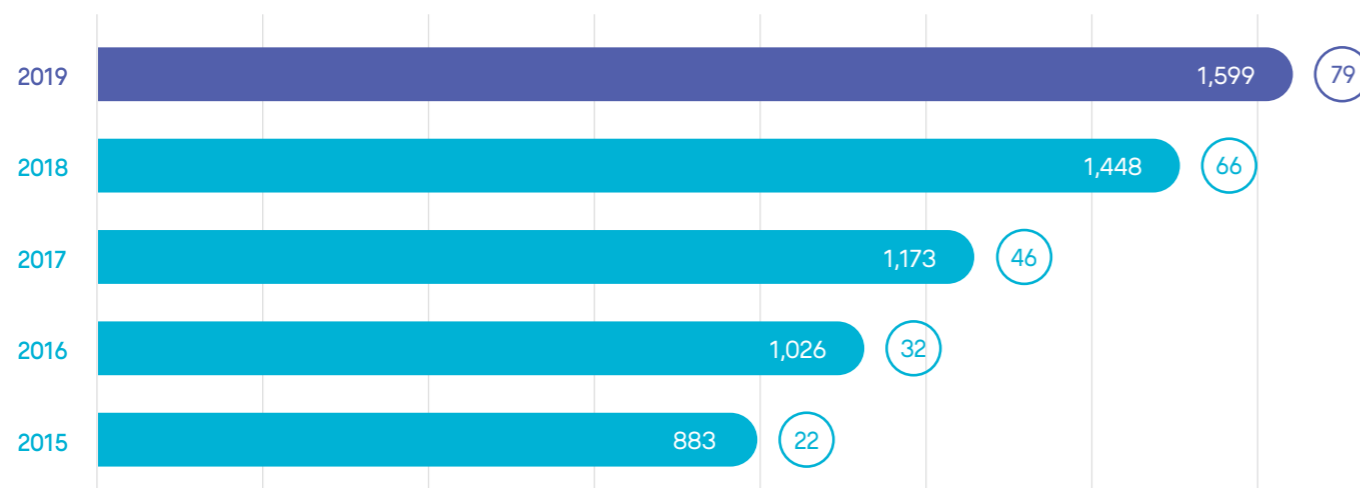


# Financial and Operational Highlights 2015 – 2019

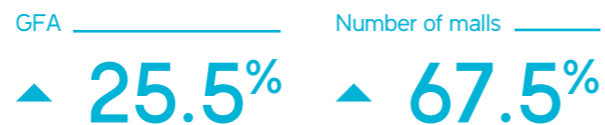
## Revenue from leasing activities (trillion VND)



## Vincom retail mall network



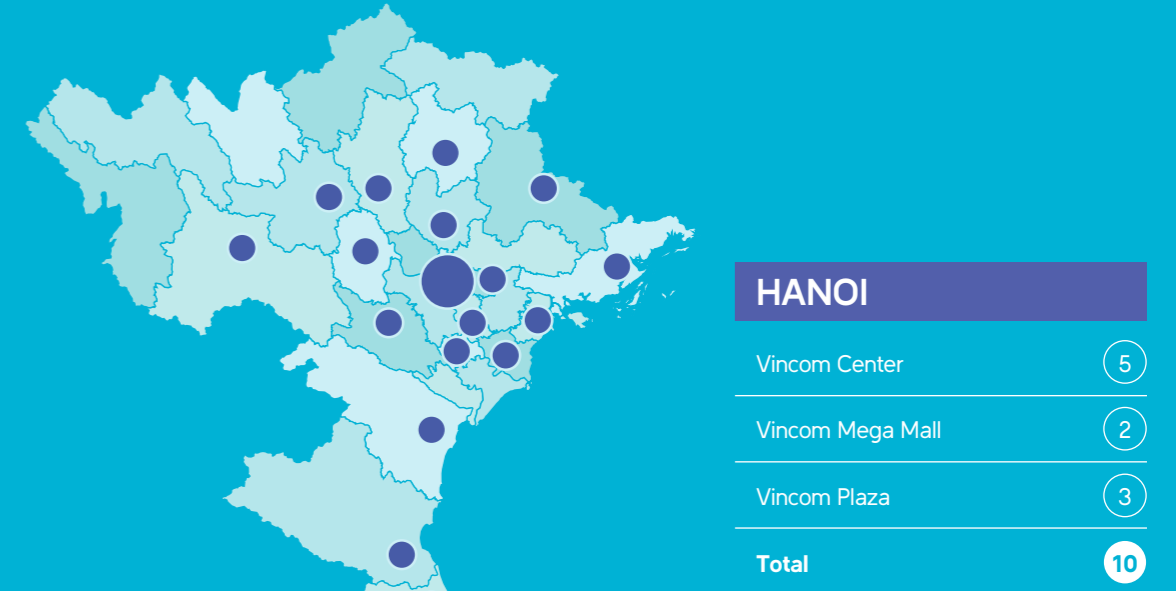
Compounded Annual Growth Rate



■ GFA (Thousand m²)

○ Number of malls

## Key Locations



## Network

The network created by Vincom Retail encompasses prime business locations throughout Vietnam. **As of 31 December 2019, Vincom Retail is operating in 43 cities and provinces.**

In 2019, more than 10% of Vincom Retail's revenue came from the rental income at the retail malls in Hanoi and Ho Chi Minh City. The retail malls in these two cities accounted for more than 10% of the total GFA in 2019.

## HO CHI MINH CITY



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## Corporate Profile

Vincom Retail has been the leading mall developer, owner and operator in Vietnam in terms of network and coverage.

Vincom Retail Joint Stock Company ("Vincom Retail" or "the Company") was established on 11 April 2012 under **Business Registration Certificate No. 0105850244** issued by the Hanoi Authority for Planning and Investment. The Certificate was amended several times, most recently on 2 January 2019.

Vingroup began developing its retail network in 2004 under the Vincom brand. Since 2013, Vincom Retail became the subsidiary designated to develop and operate Vingroup's network of retail malls, and was converted to a joint stock company on 14 May 2013. Since its inception, Vincom Retail has led Vietnam's retail market, with 79 malls in 43 cities and provinces. The Company operates four distinct formats: Vincom Center, Vincom Mega Mall, Vincom Plaza and Vincom+.

The full company name is **Vincom Retail Joint Stock Company**, abbreviated as **Vincom Retail JSC**.

On 25 October 2017, the Company was listed on the Ho Chi Minh City Stock Exchange under Decision No. 379-QDSGDHCM. On 6 November 2017, Vincom Retail's shares were first traded under ticker symbol **VRE**.

Vincom Retail's headquarter is located at:

**No. 7 Bang Lang 1, Vinhomes Riverside Ecological Urban Area, Viet Hung Ward, Long Bien District, Hanoi, Vietnam.**

Telephone: **(+84) 24 3974 9999**

Fax: **(+84) 24 3974 8888**

Website: **vincom.com.vn**



# Corporate Milestones



## 2012

- Vincom Retail Limited Company was established

## 2013

- Converted into a joint stock company
- Acquired malls from Vingroup including Vincom Center Ba Trieu, Vincom Center Dong Khoi, Vincom Mega Mall Royal City and Vincom Plaza Long Bien
- Received an investment of USD 200 million from Warburg Pincus III B.V. and Credit Suisse AG Singapore

## 2014

- Acquired Vincom Mega Mall Times City from Vingroup
- Opened Vincom Plaza Ha Long – the first retail mall outside Hanoi and Ho Chi Minh City
- At the end of 2014, Vincom Retail owned and managed six retail malls

## 2015

- At year-end, Vincom Retail owned 21 retail malls with a total retail gross floor area of 850,000 square meters. Ten were newly opened this year, including, most prominently, the Vincom Mega Mall Thao Dien
- Received an additional investment of USD 100 million from Warburg Pincus Investments III B.V

## 2016

- Vincom+ retail mall format was launched
- Zara opened its first store in Vietnam at Vincom Center Dong Khoi
- At year-end, Vincom Retail owned 31 retail malls with total retail gross floor area of one million square meters
- Handed over the Vinhomes Nguyen Chi Thanh mixed-use project with 378 luxury apartments
- Pre-sold 700 shophouses, condotels, and shop-offices in five provinces
- Received capital contributions of USD 390 million from Vingroup

## 2017

- Vincom Retail launched 15 new retail malls
- At year-end, Vincom Retail's 46 malls contained 1.2 million square meters of retail gross floor area in 24 cities and provinces of Vietnam
- H&M, Pull&Bear, Massimo Dutti and Stradivarius opened their first retail stores in Vietnam at Vincom Center Dong Khoi
- Zara and H&M opened stores in Hanoi at Vincom Center Ba Trieu and Vincom Mega Mall Royal City
- Vincom Retail pre-sold more than 1,200 apartments, condotels, and shophouses in eight cities and provinces

## 2018

- Opened 20 new retail malls, a record number in the Company's 14-year history, for a combined total of 66, served 38 cities and provinces with a total retail gross floor area of 1.5 million square meters
- Attracted more than 1,000 domestic and international tenants representing established food, fashion, entertainment and cultural brands
- Opened Vincom Center in Landmark 81, Vietnam's tallest building, with outlets representing nearly 100 domestic and international brands
- Honoured in **Top 15 Vietnam's Most Valuable Brands** by Forbes

## 2019

- Opened 13 new malls, raising the total retail gross floor area to nearly 1.6 million square meters in 43 cities and provinces nationwide
- Opened Landmark 81 SkyView — Southeast Asia's highest observatory tower
- Vincom Center Landmark 81 was honored in both **Best Retail Development – Asia Pacific** and **Best International Retail Development**, a part of the **International Property Awards 2019**
- Named one the **Top 10 Vietnam's Most Valuable Brands** by Forbes Vietnam, with a brand value of USD 155.6 million

# Businesses

Vincom is a leading developer, owner, and operator of retail malls in Vietnam

Vincom Retail has four distinct formats: Vincom Center, Vincom Mega Mall, Vincom Plaza, and Vincom+ with a nationwide presence.

Vincom malls are the first to offer the latest consumer trends, making them the most popular retail destinations for tenants and customers in Vietnam. Vincom Retail stands as the leading developer, owner, and operator of retail malls with its extensive network of retail malls in Vietnam.



## Vincom Center

### Symbol of high quality

Vincom Center malls are situated in high-density, high-traffic areas at the heart of major cities. These seven landmark properties contain aspirational brands and draw consumers from all over their respective metropolitan areas. There are five Vincom Center malls in Hanoi and two in Ho Chi Minh City.



## Vincom Mega Mall

### Symbol of the new consumer lifestyle

Vincom Mega Malls are lifestyle malls located in integrated, mixed-use developments in key cities. They are "fortress malls" and contain hundreds of brands and a variety of retail, entertainment, family-friendly facilities, food and beverage options, targeted at addressing the lifestyle needs of families across all income segments. There are now three Vincom Mega Malls nationwide, in which two in Hanoi and one in Ho Chi Minh City.



## Vincom Plaza

### Community destinations

Vincom Plaza malls are designed for families living in and around smaller cities and outside the central core of large cities like Hanoi and Ho Chi Minh City. Vincom Retail currently operates 54 Vincom Plaza malls in 40 cities and provinces throughout Vietnam.



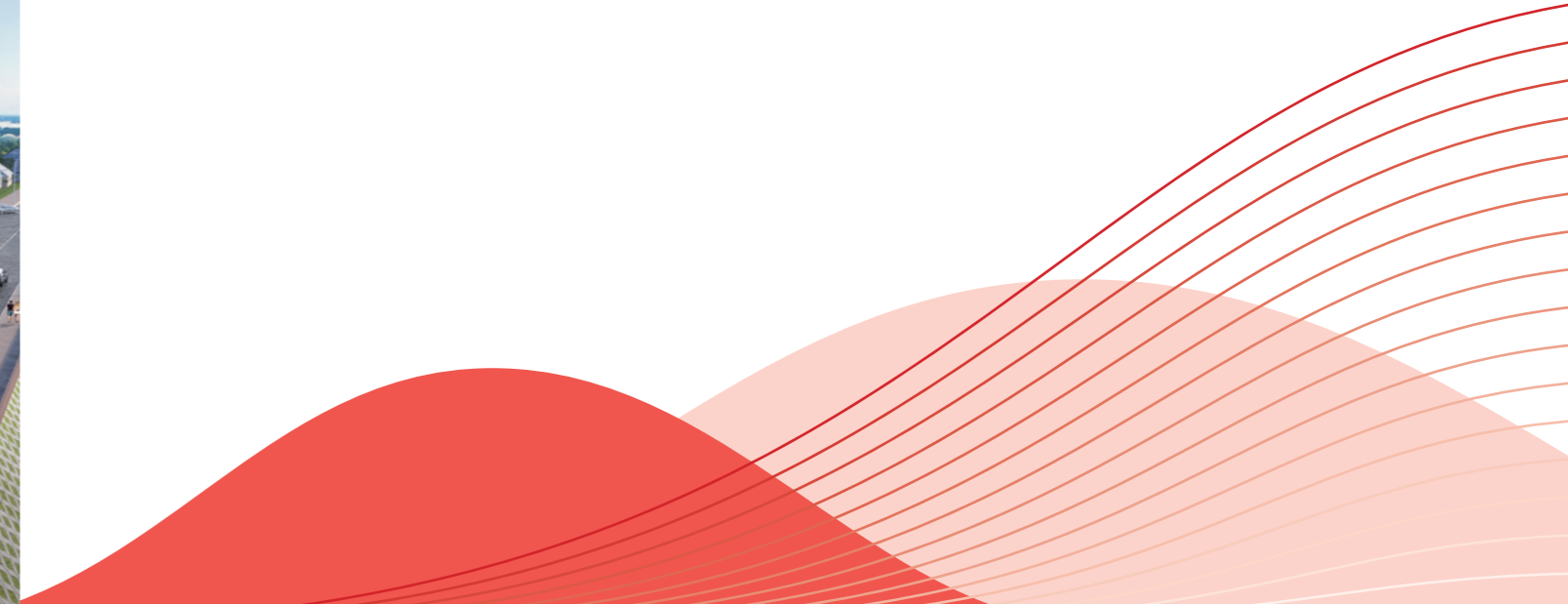
## Vincom+

### Modern shopping experience to local communities

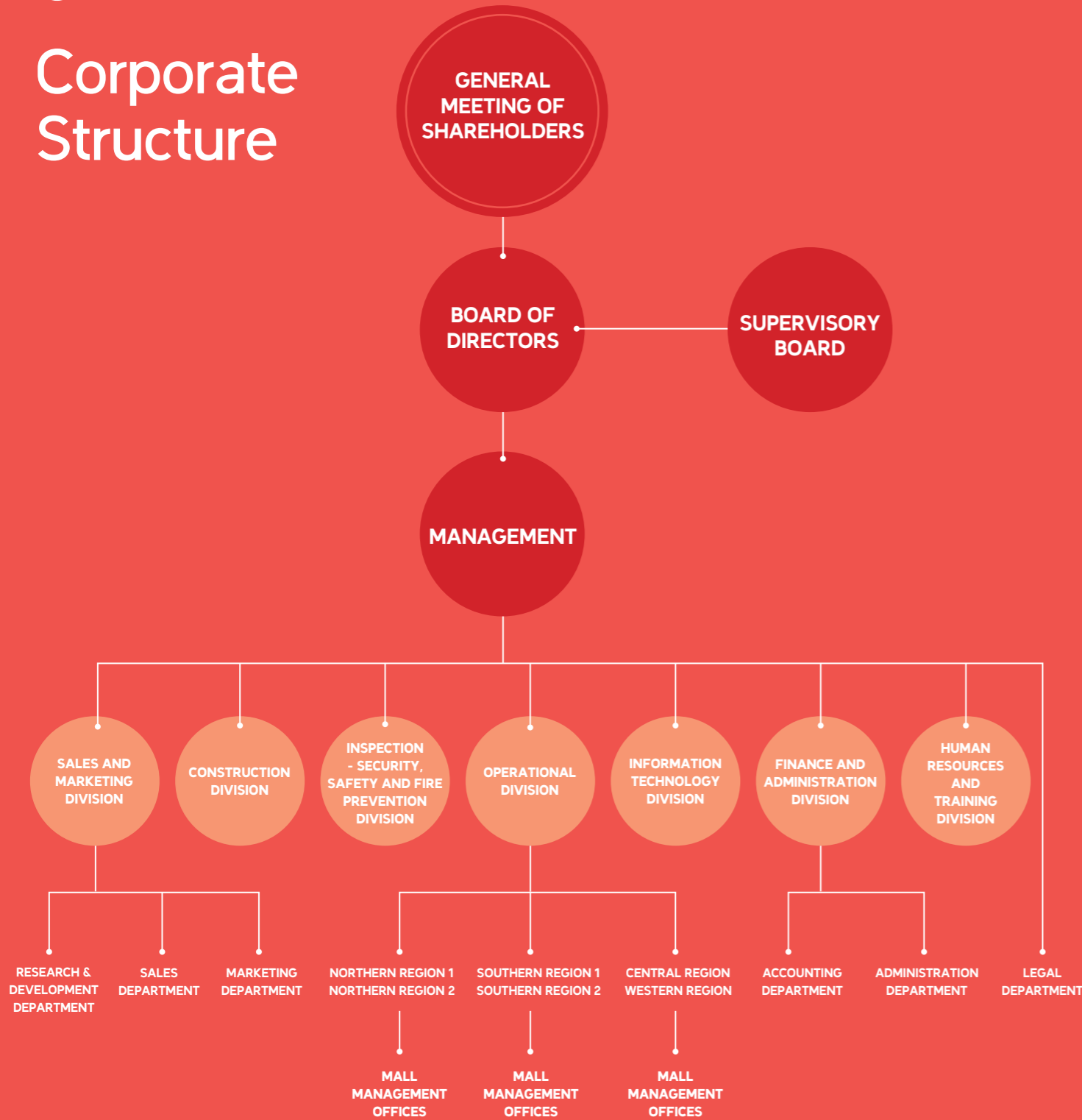
The Vincom+ network of community retail malls includes malls in medium-density non-central locations in Hanoi and Ho Chi Minh City and also in the central core of towns and provinces with population of more than 30,000 people. There are currently 15 Vincom+ retail malls in 11 cities and provinces.

## Properties for Sale

Vincom Retail develops and sells shophouses mostly in the vicinity of Vincom Plaza and Vincom+ malls, and condominium units and office towers at Vincom Center projects. Cash flow from the sale of inventory properties helps finance the development of its malls.



# Corporate Structure



## List of Subsidiaries (as of 31 December 2019)

Name	Location	Key Business	Percentage of holding (%)
1. North Vincom Retail LLC	No. 72A, Nguyen Trai street, Thuong Dinh ward, Thanh Xuan district, Hanoi	Leasing and trading real estate property	100.00%
2. South Vincom Retail LLC	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	100.00%
3. Suoi Hoa Urban Development and Investment JSC	Km1+ 200, Tran Hung Dao street, Suoi Hoa ward, Bac Ninh city, Bac Ninh province	Leasing and trading real estate property	97.27%
4. Ha Thanh Real Estate Development and Investment Company Limited	No. 7, Bang Lang 1 street, Vinhomes Riverside Ecological Urban Area, Viet Hung ward, Long Bien district, Hanoi	Leasing and trading real estate property	100.00%



Vincom Center Landmark 81, Ho Chi Minh City

# Board of Directors



**Ms. THAI THI THANH HAI**  
CHAIRPERSON OF THE BOARD

Ms. Thai Thi Thanh Hai was elected to the Board in 2018. She was the Chief Executive Officer (“CEO”) of VinCommerce General Commercial Services JSC.

Before joining Vincom Retail, she worked for Deloitte Vietnam from 1994 to 2014. She received her bachelor’s degree in Economics from Hanoi University of Finance and Accounting.

Ms. Thai Thi Thanh Hai was elected Chairperson of the Board in June 2018.



**Ms. TRAN MAI HOA**  
BOARD MEMBER AND CEO

Ms. Tran Mai Hoa was elected to the Board in 2017. She is also CEO of Vincom Retail. She joined Vincom Retail in 2014, serving through 2016 as Project Director of Vincom Mega Mall Times City and Vincom Mega Mall Royal City, and Deputy CEO of Vincom Retail.

Prior to joining Vincom Retail, she was the Chief Financial Officer of Gami Commercial Joint Stock Company in 2013. From 2003 to 2013, she held various management positions at An Du Investment Corporation, the Vietnamese distributor of MercedesBenz vehicles, including Deputy CEO from 2009 to 2013, CFO from 2009 to 2011 and Chief Accountant from 2005 to 2009. She received a bachelor’s degree in Accounting from the National Economics University and a degree in English from the Hanoi Foreign Language University.



**MS. NGUYEN THI DIU**  
BOARD MEMBER

Ms. Nguyen Thi Diu was elected to the Board in 2017. She became Deputy CEO of Vingroup in 2014 and has been in the position since then.

From 2013 to 2014, she was Executive Director responsible for Vietnam at UBS. From 1996 to 2008, she was Chairwoman and CEO of AFH Investment Finance Consultant JSC, and Director of Investment Banking at JP Morgan Bank Vietnam. She is a graduate from the University of Hawaii with a Master of Business Administration degree and a major in Finance.



**Ms. LE MAI LAN**  
BOARD MEMBER

Ms. Le Mai Lan was elected to the Board in 2017. She is Chairperson of Vinschool LLC, a subsidiary of Vingroup.

Previously, she was CEO of Bank Training and Consultancy Joint Stock Company from 2005 to 2013. From 2001 to 2005, she was an independent financial advisor at the International Finance Corporation of the World Bank and a lecturer at the Hanoi University of Science and Technology. She was previously Business Manager of ABN Amro Bank from 1997 to 2001. Ms. Le Mai Lan holds the degree of Master of Business Administration from Berlin TU University in Germany.



**Mr. TIMOTHY J. DALY**  
INDEPENDENT BOARD MEMBER

Mr. Timothy J. Daly was elected to the Board in 2017. He is currently Chairman and CEO of PT Nirvana Wastu Pratama in Jakarta, Indonesia.

From 2010 to 2015, he was Chairman and CEO of CDG Retail Management. Mr. Daly is also a member of Kensington Asset Management, with 30 years of experience in retail development and asset management. From 1987 to 2010, Mr. Daly was Senior Vice President of Simon Property Group, Vice Chairman and General Manager of InCity GMI Retail Management and Development. From 1998 to 2004, he was Senior Vice President and Director of Simon Ivarhoe ERE. Mr. Timothy J. Daly earned his bachelor’s degree in Business Administration at Indiana University in Bloomington.



**Mr. BRETT HAROLD KRAUSE**  
INDEPENDENT BOARD MEMBER

Mr. Krause was elected to the Board in 2017. He is Chief Strategy Officer at FunPlus, a leading global digital interactive entertainment company, and Fund Advisor at PurpleSky Capital LLC., a Shanghai-based early-stage venture capital fund.

Prior to his current roles, Mr. Krause was the President of JP Morgan Chase Bank in China from 2014 to 2016 and served two years as a Governor of the American Chamber of Commerce in China. With extensive experience in corporate and investment banking, Mr. Krause held various roles at Citigroup from 1996 to 2013 including serving as the CEO and head of the Global Corporate and Investment Bank at Citi Vietnam from 2008 to 2013. Mr. Krause holds BSFS degree from the School of Foreign Service at Georgetown University and an MBA degree from Columbia Business School.

# Management

## **Ms. TRAN MAI HOA**

**BOARD MEMBER  
CEO**

*Further details can be found in Vincom Retail's Annual Report 2019, About Vincom Retail – Board of Directors*

## **Ms. TRAN THU HIEN**

**DEPUTY CEO**



Ms. Tran Thu Hien was appointed Deputy CEO for sales and marketing in April 2018. She has nearly a decade of experience in the real estate business in Vietnam. Since 2014, she had been Sales Manager of Vincom Retail.

Before joining Vingroup in 2011, she oversaw leasing as a senior business development director at CB Richard Ellis (Vietnam). Ms. Tran Thu Hien holds a bachelor's degree in Business English from Foreign Trade University.

## **Mr. NGUYEN ANH DUNG**

**DEPUTY CEO**



Mr. Nguyen Anh Dung was placed in charge of Security, Safety and Fire Prevention in June 2018.

He has worked for Vincom Retail since 2013 as Head of Inspection and Quality Control, Set up Director, Regional Operation Director, and in management positions for Vingroup since 2000. Mr. Nguyen Anh Dung holds a bachelor's degree in English from Phuong Dong University

## **Ms. PHAM NGOC THOA**

**CHIEF FINANCIAL OFFICER**



Ms. Pham Ngoc Thoa was appointed Chief Financial Officer of Vincom Retail in 2014. Prior to joining Vincom Retail, Ms. Pham Ngoc Thoa was Chief Financial Officer of Big C Vietnam from 2003 to 2014. She was appointed Chief Accountant at Sacidelta Architecture and Construction Joint Stock Company from 1998 to 2003. Previously, she was a teaching assistant at the VietnamFrance Center for Education Management at the National Economics University in Hanoi from 1995 to 1996. Ms. Pham Ngoc Thoa has a bachelor's degree in Economics from the Foreign Trade University with a master's degree in Business Administration in Audit, Analysis, and Consultancy from Hautes Etudes Commerciales, Paris, and a post graduate degree in Business Administration from the French – Vietnamese Center of Education Management in the National University, Hanoi Branch.

## **Ms. NGUYEN THI XUAN NGHIA**

**CHIEF ACCOUNTANT**



Ms. Nguyen Thi Xuan Nghia was appointed Chief Accountant in 2018.

From 2009 to 2018, she was Audit Assistant and Audit Team Leader at Deloitte Vietnam. Ms. Nguyen Thi Xuan Nghia received a bachelor's degree in International Economics and Business from Foreign Trade University in 2009 and a Chief Accountant Certificate in 2018.

# Supervisory Board



**Ms. DO THI QUYNH TRANG**  
CHAIRPERSON

Ms. Do Thi Quynh Trang was appointed Chairperson of the Supervisory Board in 2017. She is currently Head of Investment Finance Department at Vingroup.

Prior to joining Vincom Retail, Ms. Do Thi Quynh Trang held various positions at E&Y Vietnam, including Auditor from 2010 to 2013, Audit Team Leader from 2007 to 2010 and Audit Assistant, from 2005 to 2007. In Vingroup's Finance Department, she was Head of Financial Control from 2017 to 2018, Deputy Head of Financial Control from 2014 to 2017, and Head of Financial Planning and Analysis from 2013 to 2014. Ms. Do Thi Quynh Trang holds a bachelor's degree in Accounting and Auditing from National Economics University.



**Ms. NGUYEN THU PHUONG**  
MEMBER

Ms. Nguyen Thu Phuong was appointed to the Supervisory Board in 2017. She is currently a specialist in the Investment Finance Department at Vingroup.

Ms. Phuong was an audit assistant in charge of Nexia ACPA Auditing and Consulting Co., Ltd from 2009 to 2010. Previously, she held several positions at E&Y Vietnam Ltd, including Auditor and Audit Team Leader from 2010 to 2013. She graduated from Financial Institute of Vietnam with a bachelor's degree in Finance.



**Ms. TRAN THANH TAM**  
MEMBER

Ms. Tran Thanh Tam was appointed to the Supervisory Board in 2017. She is the chief of General Accountants in the Accounting Department at Vinhomes JSC.

Prior to that, she was General Accountant at Ericsson Vietnam Limited from 2009 to 2010, Chief Accountant of FIT Financial Investment Company from 2007 to 2009, General Accountant at Float Glass Company Limited Vietnam from 2005 to 2007 and as an accountant at Shell Vietnam (lubricant business) from 2001 to 2005. Ms. Tran Thanh Tam graduated from Financial Institute of Vietnam in 2001 with a bachelor's degree in Accounting.



# Business Strategy

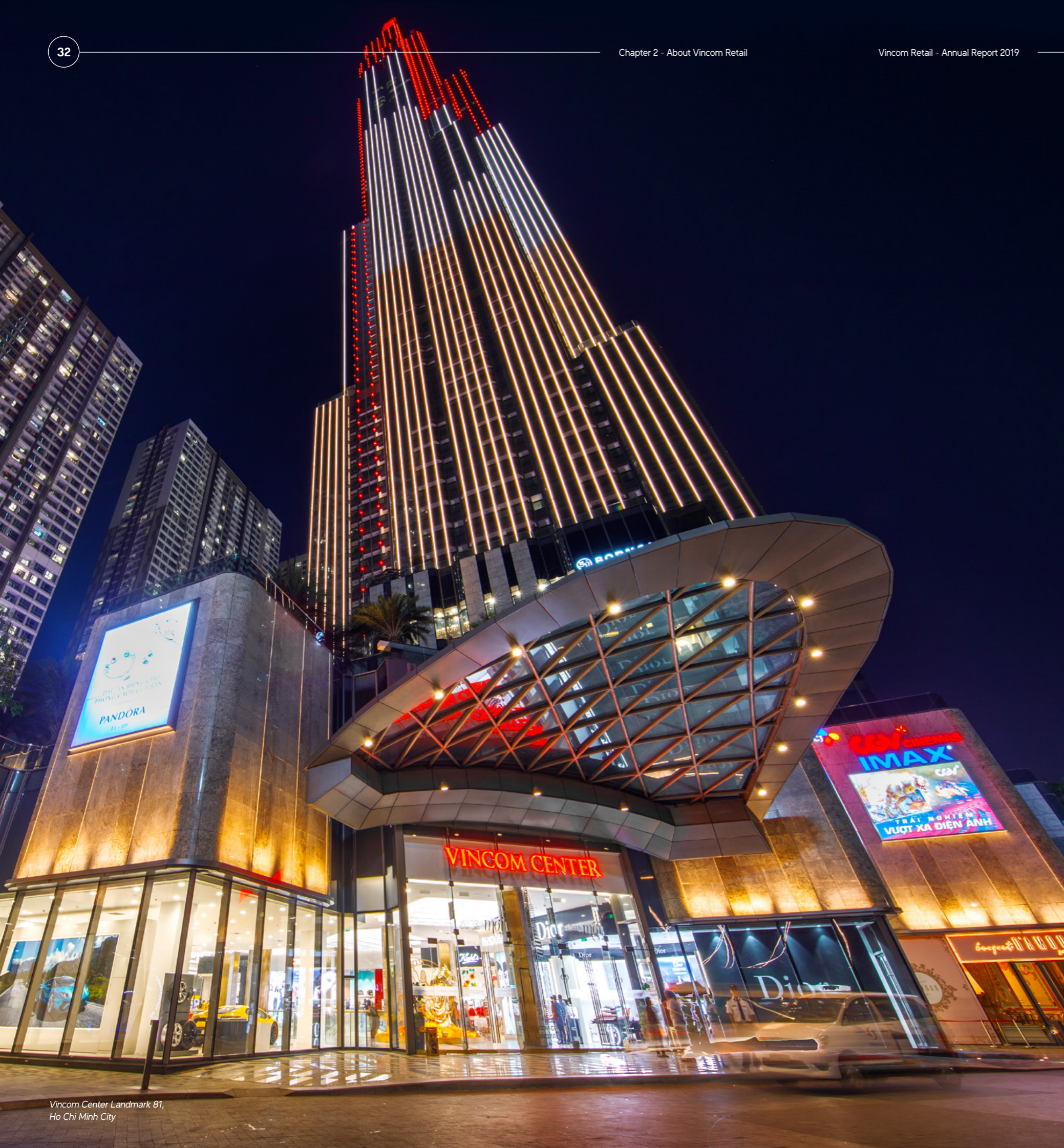
## Overview

Vincom Retail is committed to developing and expanding its retail network throughout Vietnam. The company leverages its deep understanding of shopping culture to anticipate and shape consumer trends.

Vincom Retail, with its deep market knowledge, has built a modern, all-in-one retail model with four formats to suit a multitude of retail preferences and development stages at each of Vietnam's diverse localities. The company strives to make each mall an attractive destination where shoppers can participate in exciting interactive activities and experience new trends in fashion, F&B, and technology

that are popular worldwide. Vincom Retail dedicates resources toward research and implementation of new technologies in operations. The company collaborates closely with Vingroup's other businesses including VinID — Vingroup's digital ecosystem, which offers convenience as well as a better and unique overall shopping and entertainment experience for customers.





Vincom Center Landmark 81,  
Ho Chi Minh City

## Development

According to CBRE, Vietnam remains a relatively underdeveloped retail market, especially for the next three years. Compared with other ASEAN countries, Vietnam has limited retail supply. In 2019 the total gross floor area per capita in Hanoi and Ho Chi Minh City was approximately 0.12 square meters, with ratios of only 1 to 3.6, 1 to 4, 1 to 7 and even 1 to 9 compared to that of Kuala Lumpur, Jakarta, Bangkok and Singapore respectively. In addition, Vietnam had the highest retail growth in

the region with a 12.7% increase in retail sales compared to 2018.

Vietnam has the highest rate of individual consumption in the region, accounting for 68% of GDP. This rate is expected to remain high in the next 10 years, thanks to a GDP and income growth rate expected to top all others. According to Nielsen, in 2019, Vietnam's Consumer Confidence Index reached 126 points, the highest in the Asia Pacific region.

Vincom Retail plans to aggressively expand its network nationwide. This will ensure that the company maintains its position as the country's leading mall developer, owner and operator, and to take advantage of expected market demand.

As Vincom Retail holds its leading position in Vietnam's market share, it will continuously conduct research to introduce and implement new services, offering fulfilling experiences to customers.

Vincom Retail malls are located in prime locations with favorable transportation and commercial conditions, high-density residential areas, or within Vinhomes integrated and mixed-use projects. This contributes to the all-in-one design of Vinhomes projects which are satellite cities of Hanoi and Ho Chi Minh City. In some provinces, Vincom Retail develops

retail malls as the podium of office or residential towers, or within the complex of luxury Vinpearl hotels and shophouses. With a well-planned network of retail malls across Vietnam, each Vincom retail mall has a large pre-existent customer portfolio that resides around the mall and thus ensuring the success of the mall where it is located.

In 2020, for the first time, Vincom Retail will manage, lease and operate a retail tourism model developed in Phu Quoc. This model offers a multicultural and colorful experience for tourists visiting Vietnam.



Vincom Plaza Le Thanh Tong, Hai Phong

## Product Diversification

Vincom Retail targets multiple consumer markets through its four distinct formats:

Vincom Center

Vincom Mega Mall

Vincom Plaza

Vincom+

Vincom Center and Vincom Mega Mall are geared toward the large urban populations of Hanoi and Ho Chi Minh City. These retail malls offer a variety of well-known domestic and international brands with diverse models and styles, introducing and shaping new shopping trends. Vincom Plaza malls are usually located in central provincial locations or suburbs of big cities. These malls help establish Vincom Retail's nationwide presence while improving retail options for local customers. Vincom Retail also became the first retail property developer to develop, manage and operate a retail model that combines a retail mall

and tourism. 2020 sets the premise for Vincom Retail to explore new formats to meet customers' needs and tastes.

Every retail mall is designed with modern technology and unique shopping and entertainment facilities to bring the most interesting retail experience to customers. Vincom Retail focused on in-depth research of customers' needs and expectations, and curated retail formats, scale, interior and exterior design, layout, tenant mix and key tenant segmentation to deliver an attractive and highly-welcomed retail format to mass consumers.



## Tenant Collaboration

Vincom Retail committed to support tenants with its dedicated management and staff, thus maintaining its position as Vietnam's leading retail property developer and trusted partner of tenants.

For international tenants: Vincom Retail has successfully attracted many well-known international brands coming to Vietnam and being located in Vincom Centers and Vincom Mega Malls.

For Vietnamese brands: Vincom Retail aimed to develop chain tenants based on its research and understanding of local brands' expansion strategy. Vincom Retail supported and accompanied local Vietnamese brands by improving their brand recognition not only in big cities but also other cities and provinces nationwide.

In order to gain tenants' trust and companionship, Vincom Retail offers good business opportunities, a wide network of retail malls, and a prompt and aggressive action plan to support tenants. In addition, the online Tenant Portal to be launched in 2020 is expected to

improve the quality of customer services throughout all the phases from leasing to opening and operating the stores. Vincom Retail analyzes and optimizes business opportunities, and quickly addresses tenants' specific needs to increase their satisfaction and business efficiency. Concurrently, Vincom Retail supports the promotion of business activities through seminars, connecting international brands and Vietnamese retailers to increase investment opportunities and network expansion of these international brands in Vietnam.

Vincom Retail also constantly strives to attract customers to the mall and promote tenant sales through well-organized, consistent and effective marketing programs. Big marketing campaigns are always supported by over 90% of the tenants.



## Attracting Customers

With its customer-centric strategy, Vincom Retail malls are more than just shopping centers. They also connect communities and become cultural hubs where people meet and enjoy entertainment.

Vincom Retail and its retail partners are bringing modern shopping, quality products and premium services to Vietnam market, utilizing various events to introduce the latest retail trends to consumers.

In addition to providing customers with inspirational marketing campaigns, moving stories via special events, Vincom Retail promotes technological applications

to build information management systems and develop a customer database to enhance customer experience and boost tenants' sales. Vincom Retail introduces interactive website and applications, provides a refreshing first impression at the information access point in order to create a seamless and convenient shopping experience for customers.



## Cooperation within the Vingroup Ecosystem

To promote its services and enhance revenues, Vincom Retail will continue working with other subsidiaries within the Vingroup ecosystem.

Vincom Retail will work with VinID to analyze consumers' habits and needs, thus enabling collaborations with tenants to promote successful shopping

campaigns for customers and deploy effective targeted marketing strategy (Targeted marketing 1:1).

# CHAPTER 03

## Management Report on 2019 Business Performance and 2020 Plan of Action

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# The Economy in 2019 and the Macroeconomic Outlook for 2020

## 2019 Economic Environment

### Macroeconomy

During 2019, Vietnam's economic growth rate remained high, at over 7%

In 2019, the world economy maintained its slowdown. According to World Bank's statistics, the global economy was estimated to grow at 2.4%, a sharp decline compared to 3.0% in 2018. It's also the lowest rate since the economic crisis of 2007-2008. Global trade and investment weakened even in developed economies, particularly Europe, and emerging economies. This resulted from persistent and escalating tension between the U.S. and China trade war in recent years.

Vietnam had an impressive year, in contrast to the global economy. According to Vietnam's General Statistics Office (GSO), Vietnam's growth rate of 7.02% exceeded the 6.6% to 6.8% target set by the National Assembly, thanks to growth in most sectors of the economy. Of the 7.02% GDP growth, the service sector accounted for 45% and increased 7.3% compared to 2018. The wholesale, retail, finance, banking and insurance segments also grew strongly. The wholesale and retail sectors increased 8.82% compared to 2018 and had the second highest growth rate in service sector. This was the largest factor in the boost to the overall economy (0.96 percentage points).

Certain achievements were also noted in FDI promotion activities. The number of newly licensed projects totaled over 3,883 projects, an increase of 27.5% compared to 2018, and registered investment capital totaled USD 16.7 billion. 9,842 transactions comprising of capital contribution and share acquisitions involving foreign investors were closed, with total capital contribution of USD 15.5 billion, an increase of 56.4% compared to last year. Realized FDI capital in 2019 was estimated at USD 20.4 billion, an increase of 6.7% from 2018. A 2019 foreign investment report by the United Nations Conference on Trade and Development (UNCTAD) commented that it was the first time Vietnam was named in top 20 countries attracting the most FDI during the 2017-2018 period.

According to McKinsey, Vietnam continues to be the central focus of international communities in emerging markets, thanks to its high growth rate, increasing consumer consumption and fast-growing middle class. These observations were reinforced by Japan's External Trade Organization forecast, which projected that approximately 1,000 Japanese enterprises will enter the Vietnamese market over the next 10 years.

From a socioeconomic perspective, the stable market conditions reflected a well-controlled inflation rate of 2.79% compared to 2018. This rate is lower than the target set by the National Assembly and also the lowest average inflation rate in the past three years, contributing to the development of the entire economy and improvement of people's lives. During 2019, Vietnam's job market improved as the unemployment rate dropped to 1.98%, employment increased and per capita income also rose. In 2019, the average monthly income of employees with university degrees or higher was VND 9.3 million per month, up 12.8% over the previous year. Monthly income of employees with basic qualifications was VND 7.7 million per month, up 16.3% from last year.

GDP Growth in 2019

▲ 7.02%

Wholesale and Retail Sectors growth compared to 2018

▲ 8.82%

### Retail Property

Retail continued to be a promising sector.

Retail continued to be a promising sector. Based on GSO's statistics, retail revenue in Vietnam has always increased since 1990. The GSO reported that 2019 retail sales in Vietnam were approximately VND 3.8 quadrillion, or USD 161 billion, an increase of 12.7% compared to 2018. That was the largest increase in the last five years. Vietnamese retailers have taken advantage of this favorable business environment to increase coverage throughout Vietnam. Many international fashion brands have entered the market in Vietnam to capitalize on the emerging middle class. H&M, Zara and other attractive brands of Inditex (Massimo Dutti, Stradivarius, Pull&Bear) entered Vietnam between 2016 and 2017. After the success of these brands, 2018 continued to witness the expansion of famous brands into Vietnam's market, such as H&M expanding its number of stores to five in Vincom malls, Zara having its second store in Hanoi, Superdry, CCOO; and in 2019, the continued presence of Uniqlo, Decathlon, Cotton:On, Jaju, OVS, MLB, and Haidilao Hot Pot in modern retail malls in major cities, contributing to the diversification of choice for consumers. Retail property in general and shopping malls in particular directly benefit from these trends.

Retail real estate market – retail malls – became particularly exciting both in Hanoi and Ho Chi Minh City. In 2019, Ho Chi Minh City had no new retail space in the central area. Two new projects and two expansion projects were all in suburban areas. CBRE reported that retail space rose in 2019 in both Hanoi and Ho Chi Minh City, reaching over 2 million square meters of Net Leasable Area (NLA) with a growth rate of 15%. Total retail space in Hanoi reached 1 million square meters, an increase of 16.2% compared to 2018. In Ho Chi Minh City, total retail space gained over 1 million square meters, an increase of 13.5% from 2018.

Rental rates in 2019, according to CBRE's Market Outlook 2020 report in January 2020, grew by 5.8% in the CBD area of Ho Chi Minh City, due to the absence of additional retail projects following the launch of Saigon Centre in 2016. The shortage of supply continued to facilitate the increase in rental rates by 10-20% after each contract renewal. On average, rents in the CBD area reached USD 135.5 per square meter per month (equivalent to VND 3.1 million per square meter per month). The rental rate in non-CBD areas was much lower and stable at approximately USD 35.7 per square meter per month (equivalent to VND 830,000 per square meter per month). High occupancy rates were recorded at an average of 95% in Hanoi and Ho Chi Minh City.

2019 Retail sales in Vietnam

VND 3.8 quadrillion

High occupancy rates in Hanoi and Ho Chi Minh City

95%



# The Economy in 2019 and the Macroeconomic Outlook for 2020

## 2020 Outlook

### Macroeconomy

Vietnam has a golden population structure of growing middle class along with rapid urbanization, and is poised to develop with a long-term consumer economy.

#### 2020's Challenges and opportunities

From the beginning of 2020, Vietnam and the world faced many challenges brought on by the COVID-19 epidemic. An OECD report published in early March stated that global economic growth is expected to reach only 2.4% in 2020, with negative growth in the first quarter. China is the most heavily affected, with expected growth of only 4.9% compared to 6.1% last year. OECD also reported that the world economy is likely to recover to 3.3% growth in 2021.

According to the World Bank, Vietnam's economy is expected to grow by 4.9% in 2020, which is much lower than the 7.02% growth experienced in 2019. However, the growth rate will rebound to 7.5% in 2021, reflecting an improved external demand and a firming of the services sector, as well as a gradual recovery in agricultural production.

#### 2020 – Golden Population Structure and Infrastructure Investment Considered Keys to Sustainable Development

McKinsey estimates a 9.2% growth rate in the middle class in Vietnam over the next five years, hitting the highest level in the region and accounting for over half of the population by 2035. The rate of urbanization in Vietnam in 2018 reached 36%, the lowest in the region. However, the urban population is forecast to grow rapidly and will account for 55% of the total population by 2030. Ranked 15<sup>th</sup> among countries with the largest populations and having a golden population structure of growing middle class along with rapid urbanization, Vietnam is poised to develop into a long-term consumer economy.

### Retail Property

The retail malls still target young and middle class consumers, while focusing on shopping as an experience.

According to Savills, rents for retail properties might vary based on market conditions. In general, commercial developers or homeowners will need to consider short-term support to tenants.

In 2020, modern retail projects are expected not to increase rents, and retail landlords are expected to support tenants to maintain business operations as well as to ensure occupancy rate of the project. For example, Vincom Retail supports existing tenants with the rate of rent support to be determined by the severity level of regions and of the industries. This support reflects the constant accompany of Vincom Retail to customers, especially in the difficult period of the economy due to the impact of the Covid-19.

The retail malls still target mass and middle class consumers, while focusing on shopping as an experience. These two trends are continuing: the young are always ready to update and share new trends, and the combination of visual and entertainment experiences during shopping at retail malls ("retailtainment") always attracts all customers.



Vincom Center Tran Duy Hung, Hanoi

# Vincom Retail Operations and Financial Performance in 2019

Vincom has successfully brought over

**1,000** brands

to customers nationwide

Vincom mall network set a new record with more than

**225 million** visits

for shopping and entertainment

**With 13 new malls in 2019, Vincom Retail has a total of 79 operational malls in 43 cities and provinces nationwide, with total retail GFA of approximately 1.6 million square meters as of 31 December 2019.**

2019 is also a critical year in building and developing the Vincom Mega Mall format expected to be launched in 2021. Three Vincom Mega Malls in Vinhomes Ocean Park, Vinhomes Smart City and Vinhomes Grand Park focus on architectural design in a modern, high-style and environmentally friendly orientation. They combine simple space planning and properly arranged facilities to create a unique experience. Advanced technology such as a lighting waterfall on a river will offer customers attractive shopping and entertainment spaces. With clear development plans and constant renovation, Vincom has

successfully brought over 1,000 brands to customers nationwide. It is now the destination of many new international brands such as Decathlon, Cotton:On, OVS, Haidilao Hot Pot, Basta Hiro and Jaju.

Vincom Retail's occupancy rate was 89.8% in 2019, an increase from 87.7% in 2018. This is due to initiatives such as reconfiguration of layout, upgrade of tenant mix and improved customer experiences. Moreover, in 2019, the Vincom mall network set a new record with more than 225 million visits for shopping and entertainment, an increase of 40% compared to 2018.

In addition, the modern Vincom Shophouses planned simultaneously with Vincom Plaza malls have become attractive investment products and exciting destinations of the city.

## Discussion and Analysis of the Income Statement

for the Year Ending 31 December 2019

Indicators	2019 (trillion VND)	2018 (trillion VND)	% Change
Revenue from leasing activities and rendering of related services	7.017	5.506	27%
Revenue from sale of inventory properties	2.027	3.433	-41%
Other revenue	215	185	16%
Total revenue	9.259	9.124	1%
Leasing net operating income (*)	4.955	3.829	29%
Profit before tax	3.576	3.053	17%
Profit after tax	2.852	2.413	18%

Source: VAS audited consolidated financial statements for 2018 and 2019

(\*) Estimated data



Total Revenue in 2019

**VND 9.259** tril.

Total Revenue reached VND 9.259 trillion in 2019, of which Revenue from Leasing Activities and Rendering of Related Services was VND 7.017 trillion, Revenue from Sale of Inventory Properties was VND 2.027 trillion and Other Revenue was VND 215 billion. Revenue from Leasing Activities and Rendering of Related Services increased by VND 1.551 trillion, equivalent to a 27% increase over 2018 performance, mainly due to the opening of 13 new retail malls

during the year and the further ramping up of operations of malls opened in 2018. As a result, Leasing Net Operating Income increased 29% to VND 4.955 trillion in 2019.

Revenue from Sale of Inventory Properties was mainly attributable to recognition of some shophouse projects in Ca Mau, Cao Lanh, Cam Pha, Mong Cai, Di An, Hoa Binh, Sa Dec, etc. Profit After Tax was VND 2.852 trillion, an increase of 18% over 2018.

## Discussion and Analysis of the Balance Sheet

for the Year Ending 31 December 2019

Indicators	2019 (trillion VND)	2018 (trillion VND)	% Change
Current assets	5.070	7.123	-29%
Non-current assets	30.768	31.561	-3%
Total assets	35.839	38.684	-7%
Total liabilities	8.885	10.174	-13%
In which:			
Total loan and debts (short and long-term)	2.785	2.780	0.2%
Statutory obligations	295	276	7%
Owners' equity	26.954	28.509	-5%

Source: Audited consolidated financial statements for 2018 and 2019



Vincom Center Metropolis, Hanoi

### Current Assets

VND 5.070 <sup>tril.</sup>

### Non-Current Assets

VND 30.768 <sup>tril.</sup>

### Owners' Equity

VND 26.954 <sup>tril.</sup>

Current Assets decreased by VND 2.052 trillion during 2019, from VND 7.123 trillion at the end of 2018 to VND 5.070 trillion at the end of 2019. The change was mainly due to fluctuations in *Cash and cash equivalents*, and *Other Current Assets* due to withdrawal of term deposits and partial withdrawal of deposits for dividend payment and treasury shares buyback in the year, particularly: *Cash and cash equivalents* decreased VND 1.043 trillion, and *Other Current Assets* decreased VND 718 billion.

Non-Current Assets declined VND 793 billion from 31.561 trillion in 2018 to VND 30.768 trillion in 2019, due to the re-categorization of held to maturity investment to short-term according to the remaining duration of the contract

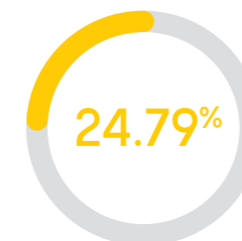
and allocation of goodwill and long-term prepaid expenses.

Owners' Equity decreased VND 1.556 trillion from VND 28.509 trillion in 2018 to VND 26.954 trillion, due to an increase of VND 2.852 trillion in *Retained Earnings* resulting from the improved performance over 2018. In 2019, Vincom Retail paid cash dividend with amount of VND 2.445 trillion and exercised treasury shares buyback of 56.5 million shares with amount of VND 1.954 trillion.

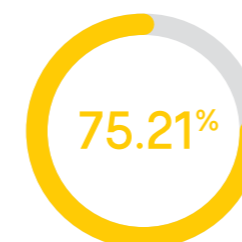
Statutory Obligations increased from VND 276 billion in 2018 to VND 295 billion in 2019. During 2019, the Company incurred a total of VND 2.194 trillion of tax payables, and the Company paid a total of VND 2.175 trillion to the State budget.

## Key Financial Indicators

Total Liabilities / Total Assets



Owners' Equity / Total Assets



Indicators	Unit	2019	2018	
Asset structure	Non-current assets/Total assets	%	85.85	81.59
	Current assets/Total assets	%	14.15	18.41
Capital structure	Total liabilities/Total assets	%	24.79	26.30
	Owners' equity/Total assets	%	75.21	73.70
Liquidity ratio	Quick ratio	times	0.61	0.67
	Current ratio	times	1.06	1.14
Profitability	Profit after tax/Total assets	%	7.96	6.24
	Profit after tax/Net revenue	%	30.80	26.45
	Profit after tax/Owners' equity	%	10.58	8.46

Source: VAS audited consolidated financial statements for 2018 and 2019

During the fiscal year ending 31 December 2019, *Current ratios* for Vincom Retail declined from 1.14 times to 1.06 because *Current Assets* decreased in a greater extent than the decrease in *Current Liabilities*. The former's decrease was mainly attributable to a dividend payment and treasury shares buyback. Meanwhile, the decrease in *Current Liabilities* primarily resulted from repayment of payables on

property transfer. The *Quick ratio* reduced from 0.67 times to 0.61 due to withdrawal of term deposits as mentioned above.

The ratio of *Total Liabilities to Total Assets* and that of *Owners' Equity to Total Assets* only had slight fluctuations compared to the end of 2018, respectively 24.79% and 75.21%.

## Blueprint for 2020

In 2020, Vincom Retail aims to continue to consolidate its leading position in the retail property market, in terms of quantity, market share and quality.

In terms of products, Vincom Retail continues to maintain a diverse portfolio through the synchronous development of all four different formats: Vincom Center, Vincom Mega Mall, Vincom Plaza and Vincom+, constantly improving products to suit the preferences of customers and the market. Most retail mall projects are located within integrated and mixed-use projects: Vincom Center at prime locations, Vincom Mega Mall in a mega mixed-use project, Vincom Plaza and Vincom+ with shophouses or in a complex of 5-star hotels or high-end apartments. This approach makes these retail malls become a highlight and a new symbol of modern lifestyle in their respective locales. In addition to its expansion to provincial markets through Vincom Plazas and Vincom+ malls, Vincom Retail will focus on the development of Vincom Mega Malls and Vincom Centers in two major cities, Hanoi and Ho Chi Minh City.

They are strategic projects, bringing together a huge number of major domestic and international brands, including brands making their debut in Vietnam and serving as a place where Vincom Retail introduces new shopping trends, unique retail store formats and impressive architectural spaces.

In addition to the above models, Vincom is leasing and operating a new format of retail tourism in 2020 with an outstanding product: Grand World Phu Quoc. These will be ideal entertainment, shopping and experience destinations, converging the quintessence of many countries in the world. Visitors will enjoy a multicultural and colorful haven from Dong Duong Indochine and Shanghai China, or modern and ancient western European culture from Mallorca, all integrated in the Grand World project.



Vincom Center Pham Ngoc Thach, Hanoi



"Sparkling Christmas festival" marketing campaign in 2019

In terms of marketing strategy, Vincom Retail continues to organize large-scale and diverse activities.

In terms of marketing strategy, Vincom Retail continues to organize large-scale and diverse activities. Marketing campaigns are planned according to different consumer targets:

1. Major campaigns for four important festival seasons in the year, namely Lunar New Year, International Children's Day, Mid-Autumn Festival, and Christmas
2. Other major shopping promotion campaigns
3. Programs praising women.

Activities on major holidays are organized in the other months. The idea of "Vietnamese Heart – Pride of Vietnam" will be the message throughout all marketing campaigns in 2020.

To support tenants due to the effects of the Covid-19, Vincom Retail proactively proposed preventive and protective

measures, supporting tenants across its network nationwide. At the same time, Vincom Retail connects retailers in shopping malls with online and e-commerce and delivery platforms such as VinID, Grab, Now applications to strengthen sales channels and to best serve customers. By doing this, Vincom Retail is supporting and accompanying retail tenants to organize promotional consumption activities, contributing to the recovery of the dynamic lifestyle before. In order to provide a comfortable and safe shopping environment for customers, Vincom strengthens preventive measures such as thermal screening of customers to the mall; sanitize contact surfaces of public areas every two hours; security guards wearing respiratory masks and gloves, ready to serve customers at doors and elevators. These are proactive measures that Vincom has pioneered from the beginning of the Covid-19 outbreak, ensuring a secure shopping environment for consumers.

CHAPTER  
**04**

Corporate Governance

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# Vincom Retail Governance Structure

Further details can be found in Vingroup's Annual Report 2019,  
Corporate Governance – Vingroup Governance Structure.

## Report of the Board of Directors

### Introduction of the Board of Directors

Since 01 August 2019, the Board of Directors ("the Board" or "the BOD") consists of six members. It is chaired by one Chairperson and includes two independent directors.

### Board Meetings and the Announcement of Major Decisions

During 2019, the Board of Directors followed the Company's Charter, Corporate Governance, internal management rules, and the law, as follows:

- Led, directed, and successfully organized the 2019 Annual General Meeting of Shareholders ("the GMS") on 11 April 2019
- Implemented the financial reports of 2018, Annual report and the quarterly and semi-annual financial reports
- Supervised the implementation of decisions made by the GMS and the Board, and supervised the business activities of the Management
- Supervised information disclosure to ensure transparency and timeliness appropriate to a large publicly-listed company, and
- Supervised the work of the Management to improve business performance and to accomplish planned goals.

The Board of Directors has not set up subcommittees directly under the Board. During 2019, the Board issued seven resolutions, including the following:

Content	Number of resolutions
Treasury share buyback	01
Internal restructure	02
Establishing more branches	03
Organizing Annual General Meeting of Shareholders	01



Vincom Center Ba Trieu, Hanoi

### Participation of Board Members in Corporate Governance Programs

With the exception of two members of the Board of Directors based overseas, all remaining members and Management are fully engaged in corporate governance training.

# Report of the Supervisory Board

## Assessment of the financial situation of the Company

The Supervisory Board approves the consolidated financial statements of 2019 as audited by KPMG Vietnam Limited. The financial statements give a true and fair view of the financial position of the Company as of December 31, 2019 and the results of operations and cash flows for the year 2019 in accordance with the provisions of the Company's accounting system.

## Assessment of compliance with the law and implementation of decisions made by the Annual General Meeting of Shareholders and the Board of Directors

The Supervisory Board evaluates the Company's activities as sustainable and in compliance with existing law. The implementation of decisions of the Annual General Meeting and the Board is closely monitored to ensure full compliance. The Supervisory Board believes the Annual General Meeting, the Board and related departments have completed all of their assigned duties.

## Assessment of compliance with the Company's internal management guidelines

Thanks to strict implementation of corporate governance regulations by the Management and employees, the Board was able to monitor, update the Company's business strategies in a timely manner, and make decisions related to the operations of the Company. During the past year, the Supervisory Board has increased its inspection and control of compliance, the quality of work and the level of independence in its monitoring activities, especially as they relate to material transactions and transactions with related parties.

# Governance Report

## 2019 Governance Report

**During 2019, Vincom Retail remained in full compliance with regulations on corporate governance. The Company disclosed to investors and stakeholders all information on business operations within the required time period and in a transparent manner.**

After achieving a positive outcome from the 2018 restructuring, Vincom Retail continued to streamline its administrative processes and optimize resource allocation in order to maximize contribution and enhance the supervisory functions of the Board, as well as ensure a system-wide implementation of the principles and fortify the relationships between the Company and related parties.

Vincom Retail's Investor Relations function strives to provide transparent information to shareholders and investors. Vincom Retail is one of the few enterprises to issue financial reports in line with Vietnamese Accounting Standards (VAS) and International Financial Reporting Standards (IFRS). The financial reports of the Company and its P&Ls are audited by KPMG Vietnam Ltd.

## Compensation for Members of the Board and Supervisory Board

Remuneration for members of the Board was VND 7.1 billion – equivalent to 0.25% of 2019 profit after tax.

Remuneration for the Supervisory Board was VND 0.9 billion – equivalent to 0.003% of 2019 profit after tax.

## Changes in the membership of the Board, Supervisory Board, and Management

**Mr. Jeffrey David Perlman** stepped down from the Board on 08 July 2019.

**Ms. Mai Thu Thuy** stepped down from the Board on 01 August 2019.

**Mr. Phan Thanh Son** stepped down from the Board on 01 August 2019.

# Internal Audit Report

*Further details can be found in Vingroup's Annual Report 2019, Corporate Governance – Internal Audit Report*

# Risk Management

The Vincom Retail Board of Directors works closely and frequently with various functional departments to manage risks. Vingroup's risk management policies are adopted by Vincom Retail. Risk Management is central to the management of the Company as reflected in its control system, which ensures a balance between incident costs and risk management costs.

*Further details can be found in Vingroup's Annual Report 2019, Corporate Governance – Risk Management*

# Share Price Information and Investor Relations

## Vincom Retail Share Price During 2019

Ticker: **VRE**

Shares outstanding as of 31 December 2019: **2,272,318,410 shares**

Market capitalization on 31 December 2019: **77,258,826,000,000 VND**

Non-restricted shares: **2,272,318,410 shares**

Restricted shares: **None**

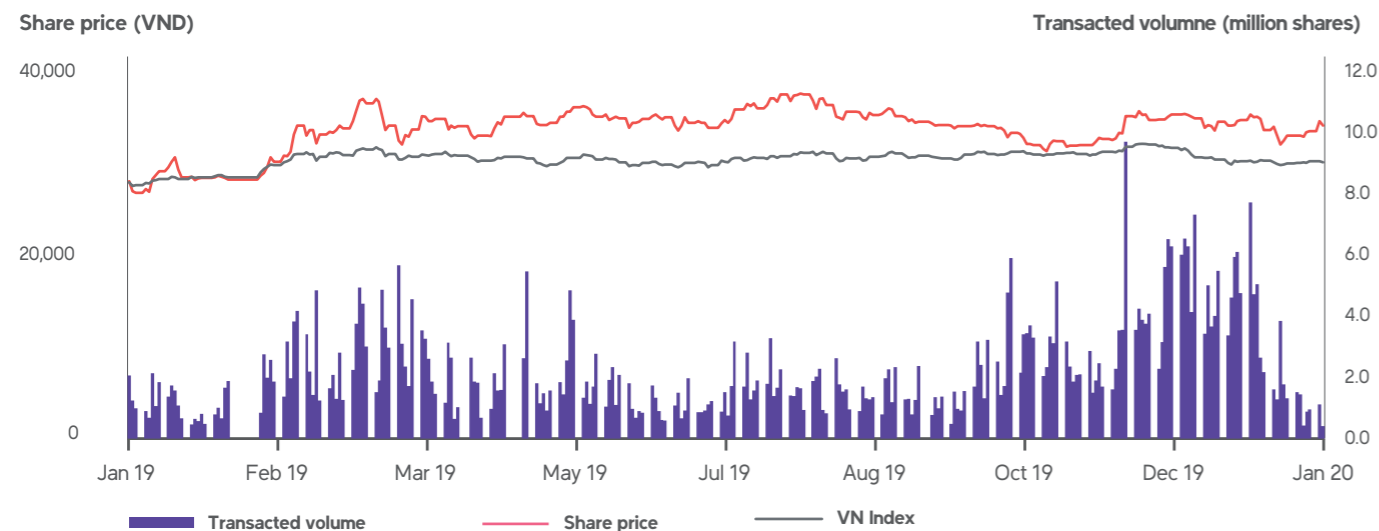
Price			Trading volume		
Share price (*)	Date	Price (VND/share)	Share price	Date	Trading volume ('000 shares)
Closing	31 December 2019	34,000	Closing	31 December 2019	413
Low	04 January 2019	26,711	Low	31 December 2019	413
High	25 July 2019	37,500	High	01 November 2019	9,671
<b>Volume-weighted average price (**)</b>		<b>33,661</b>	<b>Average daily volume</b>		<b>2,294</b>

(\*): Calculated based on adjusted share prices.

During 2019, Vincom Retail made dividend payment in cash at the ratio of 10.5% (VND 1,050 per share), resulting in the diluted market price.

(\*\*): Calculated using weighted average closing prices for 250 trading days in 2019.

Source: Ho Chi Minh Stock Exchange and Bloomberg.



As of 31 December 2019, VRE's share price reached VND 34,000 per share, an increase of 21.5% compared to the closing price as of 02 January 2019, and an increase of approximately 25.5% compared to the closing price in the last trading session in 2018.

## Shareholder structure

(as at 28 December 2019)

No.	Shareholder	Number of shares held (shares)	Ownership percentage (%)	Number of shareholders	Number of shareholders(*)	
					Institutional	Individual
1	State Ownership	0	0	0	0	0
2	Founding shareholders/ FDI	0	0	0	0	0
	- Domestic	0	0	0	0	0
	- Foreign	0	0	0	0	0
3	<b>Significant shareholders (holding above 5%)</b>	<b>1,370,934,393</b>	<b>58.87</b>	<b>3</b>	<b>3</b>	<b>0</b>
	- Domestic	1,370,934,393	58.87	3	3	0
	- Foreign	0	0	0	0	0
4	Company's Union	0	0	0	0	0
	- Domestic	0	0	0	0	0
	- Foreign	0	0	0	0	0
5	Preference shares (if any)	0	0	0	0	0
6	Others	<b>957,884,017</b>	<b>41.13</b>	<b>14,547</b>	<b>334</b>	<b>14,213</b>
	- Domestic	194,227,315	8.34	13,851	77	13,774
	- Foreign	763,656,702	32.79	696	257	439
<b>TOTAL</b>		<b>2,328,818,410</b>	<b>100</b>	<b>14,550</b>	<b>337</b>	<b>14,213</b>
	In Which					
	- Domestic	1,565,161,708	67.21	13,854	80	13,774
	- Foreign	763,656,702	32.79	696	257	439

## Insider holdings

(as of 31 December 2019)

No.	Name	Position	Number of shares held (shares)	Ownership percentage (%)
<b>BOARD OF DIRECTORS</b>				
1	Ms. Thai Thi Thanh Hai	Chairperson of the Board	0	0
2	Ms. Tran Mai Hoa	Board member	0	0
3	Ms. Nguyen Thi Diu	Board member	0	0
4	Ms. Le Mai Lan	Board member	0	0
5	Brett Harold Krause	Independent Board member	0	0
6	Mr. Timothy J. Daly	Independent Board member	0	0
<b>MANAGEMENT</b>				
1	Ms. Tran Mai Hoa	CEO	0	0
2	Ms. Tran Thu Hien	Deputy CEO	61	0.000002
3	Mr. Nguyen Anh Dung	Deputy CEO	0	0
4	Ms. Pham Ngoc Thoa	CFO	0	0
5	Ms. Nguyen Thi Xuan Nghia	Chief Accountant	0	0
<b>SUPERVISORY BOARD</b>				
1	Ms. Do Thi Quynh Trang	Chairperson	0	0
2	Ms. Nguyen Thu Phuong	Member	61	0.000002
3	Ms. Tran Thanh Tam	Member	0	0

## Significant shareholder holdings

(as at 31 December 2019)

No.	Shareholder	Number of shares held (shares)	Ownership percentage (%)
1	Vingroup Joint Stock Company	427,715,101	18.37%
2	Sai Dong Urban Development and Investment JSC	751,030,941	32.25%
3	Hanoi Southern City Development and Trading LLC	192,188,351	8.25%

## Transactions by insiders (Members of the Board, Supervisory Board, Management)

None

## Transactions by related parties of our insiders

None

## Transaction of significant shareholders

None

## Transactions of Treasury share

No.	Content	Before change	After change	Reason
1	Number of treasury shares	0	56,500,000	Vincom Retail executed treasury share buyback

# Changes in Shareholders' Equity

Time	Additional capital (VND)	Post-transaction charter capital (VND)	Method
2013	0	2,944,200,000,000	Initial capital in the form of a joint stock company
July, 2013	2,829,600,000,000	5,773,800,000,000	Private placement of common shares and preference shares
December, 2013	3,530,000,000,000	9,303,800,000,000	Private placement of common shares and preference shares
April, 2014	2,706,780,000,000	12,010,580,000,000	Private placement of common shares and preference shares
June, 2015	9,098,000,000	12,019,678,000,000	Private placement of common shares
July, 2015	2,152,567,470,000	14,172,245,470,000	Private placement of preference shares
March, 2016	1,544,917,800,000	15,717,163,270,000	Private placement of common shares
May, 2016	1,254,223,147,829	16,971,386,417,829	Issuance to existing shareholders
October, 2016	117,851,002,171	17,089,237,420,000	Issuance to existing shareholders
December, 2016	4,002,487,530,000	21,091,724,950,000	Issuance to existing shareholders
September, 2017	419,200,000,000	21,510,924,950,000	Issuance of preference shares to convert convertible loans
September, 2017	(2,500,137,620,000)	19,010,787,330,000	Redemption of preference shares and cancellation Conversion of preference shares into common shares
December, 2018	4,277,396,770,000	23,288,184,100,000	Issuance of shares from owners' equity to existing shareholders

# Shareholders and Investor Relations Activities During 2019

During 2019, Vincom Retail held

Over **160** meetings, presentations, and site visits for investors

Participated in

**12** domestic and foreign-investor conferences in UK, US, Singapore, Hong Kong, and Japan

Vincom Retail maintains an active investor relations program to respond to inquiries, distribute information and manage communications with shareholders, investors, analysts and other interested parties via our official website [www.ir.vincom.com.vn/en/](http://www.ir.vincom.com.vn/en/)

The Company is committed to fair treatment to all shareholders, whether domestic or foreign, institutional or individual. Through its website, the Company provides timely and accurate information on its business to shareholders and members of the public. The information is presented in English as well as Vietnamese. Investor presentations, news, and financial reports are updated regularly and may be downloaded from Investor Relations section on our website.

In addition to the AGM, quarterly conference calls and investor meetings

following the release of financial results, Vincom Retail also hosts regular briefings, other meetings and site visits to keep shareholders and other investors updated on the Company's projects as well as on its financial and operational results. Many investor events provide access to the Company's senior managers to answer questions about strategy and operations.

During 2019, Vincom Retail held over 160 meetings, presentations, and site visits for investors, and participated in 12 domestic and foreign-investor conferences in UK, US, Singapore, Hong Kong, and Japan, meeting hundreds of interested investors.

Vincom Retail's Investor Relations Department plans an even greater number of events for investors. Our goal is to respond promptly to all investor and analyst inquiries. Investor Relations can be reached via email at [ir@vincom.com.vn](mailto:ir@vincom.com.vn)

## 2019 Investor Relations Calendar

Quarter I	Event	Location
	Credit Suisse – 10th Annual ASEAN Conference	Singapore
	Webinar updating business results in Quarter 4 of 2018	Hanoi
	Credit Suisse – Annual Asian Frontier Markets Symposium	London & New York
	Daiwa – 13th Annual Investment Meeting	Tokyo
	VCSC – Vietnam Access Day Conference	Ho Chi Minh City
	Credit Suisse – 22nd Annual Asian Investment Conference	Hong Kong
Quarter II	Event	Location
	UBS – 5th Annual ASEAN Conference	New York & San Francisco
	2019 Annual General Meeting	Hanoi
	SSI & Citigroup – Vietnam Investors Forum 2019	Ho Chi Minh City
	Webinar updating business results in Quarter I of 2019	Hanoi
	HSC – Vietnamese Conference Day 2019	Ho Chi Minh City
	Citigroup – ASEAN Investors Conference 2019	Singapore
Quarter III	Event	Location
	Webinar updating business results in Quarter II of 2019	Hanoi
	HOSE-Daiwa – Vietnam Corporate Day 2019	Singapore
Quarter IV	Event	Location
	Webinar updating business results in Quarter III of 2019	Hanoi
	Goldman Sachs & SSI – Vietnam Corporate Day	Singapore
	Morgan Stanley – Asia-Pacific Summit Singapore	Singapore

## Financial calendar

### Financial year ending 31 December 2019

Date	Event
11 April 2019	2019 Annual General Meeting of Shareholders
22 April 2019	Release of Quarter I, 2019 Financial Statements
29 July 2019	Release of Quarter II, 2019 Financial Statements
28 October 2019	Release of Quarter III, 2019 Financial Statements
30 January 2020	Release of Quarter IV, 2019 Financial Statements

### Financial year ending 31 December 2020

Date	Event
April 2020	Proposed release of Quarter I, 2020 Financial Statements
July 2020	Proposed release of Quarter II, 2020 Financial Statements
October 2020	Proposed release of Quarter III, 2020 Financial Statements
January 2021	Proposed release of Quarter IV, 2020 Financial Statements

CHAPTER  
**05**

Sustainable Development

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# Vincom Retail's Vision for sustainability

Further details can be found in Vingroup's Annual Report 2019, Vingroup's Vision for Sustainability

## 2019 Sustainability Report

### Energy Efficiency and Environmental Protection

During 2019, Vincom Retail researched and implemented solutions for each retail mall format to better conserve energy and water by:



Improving design and new operating standards



Applying systematic energy-saving approaches

As a result, Vincom Retail malls maintained their per-square-meter energy use at the same level as 2018, even though 2019 temperatures were higher than 2018 temperatures by 1 to 2 degrees Celsius.



Landmark 81 Tower, Ho Chi Minh City



Vincom Center Pham Ngoc Thach, Hanoi

### Standardized the designs

The Company has standardized the designs of its building architecture. Vincom Retail has also standardized engineering specifications for lighting, air conditioning, water supply, drainage and fire-protection systems. This program helps minimize waste and reduce solid and liquid discharges at ground level, as well as emissions into the air, during construction and operation of facilities.

### New operational standards

Vincom Retail has set new operational standards, including maintenance schedules and regulations on equipment use, in accordance with the needs of each mall. This has saved power and helped protect the environment. For example, inverters were installed in some air-conditioning systems, cooling towers and water pumps to address peak and off-peak demands and weather conditions in order to optimize equipment performance.

## Deploy solar energy

In 2019, Vincom Retail worked with solar energy system partners to deploy solar energy at 12 retail malls in the Southern Vietnam region. These retail malls are projected to reduce energy costs by 5%. The Company will consider further deployment of solar systems at 26 retail malls in the Central and Northern regions in 2020.

## Apply hi-tech solutions

Vincom Retail also studied the application of hi-tech solutions, controlling the operation of air-conditioning systems (including chiller and cooling tower) via BMS systems, and connecting to a Central Control Room to obtain data. This made it easier to assess the system performance and make timely adjustments for stable operations, contributing to the reduction of energy costs.

## Apply cooling water treatment technology

Simultaneously, Vincom Retail applies cooling water treatment technology for Chiller system: replacing existing chemical wastewater treatment system with E-Water cooling water treatment technology at 23 retail malls in Da Nang and a few cities and provinces in the North. The input water has stable quality and low level of hardness. Vincom Retail also conducts E-Water cooling technology pilot tests at two retail malls in the North, namely VCC Pham Ngoc Thach and VMM Times City. In the future, Vincom Retail aims to synchronize the non-chemical cooling water treatment technology for Chiller system in all Vincom retail malls.

## "Say no to plastic waste" program

In addition, Vincom Retail malls initiated a conservation program named "Say no to plastic waste" to manage hygiene and to protect the environment. Waste is sorted on site into organic waste and other types (inorganic, hazardous, and recycled). Waste is sent to designated collection points and divided into dry, wet, recycled and hazardous categories for contractors to collect, remove from the site and process every day in accordance with waste collection and sorting procedures.



Environmental activities in the campaign  
"Green journey - Peaceful Mid-Autumn" - 2019



Exhibition "Plastic Planet" at Vincom Center for Contemporary Art (VCCA) - 2019

## Sustainability of Product Development



The 5<sup>th</sup> Vincom  
figure skating championship

In June 2017, the Vincom Center for Contemporary Art (VCCA) was opened in Hanoi. This is a large-scale not-for-profit center for the art developed and managed by Vingroup of which Vincom Retail is a subsidiary.

By the end of 2019, VCCA organized 25 major exhibitions and 170 other art events and education sessions, attracted over 250 prestigious artists, more than 1,500 artworks and nearly 600,000 visitors.

From 2017 to 2019, the Department of Fine Arts, Photography and Exhibitions of the Vietnamese Ministry of Culture, Sports & Tourism and VCCA jointly organized the *National Young Arts Festival 2017*, *Silk Painting and Small-Medium Sculpture Exhibition 2018*, and *Fina Art Works of Representative Asian Artists 2019*. These exhibitions were honored by the Ministry of Culture, Sports, & Tourism in the **Top Ten Fine Arts and Photography Events of the year**.

Vincom Retail is the first and still the only organization in Vietnam to own and

operate international-standard ice skating rinks. In 2019, after Vietnam established its Skating Federation and became a member of the International Skating Union, Vincom Retail held its first speed skating tournament in Vietnam and the fifth Vincom Figure Skating Championship. This attracted 147 candidates nationwide to promote the sport of ice-skating in Vietnam.

In addition, Vincom Retail nurtured the talents of 445 potential candidates to develop their figure skating abilities and to train professional athletes. The intent of this effort is to achieve success for Vietnam in regional and international athletic competitions.

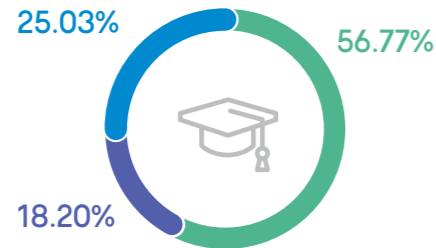
## Sustainability of Human Resources

In order to attract talented employees and to reward long-term commitment, Vincom Retail has created a comprehensive compensation policy that covers all employees, skills, and organizational levels. This policy tracks the contributions of each individual employee.

### Employee structure

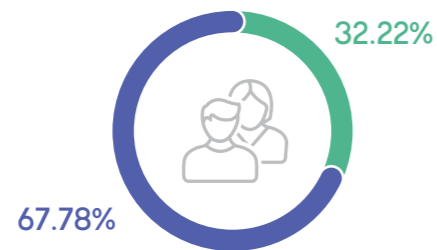
Total: 3,088

- University and higher (773)
- College, vocational training (562)
- Unskilled worker (1,753)



### Employee distribution by gender

- Male (2,093)
- Female (995)



Average monthly income per employee during 2019 was

**VND 11.2** million

### Employment policies

Vincom Retail complies fully with all employment laws and regulations to ensure that jobs are protected, income is improved, and employee morale is safeguarded.

Further details can be found in Vingroup's Annual Report 2019, Sustainability Report – Ongoing Development of Human Capital.

### Sustainable Development Strategy

Further details can be found in Vingroup's Annual Report 2019, Sustainability Report – Sustainability Strategy.



Vincom Plaza Ha Tinh

CHAPTER

# 06

## Consolidated Financial Statements

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# Corporate Information

## Business Registration Certificate

No. **0105850244** 11 April 2012

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

BOARD OF DIRECTORS			
1	Ms. Thai Thi Thanh Hai	Chairwoman	
2	Ms. Mai Thu Thuy	Member	Until 1 August 2019
3	Ms. Tran Mai Hoa	Member	
4	Ms. Nguyen Thi Diu	Member	
5	Ms. Le Mai Lan	Member	
6	Mr. Jeffrey David Perlman	Member	Until 8 July 2019
7	Mr. Timothy J. Daly	Member	
8	Mr. Brett Krause	Member	
9	Mr. Phan Thanh Son	Member	Until 1 August 2019
BOARD OF MANAGEMENT			
1	Ms. Tran Mai Hoa	General Director	
2	Mr. Nguyen Anh Dung	Deputy General Director	
3	Ms. Tran Thu Hien	Deputy General Director	
4	Ms. Pham Ngoc Thoa	Chief Finance Officer	
BOARD OF SUPERVISION			
1	Ms. Do Thi Quynh Trang	Head of Board of Supervision	
2	Ms. Nguyen Thu Phuong	Member	
3	Ms. Tran Thanh Tam	Member	

## Registered Office

No. 7, Bang Lang 1 Street, Ecological Residence of Vinhomes Riverside  
Viet Hung Ward, Long Bien District, Hanoi city, Vietnam

## Auditor

KPMG Limited  
Vietnam

# Statement of the Board of Management

The Board of Management of Vincom Retail Joint Stock Company ("the Company") presents this statement and the accompanying consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2019.

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

- the consolidated financial statements set out on pages 6 to 65 give a true and fair view of the consolidated financial position of the Company and its subsidiaries as at 31 December 2019, and of the consolidated results of operations and the consolidated cash flows of the Company and its subsidiaries for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting; and
- at the date of this statement, there are no reasons to believe that the Company and its subsidiaries will not be able to pay its debts as and when they fall due.

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

On behalf of the Board of Management



**Tran Mai Hoa**  
General Director

Hanoi, 25 March 2020

# Independent Auditor's Report

## To the Shareholders

### Vincom Retail Joint Stock Company

We have audited the accompanying consolidated financial statements of Vincom Retail Joint Stock Company and its subsidiaries, which comprise the consolidated balance sheet as at 31 December 2019, the consolidated statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Company's Board of Management on 25 March 2020, as set out on pages 6 to 65.

### Management's Responsibility

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

**KPMG Limited's Branch**  
in Ho Chi Minh City, Vietnam  
Audit Report No.  
19-01-00249-20-2



**Ha Vu Dinh**  
Practicing Auditor Registration  
Certificate No. 0414-2018-007-1  
Deputy General Director

Ho Chi Minh City, 25 March 2020

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company and its subsidiaries's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and its subsidiaries' internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Company's Board of Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Auditor's Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of Vincom Retail Joint Stock Company and its subsidiaries as at 31 December 2019 and of their consolidated results of operations and their consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

**Chang Hung Chun**  
Practicing Auditor Registration  
Certificate No. 0863-2018-007-1

# Consolidated balance sheet

as at 31 December 2019

	Code	Note	31/12/2019 VND million	1/1/2019 VND million
<b>ASSETS</b>				
<b>Current assets</b> (100 = 110 + 120 + 130 + 140 + 150)	<b>100</b>		<b>5,070,409</b>	<b>7,122,640</b>
<b>Cash and cash equivalents</b>	<b>110</b>	<b>5</b>	<b>1,388,344</b>	<b>2,431,381</b>
Cash	111		1,368,344	501,381
Cash equivalents	112		20,000	1,930,000
<b>Short-term financial investments</b>	<b>120</b>		<b>788,537</b>	<b>701,417</b>
Held-to-maturity investments	123	6	788,537	701,417
<b>Accounts receivable – short-term</b>	<b>130</b>		<b>724,237</b>	<b>1,047,919</b>
Accounts receivable from customers – short-term	131	7	431,915	444,768
Prepayments to suppliers– short-term	132	8	121,081	282,451
Other short-term receivables	136	9(a)	182,697	333,110
Allowance for doubtful debts	137	10	(11,456)	(12,410)
<b>Inventories</b>	<b>140</b>	<b>11</b>	<b>985,989</b>	<b>901,518</b>
Inventories	141		986,800	903,378
Allowance for inventories	149		(811)	(1,860)
<b>Other current assets</b>	<b>150</b>		<b>1,183,302</b>	<b>2,040,405</b>
Short-term prepaid expenses	151	17(a)	80,316	152,319
Deductible value added tax	152		37,488	105,086
Taxes and other receivables from State Treasury	153		498	-
Other current assets	155	12	1,065,000	1,783,000
<b>Long-term assets</b> (200 = 210 + 220 + 230 + 240 + 250 + 260)	<b>200</b>		<b>30,768,281</b>	<b>31,561,043</b>
<b>Accounts receivable – long-term</b>	<b>210</b>		<b>8,659</b>	<b>10,107</b>
Other long-term receivables	216	9(c)	8,659	10,107

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

	Code	Note	31/12/2019 VND million	1/1/2019 VND million
<b>Fixed assets</b>	<b>220</b>		<b>473,832</b>	<b>307,842</b>
Tangible fixed assets	221	13	450,446	281,956
Cost	222		580,540	365,421
Accumulated depreciation	223		(130,094)	(83,465)
Intangible assets	227	14	23,386	25,886
Cost	228		49,787	45,236
Accumulated amortisation	229		(26,401)	(19,350)
<b>Investment property</b>	<b>230</b>	<b>15</b>	<b>28,063,677</b>	<b>26,429,422</b>
Cost	231		32,702,792	29,763,599
Accumulated depreciation	232		(4,639,115)	(3,334,177)
<b>Long-term work in progress</b>	<b>240</b>		<b>654,380</b>	<b>1,343,478</b>
Construction in progress	242	16	654,380	1,343,478
<b>Long-term financial investments</b>	<b>250</b>		<b>-</b>	<b>1,832,000</b>
Equity investments in other entities	253		-	2,000
Held-to-maturity investments	255	6	-	1,830,000
<b>Other long-term assets</b>	<b>260</b>		<b>1,567,733</b>	<b>1,638,194</b>
Long-term prepaid expenses	261	17(b)	554,712	593,379
Deferred tax assets	262	18	9,243	9,453
Other long-term assets	268	12	597,000	556,000
Goodwill	269	19	406,778	479,362
<b>TOTAL ASSETS (270 = 100 + 200)</b>	<b>270</b>		<b>35,838,690</b>	<b>38,683,683</b>

<b>RESOURCES</b>				
<b>LIABILITIES (300 = 310 + 330)</b>	<b>300</b>		<b>8,885,183</b>	<b>10,174,402</b>
<b>Current liabilities</b>	<b>310</b>		<b>4,780,265</b>	<b>6,259,846</b>
Accounts payable to suppliers – short-term	311	20	2,055,465	3,423,551
Advances from customers – short-term	312	21	470,926	887,934
Taxes and other payables to State Treasury	313	22	294,967	276,208
Payables to employees	314		801	841
Accrued expenses	315	23	964,902	777,952
Unearned revenue – short-term	318	24(a)	116,291	102,060

	Code	Note	31/12/2019 VND million	1/1/2019 VND million
Other payables – short-term	319	25(a)	830,810	749,231
Short-term bonds and finance lease liabilities	320	26(a)	19,415	18,079
Provisions – short-term	321	27	23,792	21,094
Bonus and welfare funds	322		2,896	2,896
<b>Long-term liabilities</b>	<b>330</b>		<b>4,104,918</b>	<b>3,914,556</b>
Unearned revenue – long-term	336	24(b)	129,524	215,362
Other payables – long-term	337	25(b)	1,129,871	855,791
Long-term bonds and finance lease liabilities	338	26(b)	2,765,306	2,762,382
Deferred tax liabilities	341	18	80,217	81,021
<b>EQUITY (400 = 410)</b>	<b>400</b>		<b>26,953,507</b>	<b>28,509,281</b>
<b>Owners' equity</b>	<b>410</b>	<b>28</b>	<b>26,953,507</b>	<b>28,509,281</b>
Share capital	411	29	23,288,184	23,288,184
<i>Ordinary shares with voting rights</i>	411a		23,288,184	23,288,184
Share premium	412		46,983	46,983
Treasury shares	415		(1,954,258)	-
Other equity funds	420		(53,420)	(58,420)
Undistributed profits after tax	421		5,592,148	5,190,927
<i>Undistributed profits after tax brought forward</i>	421a		2,740,668	2,786,541
<i>Net profits after tax for the current year</i>	421b		2,851,480	2,404,386
Non-controlling interest	429		33,870	41,607
<b>TOTAL RESOURCES (440 = 300 + 400)</b>	<b>440</b>		<b>35,838,690</b>	<b>38,683,683</b>

25 March 2020

Prepared by:



Phung Thi Thanh

Approved by:


Nguyen Thi Xuan Nghia  
Chief AccountantTran Mai Hoa  
General Director

# Consolidated statement of income

for the year ended 31 December 2019

	Code	Note	2019 VND million	2018 VND million
Revenue from sale of goods and provision of services	01	32	9,259,257	9,123,952
Revenue deductions	02	32	-	-
<b>Net revenue (10 = 01 - 02)</b>	<b>10</b>	<b>32</b>	<b>9,259,257</b>	<b>9,123,952</b>
Cost of sales	11	33	4,855,637	5,482,655
<b>Gross profit (20 = 10 - 11)</b>	<b>20</b>		<b>4,403,620</b>	<b>3,641,297</b>
Financial income	21	34	265,083	519,224
Financial expenses	22	35	302,500	417,400
<i>In which: Interest expense</i>	23		299,007	375,271
Selling expenses	25	36	371,960	408,675
General and administration expenses	26	37	448,658	342,115
<b>Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}</b>	<b>30</b>		<b>3,545,585</b>	<b>2,992,331</b>
Other income	31	38	70,729	78,051
Other expenses	32	39	40,372	17,597
<b>Results of other activities (40 = 31 - 32)</b>	<b>40</b>		<b>30,357</b>	<b>60,454</b>
<b>Accounting profit before tax (50 = 30 + 40)</b>	<b>50</b>		<b>3,575,942</b>	<b>3,052,785</b>
Current corporate income tax expense	51	41	724,603	616,686
Deferred corporate income tax (income)/ expense	52	41	(594)	22,872

	Code	Note	2019 VND million	2018 VND million
<b>Net profit after tax (60 = 50 - 51 - 52)</b>	<b>60</b>		<b>2,851,933</b>	<b>2,413,227</b>
<b>Attributable to:</b>				
Equity holders of the Company	61		2,851,480	2,404,386
Non-controlling interest	62		453	8,841
<b>Earnings per share</b>				
Basic earnings per share	70	42	1,226	1,032

25 March 2020

Prepared by:



Phung Thi Thanh

Approved by:



Nguyen Thi Xuan Nghia  
Chief Accountant



Tran Mai Hoa  
General Director

# Consolidated statement of cash flows

for the year ended 31 December 2019 (Indirect method)

	Code	Note	2019 VND million	2018 VND million
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Accounting profit before tax	01		3,575,942	3,052,785
<b>Adjustments for</b>				
Depreciation and amortisation	02		1,447,324	1,156,999
Allowances and provisions	03		7,322	2,576
Profits from investing activities	05		(244,005)	(517,861)
Interest expense and bonds issuance costs	06		299,007	375,271
<b>Operating profit before changes in working capital</b>	<b>08</b>		<b>5,085,590</b>	<b>4,069,770</b>
Change in receivables and other assets	09		132,354	257,413
Change in inventories	10		(62,234)	1,087,893
Change in payables and other liabilities	11		(1,194,687)	(1,039,269)
Change in prepaid expenses	12		106,573	(12,285)
			<b>4,067,596</b>	<b>4,363,522</b>
Interest paid	14		(258,031)	(360,745)
Corporate income tax paid	15		(662,851)	(561,242)
Other receipts from operating activities	16		-	132,200
<b>Net cash flows from operating activities</b>	<b>20</b>		<b>3,146,714</b>	<b>3,573,735</b>

<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for additions to fixed assets and other long-term assets	21		(3,492,372)	(2,577,933)
Collections on investment deposits	21		1,596,000	585,000
Proceeds from disposals of fixed assets	22		701	475
Payments for granting loans and placement of term deposits	23		(33,941)	(685,953)
Receipts from collecting loans and proceeds from sale of debt instruments	24		1,780,000	2,659,268

	Code	Note	2019 VND million	2018 VND million
Payments for investments in other entities	25		-	(2,000)
Collections of investments in other entities	26		2,000	136,695
Receipts of interest and dividends	27		382,787	520,565
<b>Net cash flows from investing activities</b>	<b>30</b>		<b>235,175</b>	<b>636,117</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Payments for shares redemptions	32		(1,954,258)	-
Payments to settle loan principals	34		-	(3,200,000)
Payments to settle finance lease liabilities	35		(19,452)	-
Payments of dividends	36		(2,451,216)	-
<b>Net cash flows used in financing activities</b>	<b>40</b>		<b>(4,424,926)</b>	<b>(3,200,000)</b>
<b>Net cash flows during the year (50 = 20 + 30 + 40)</b>	<b>50</b>		<b>(1,043,037)</b>	<b>1,009,852</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>60</b>		<b>2,431,381</b>	<b>1,421,529</b>
<b>Cash and cash equivalents at the end of the year (70 = 50 + 60)</b>	<b>70</b>	<b>5</b>	<b>1,388,344</b>	<b>2,431,381</b>

25 March 2020

Prepared by:



Phung Thi Thanh

Approved by:



Nguyen Thi Xuan Nghia  
Chief Accountant



Tran Mai Hoa  
General Director

# Notes to the consolidated financial statements

for the year ended 31 December 2019

These notes form an integral part of and should be read in conjunction with the accompanying consolidated financial statements.

## 1. Reporting entity

### a. Ownership structure

Vincom Retail Joint Stock Company ("the Company") is incorporated as a joint stock company in Vietnam. The consolidated financial statements of the Company for the year ended 31 December 2019 comprise the Company and its subsidiaries.

### b. Principal activities

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

### c. Normal operating cycle

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

### d. Company structure

As at 31 December 2019, the Company had 4 directly owned subsidiaries (1/1/2019: 3 directly owned subsidiaries). Details of subsidiaries are described as follows:

Name	Principal activities	Address	Percentage of economic interests and voting rights as at	
			31/12/2019	1/1/2019
South Vincom Retail Limited Liability Company	Leasing malls, offices and providing related services, and trading real estate property and entertainment services.	No. 72, Le Thanh Ton Street and No. 45A Ly Tu Trong Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.	100.00%	100.00%
North Vincom Retail Limited Liability Company	Leasing malls, offices and providing related services, and trading real estate property and entertainment services.	No. 72A, Nguyen Trai Street, Thuong Dinh Ward, Thanh Xuan District, Hanoi City, Vietnam.	100.00%	100.00%
Suoi Hoa Urban Development and Investment Joint Stock Company	Leasing malls, offices and providing related services, and trading real estate property and entertainment services.	Km1 + 200, Tran Hung Dao Street, Suoi Hoa Ward, Bac Ninh City, Bac Ninh Province, Vietnam.	97.27%	97.27%
Ha Thanh Real Estate Development and Investment Company Limited (*)	Leasing malls, offices and providing related services, and trading real estate property and entertainment services.	No. 7, Bang Lang 1 Street, Ecological Residence of Vinhomes Riverside, Viet Hung Ward, Long Bien District, Hanoi City, Vietnam	100.00%	10.00%

All subsidiaries are incorporated in Vietnam.

(\*) On 20 June 2019, North Vincom Retail Limited Liability Company completed the acquisition of 100% equity interest in Ha Thanh Real Estate Investment and Development Company Limited (previously known as Ha Thanh Real Estate Investment and Development Joint Stock Company). On 29 October 2019, North Vincom Retail Limited Liability Company transferred 100% equity interest in Ha Thanh Real Estate Investment and Development Company Limited to the Company.

As at 31 December 2019, the Company had 1,076 employees (1/1/2019: 981 employees).

## 2. Basis of preparation

### a. Statement of compliance

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

### b. Basis of measurement

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

### c. Annual accounting period

The annual accounting period of the Company and its subsidiaries are from 1 January to 31 December.

### d. Accounting and presentation currency

The Company's accounting currency is Vietnam Dong ("VND"). The consolidated financial statements are prepared and presented in million of Vietnam Dong ("VND million").

## 3. Summary of significant accounting policies

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

### a. Basis of consolidation

#### i. Subsidiaries

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

### ii. Non-controlling interests

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

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

### iii. Transactions eliminated on consolidation

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

### iv. Asset acquisition and business combination

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

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

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

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

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

### Business combinations involving entities or business under common control

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

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

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

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

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

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

#### Held-to-maturity investments

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

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

## b. Foreign currency

## c. Cash and cash equivalents

## d. Investments

## e. Accounts receivable from customers and other receivables

## f. Inventories

### i. Inventory properties

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

Cost includes:

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

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

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

### ii. Other inventories

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

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

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

## g. Tangible fixed assets

### i. Cost

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

## h. Intangible assets

### i. Investment properties

#### Depreciation

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

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

#### Software

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

#### Investment properties held to earn rental

##### Cost

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

##### Depreciation

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

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

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

## j. Construction in progress

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

## k. Prepaid expenses

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

### i. Prepaid rentals

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

### ii. Overhaul expenditures

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

### iii. Tools and supplies

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

### iv. Prepaid land costs

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

### v. Commission fees

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

### vi. Committed profits

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

## l. Goodwill

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

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

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

## m. Accounts payable to suppliers and other payables

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

## n. Provisions

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

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

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

## o. Share capital and share premium

### i. Ordinary shares

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

### ii. Repurchase of ordinary shares (treasury shares)

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of tax effects, is recognized as a reduction from equity. Repurchased shares are classified as treasury shares under equity.

## p. Bond issued

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

## q. Taxation

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

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

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

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

## r. Revenue and other income

### i. Revenue from sale of inventory properties

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

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

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

### ii. Revenue from leasing of investment properties

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

## s. Leased assets

### iii. Rendering of services

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

### iv. Interest income

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

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

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

### Where the Company and its subsidiaries are the lessee

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

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

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

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

### Where the Company and its subsidiaries are the lessor

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

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

## t. Borrowing costs

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

## u. Earnings per share

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

## v. Segment reporting

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

## w. Related parties

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

# 4. Segment reporting

## a. Business segments

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

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

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

## For the year ended 31 December 2019

	Sale of inventory properties VND million	Leasing activities and rendering of related services VND million	Others VND million	Total segments VND million	Elimination VND million	Consolidated VND million
External revenue	2,027,165	7,017,202	214,890	9,259,257	-	9,259,257
Inter-segment revenue	-	66,219	356,096	422,315	(422,315)	-
Total segment revenue	2,027,165	7,083,421	570,986	9,681,572	(422,315)	9,259,257
Segment results	567,507	3,108,518	(95,080)	3,580,945	2,057	3,583,002
Financial income						265,083
Financial expenses						302,500
Net operating profit						3,545,585
Other income						70,729
Other expenses						40,372
Income tax expense						724,009
Net profit after tax						2,851,933

## For the year ended 31 December 2018

	Sale of inventory properties VND million	Leasing activities and rendering of related services VND million	Others VND million	Total segments VND million	Elimination VND million	Consolidated VND million
External revenue	3,432,575	5,505,977	185,400	9,123,952	-	9,123,952
Inter-segment revenue	-	56,868	286,470	343,338	(343,338)	-
Total segment revenue	3,432,575	5,562,845	471,870	9,467,290	(343,338)	9,123,952
Segment results	537,389	2,435,398	(124,766)	2,848,021	42,486	2,890,507
Financial income						519,224
Financial expenses						417,400
Net operating profit						2,992,331
Other income						78,051
Other expenses						17,597
Income tax expense						639,558
Net profit after tax						2,413,227

## As at 31 December 2019

	Sale of inventory properties VND million	Leasing activities and rendering of related services VND million	Others VND million	Consolidated VND million
Segment assets	1,238,846	31,969,164	344,473	33,552,483
Unallocated assets				2,286,207
<b>Total assets</b>				<b>35,838,690</b>
Segment liabilities	2,086,894	3,469,405	64,144	5,620,443
Unallocated liabilities				3,264,740
<b>Total liabilities</b>				<b>8,885,183</b>

## For the year ended 31 December 2019

	Sale of inventory properties VND million	Leasing activities and rendering of related services VND million	Others VND million	Consolidated VND million
Capital expenditure	-	2,526,693	2,153	2,528,846
Depreciation of tangible fixed assets	-	19,296	17,052	36,348
Amortisation of intangible fixed assets and goodwill	-	79,750	-	79,750
Depreciation of investment property	-	1,329,865	1,361	1,331,226

## As at 1 January 2019

	Sale of inventory properties VND million	Leasing activities and rendering of related services VND million	Others VND million	Consolidated VND million
Segment assets	1,114,980	32,173,771	131,070	33,419,821
Unallocated assets				5,263,862
<b>Total assets</b>				<b>38,683,683</b>
Segment liabilities	2,458,914	4,392,888	100,993	6,952,795
Unallocated liabilities				3,221,607
<b>Total liabilities</b>				<b>10,174,402</b>

## For the year ended 31 December 2019

	Sale of inventory properties VND million	Leasing activities and rendering of related services VND million	Others VND million	Consolidated VND million
Capital expenditure	-	7,648,164	16,690	7,664,854
Depreciation of tangible fixed assets	-	21,906	14,160	36,066
Amortisation of intangible fixed assets and goodwill	-	79,452	-	79,452
Depreciation of investment property	-	1,033,423	8,058	1,041,481

Details of unallocated assets and liabilities are as following:

	31/12/2019 VND million	1/1/2019 VND million
Cash and cash equivalents	1,388,344	2,431,381
Short-term financial investments	788,537	701,417
Interest income receivables from term deposits, other deposits and loan receivables	39,820	157,532
Receivables for payment on behalf	17,655	20,274
Prepaid provisional corporate income tax	4,622	8,719
Deductible value added tax	37,488	105,086
Taxes receivable from State Treasury	498	-
Long-term financial investments	-	1,830,000
Deferred tax assets	9,243	9,453
<b>Unallocated assets</b>	<b>2,286,207</b>	<b>5,263,862</b>
Taxes and others payable to State Treasury	294,967	276,208
Accrued loans and bond interests	100,130	83,917
Dividends payable	2,233	-
Interest payables	2,472	-
Short-term bonds and finance lease liabilities	19,415	18,079
Long-term bonds and finance lease liabilities	2,765,306	2,762,382
Deferred tax liabilities	80,217	81,021
<b>Unallocated liabilities</b>	<b>3,264,740</b>	<b>3,221,607</b>

## b. Geographical segments

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

## 5. Cash and cash equivalents

	31/12/2019 VND million	1/1/2019 VND million
Cash in transit	129	721
Cash in banks	1,368,215	500,660
Cash equivalents	20,000	1,930,000
	<b>1,388,344</b>	<b>2,431,381</b>

Cash equivalents as at 31 December 2019 included term deposits in VND with original terms of three months and earned interest at the rate of 5.0% per annum (1/1/2019: term deposits in VND with original terms to maturity ranging from one to three months and earned interest at the rate ranging from 5.0% - 5.5% per annum).

## 6. Held-to-maturity investments

	31/12/2019 VND million	1/1/2019 VND million
<b>Held-to-maturity investments – short-term</b>		
Term deposits (i)	788,537	701,417
<b>Held-to-maturity investments – long-term</b>		
Term deposits	-	1,830,000

i. Held-to-maturity investments – short-term represented term deposits with remaining term ranging from 6 to 12 months and earned interest at the rate ranging from 7.0% - 7.2% per annum (2018: 6.0% - 7.1% per annum), in which, including VND88,537 million maintenance funds of handed over apartments of Vinpearl Condotel Riverfront Da Nang project, Suoi Hoa project and handed over shop-office of Vinhomes Times City project, Vinhomes Royal City project. These funds will be transferred to the building management boards.

## 7. Accounts receivable from customers – short-term

	31/12/2019 VND million	1/1/2019 VND million
Receivables from leasing activities and rendering of related services	268,761	343,181
Receivables from sale of inventory properties	128,647	86,841
Others	34,507	14,746
	<b>431,915</b>	<b>444,768</b>

### a. Accounts receivable from customers – short-term detailed by significant customers

	31/12/2019 VND million	1/1/2019 VND million
Vincommerce General Commerce Services Joint Stock Company	51,924	64,126
Receivable from long-term leasing contract and related services fee to a corporate counterparty	-	76,904
Other customers	379,991	303,738
	<b>431,915</b>	<b>444,768</b>

### b. Accounts receivable from customers – short-term who are related parties

	31/12/2019 VND million	1/1/2019 VND million
Vincommerce General Commerce Services Joint Stock Company (*)	-	64,126
Vinhomes Joint Stock Company	19,394	30,722
Vinpro Business and Trading Services Joint Stock Company	17,972	12,069
Other related parties	31,458	25,847
	<b>68,824</b>	<b>132,764</b>

(\*) As at 31 December 2019, Vincommerce General Commerce Services Joint Stock Company ("Vincommerce") was not related to the Company. Amounts due to/(from) Vincommerce had not been disclosed as related party balances at 31 December 2019. The transactions with Vincommerce during the year was still disclosed as related party transactions in Note 43.

## 8. Prepayments to suppliers – short-term

### a. Prepayments to suppliers – short-term detailed by significant suppliers

	31/12/2019 VND million	1/1/2019 VND million
Vinhomes Joint Stock Company	5,995	93,246
Other suppliers	115,086	189,205
	<b>121,081</b>	<b>282,451</b>

## b. Prepayments to suppliers – short-term who are related parties

	31/12/2019 VND million	1/1/2019 VND million
Vinhomes Joint Stock Company	5,995	93,246
Vinsmart Research and Manufacture Joint Stock Company	1,708	-
Vinfast Trading and Service Limited Liability Company	1,099	-
Vincommerce General Commerce Services Joint Stock Company	-	292
Other related parties	11	-
	<b>8,813</b>	<b>93,538</b>

## 9. Other receivables

### a. Other short-term receivables comprise:

	31/12/2019 VND million	1/1/2019 VND million
Interest income receivables from term deposits, other deposits and loan receivables	39,820	157,532
Receivables for payment on behalf	17,655	20,274
Deposits for projects and contracts	41,764	52,206
Others	83,458	103,098
	<b>182,697</b>	<b>333,110</b>

### b. Other short-term receivables from related parties

	31/12/2019 VND million	1/1/2019 VND million
Vingroup Joint Stock Company	5,576	90,534
Vietnam Investment and Consulting Investment JSC	19,459	19,381
Other related parties	29,520	47,413
	<b>54,555</b>	<b>157,328</b>

### c. Other long-term receivables

	31/12/2019 VND million	1/1/2019 VND million
Deposits for leasing office and commercial centres	8,659	10,107

## 10. Allowance for doubtful debts

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

	2019 VND million	2018 VND million
Opening balance	12,410	69,813
Increase in allowance during the year	5,673	15,539
Utilisation during the year	(6,627)	(72,567)
Written back during the year	-	(375)
<b>Closing balance</b>	<b>11,456</b>	<b>12,410</b>

## 11. Inventories

	31/12/2019		1/1/2019	
	Cost VND million	Allowance VND million	Cost VND million	Allowance VND million
Inventory properties under construction	828,622	(811)	887,106	(1,860)
Completed inventory properties	137,286	-	5,899	-
Other inventories	20,892	-	10,373	-
	<b>986,800</b>	<b>(811)</b>	<b>903,378</b>	<b>(1,860)</b>

Movements of the inventories during the year were as follows:

	2019 VND million
Opening balance	903,378
Additions	1,351,371
Transfers from investment properties	21,190
Inventory properties sold during the year	(1,289,139)
<b>Closing balance</b>	<b>986,800</b>

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

	2019 VND million	2018 VND million
Opening balance	1,860	26,290
Written back during the year	(1,049)	(24,430)
<b>Closing balance</b>	<b>811</b>	<b>1,860</b>

## 12. Other assets

	31/12/2019 VND million	1/1/2019 VND million
<b>Other current assets</b>		
Deposits to related parties for investment purposes	1,065,000	1,783,000
<b>Other long-term assets</b>		
Deposits to related parties for investment purposes	597,000	414,000
Deposits to a third party for investment purposes	-	142,000
	<b>597,000</b>	<b>556,000</b>

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

### Deposits to related parties for investments

	31/12/2019 VND million	1/1/2019 VND million
<b>Parent company</b>		
Vingroup Joint Stock Company	958,000	1,933,000
<b>Other related parties</b>		
Thai Son Investment Construction Corporation	81,000	-
Gia Lam Urban Investment and Development Company Limited	98,000	-
Can Gio Tourist City Corporation	163,000	163,000
Green City Development JSC	362,000	-
Central Park Development LLC	-	101,000
	<b>1,662,000</b>	<b>2,197,000</b>

## 13. Tangible fixed assets

	Buildings, structures VND million	Machinery and equipment VND million	Motor vehicles VND million	Office equipment VND million	Other assets VND million	Total VND million
<b>Cost</b>						
Opening balance	115,572	182,407	3,980	11,229	52,233	365,421
Additions	-	9,924	-	2,461	-	12,385
Transfers from construction in progress	5,739	1,076	-	269	332	7,416
Transfers from/(to) investment properties	168,149	67,215	-	4,636	(27,022)	212,978
Disposals	(8,562)	(6,338)	(2,398)	(362)	-	(17,660)
Closing balance	280,898	254,284	1,582	18,233	25,543	580,540
<b>Accumulated depreciation</b>						
Opening balance	15,200	54,729	1,672	6,637	5,227	83,465
Charge for the year	5,536	24,888	303	1,855	3,766	36,348
Transfers from/(to) investment properties	(202)	19,034	-	1,761	(2,053)	18,540
Disposals	(3,204)	(3,993)	(757)	(305)	-	(8,259)
Closing balance	17,330	94,658	1,218	9,948	6,940	130,094
<b>Net book value</b>						
Opening balance	100,372	127,678	2,308	4,592	47,006	281,956
Closing balance	263,568	159,626	364	8,285	18,603	450,446

Included in tangible fixed assets were assets costing VND29,279 million which were fully depreciated as at 31 December 2019 (1/1/2019: VND 11,400 million), but which are still in active use.

Details of tangible fixed assets used as collaterals for bonds issued by the Company and its subsidiaries are presented in Note 26.

## 14. Intangible assets

	Software VND million
<b>Cost</b>	
Opening balance	45,236
Additions	4,690
Disposals	(139)
Closing balance	49,787
<b>Accumulated depreciation</b>	
Opening balance	19,350
Charge for the year	7,166
Disposals	(115)
Closing balance	26,401
<b>Net book value</b>	
Opening balance	25,886
Closing balance	23,386

Included in intangible assets were assets costing VND3,631 million which were fully depreciated as at 31 December 2019 (1/1/2019: VND2,759 million), but which are still in active use.

## 15. Investment property

	Land use right and buildings, structures VND million	Machinery and equipment VND million	Total VND million
<b>Cost</b>			
Opening balance	24,627,194	5,136,405	29,763,599
Additions	212,387	50,867	263,254
Transfers from construction in progress	2,160,845	626,454	2,787,299
Transfers from/(to) tangible fixed assets	(229,091)	16,113	(212,978)
Increase/(decrease) upon finalisation	(212,909)	355,809	142,900
Transfers to inventory properties	(19,489)	(6,968)	(26,457)
Written-off	(14,825)	-	(14,825)
Reclassification	245,858	(245,858)	-
Closing balance	26,769,970	5,932,822	32,702,792
<b>Accumulated depreciation</b>			
Opening balance	1,987,669	1,346,508	3,334,177
Charge for the year	802,896	528,330	1,331,226
Transfers from/(to) tangible fixed assets	(9,516)	(9,024)	(18,540)
Transfers to inventory properties	(1,694)	(3,575)	(5,269)
Written-off	(2,479)	-	(2,479)
Reclassification	(20,413)	20,413	-
Closing balance	2,756,463	1,882,652	4,639,115
<b>Net book value</b>			
Opening balance	22,639,525	3,789,897	26,429,422
Closing balance	24,013,507	4,050,170	28,063,677

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

As at 31 December 2019, the Company and its subsidiaries are in the process of determining the fair values of these investment properties.

Details of investment properties used as collaterals for bonds issued by the Company and its subsidiaries are disclosed in Note 26.

Rental commitment under operating leases are disclosed in Note 31.

## 16. Construction in progress

	2019 VND million
Opening balance	1,343,478
Additions	2,105,617
Transfers to tangible fixed assets	(7,416)
Transfers to investment properties	(2,787,299)
Closing balance	654,380

Major constructions in progress were as follows:

	31/12/2019 VND million	1/1/2019 VND million
Vincom Plaza My Tho project	103,448	-
Vincom+ Song Cong project	108,973	-
Vincom Plaza Bac Lieu project	92,312	-
Vincom Plaza Bien Hoa 2 project	135,650	134,399
Vincom Center Tran Duy Hung project	-	665,914
Vincom Plaza Mong Cai	-	88,581
Vincom Plaza Di An, Binh Duong project	-	79,358
Vincom Plaza Bac Kan project	-	66,430
Vincom Plaza Hoa Binh project	-	62,624
Shopping malls renovation projects	45,886	148,866
Other projects	168,111	97,306
	<b>654,380</b>	<b>1,343,478</b>

No borrowing costs capitalised into construction in progress in 2019 (2018: VND4,484 million).

## 17. Prepaid expenses

### a. Short-term prepaid expenses

	31/12/2019 VND million	1/1/2019 VND million
Prepaid sale commission related to sale of inventory properties not yet handed over	26,458	60,589
Prepayment for committed profit relating to business cooperation contracts of apartment management service	-	4,035
Prepaid land costs	14,995	24,845
Prepaid provisional corporate income tax (*)	4,622	8,719
Project investment costs	1,014	23,358
Others	33,227	30,773
	<b>80,316</b>	<b>152,319</b>

(\*) The Company provisionally pays tax at the rate of 1% on cash collections from its customers pending the recognition of sales and cost of sales from sales of inventory properties.

### b. Long-term prepaid expenses

	Prepaid rentals VND million	Overhaul expenditures VND million	Tools and supplies VND million	Prepaid land costs VND million	Commission fees VND million	Committed profits VND million	Others VND million	Total VND million
Opening balance	268,105	91,450	31,198	2,668	11,092	174,654	14,212	593,379
Additions	-	46,781	23,702	2,115	38,463	743	-	111,804
Amortisation	(10,054)	(28,613)	(18,768)	(98)	(29,728)	(60,599)	(2,611)	(150,471)
Reclassifications	-	1,411	-	-	-	-	(1,411)	-
Closing balance	258,051	111,029	36,132	4,685	19,827	114,798	10,190	554,712

Included in the carrying amount of long-term prepaid expenses was an amount of VND258,051 million prepaid to a related party, Ecology Development and Investment Joint Stock Company as at 31 December 2019 (1/1/2019: VND268,105 million).

## 18. Deferred tax assets and deferred tax liabilities

### Recognised deferred tax assets and deferred tax liabilities

	Tax rate	31/12/2019 VND million	1/1/2019 VND million
<b>Deferred tax assets:</b>			
Revaluation of subsidiaries' net assets at merger date and others	20%	9,081	9,081
Difference of allowance for inventories between separate financial statements and consolidated	20%	162	372
<b>Total deferred tax assets</b>		<b>9,243</b>	<b>9,453</b>
<b>Deferred tax liabilities:</b>			
Depreciation	20%	5,455	5,552
Fair value adjustment on acquisition of a subsidiary	20%	39,010	39,889
Revaluation of subsidiaries' net assets at merger date	20%	10,462	10,520
Difference from recognition of outright sales transactions – unearned revenue	20%	25,290	25,060
<b>Total deferred tax liabilities</b>		<b>80,217</b>	<b>81,021</b>

## 19. Goodwill

	VND million
<b>Cost</b>	
Opening/closing balance	725,837
<b>Accumulated depreciation</b>	
Opening balance	246,475
Charge for the year	72,584
Closing balance	319,059
<b>Net book value</b>	
Opening balance	479,362
Closing balance	406,778

## 20. Accounts payable to suppliers – short-term

### a. Accounts payable to suppliers – short-term detailed by significant suppliers

	31/12/2019		1/1/2019	
	Cost VND million	Amount within payment capacity VND million	Cost VND million	Amount within payment capacity VND million
Vingroup Joint Stock Company	348,467	348,467	1,204,652	1,204,652
Vinhomes Joint Stock Company	411,058	411,058	938,230	938,230
Vinpearl Joint Stock Company	230,732	230,732	389,787	389,787
Vietnam Investment and Consulting Investment JSC	725,226	725,226	762,780	762,780
Other suppliers	339,982	339,982	128,102	128,102
	<b>2,055,465</b>	<b>2,055,465</b>	<b>3,423,551</b>	<b>3,423,551</b>

### b. Accounts payable to suppliers – short-term who are related parties

	31/12/2019		1/1/2019	
	Cost VND million	Amount within payment capacity VND million	Cost VND million	Amount within payment capacity VND million
Vingroup Joint Stock Company	348,467	348,467	1,204,652	1,204,652
Vinhomes Joint Stock Company	411,058	411,058	938,230	938,230
Vinpearl Joint Stock Company	230,732	230,732	389,787	389,787
Vietnam Investment and Consulting Investment JSC	725,226	725,226	762,780	762,780
Central Park Development LLC	112,382	112,382	-	-
Other related parties	6,469	6,469	21,594	21,594
	<b>1,834,334</b>	<b>1,834,334</b>	<b>3,317,043</b>	<b>3,317,043</b>

## 21. Advance from customers – short-term

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

## 22. Taxes and other payables to State Treasury

	1/1/2019 VND million	Incurred VND million	Paid VND million	Transfer /(net-off) VND million	31/12/2019 VND million
Corporate income tax	197,823	724,603	(662,851)	(4,097)	255,478
Value added tax	12,235	962,217	(387,087)	(553,797)	33,568
Land rental and usage	61,998	987,396	(1,049,394)	-	-
Personal income tax	4,152	75,040	(73,490)	219	5,921
Other taxes	-	1,714	(1,993)	279	-
	<b>276,208</b>	<b>2,750,970</b>	<b>(2,174,815)</b>	<b>(557,396)</b>	<b>294,967</b>

## 23. Accrued expenses

	31/12/2019 VND million	1/1/2019 VND million
Accrued construction costs	590,595	454,404
Accrued loans and bond interests	100,130	83,917
Accrued commission and brokerage fee	59,909	55,565
Accrued committed profit relating to business cooperation contracts and apartment management service program	30,381	27,079
Others	183,887	156,987
	<b>964,902</b>	<b>777,952</b>

### Accrued expenses payable to related parties

	31/12/2019 VND million	1/1/2019 VND million
Other related parties	2,962	1,787

## 24. Unearned revenue

### a. Unearned revenue – short-term

	31/12/2019 VND million	1/1/2019 VND million
Revenue received in advance from leasing activities and rendering of related services	-	2,389
Portion of long-term unearned revenue to be realised within 12 months	116,291	99,671
	<b>116,291</b>	<b>102,060</b>

### b. Unearned revenue – long-term

	31/12/2019 VND million	1/1/2019 VND million
Revenue received in advance from leasing activities and rendering of related services	245,815	315,033
Amount to be realised within 12 months	(116,291)	(99,671)
Amount to be realised after 12 months	129,524	215,362

### c. Unearned revenue from related parties

	31/12/2019 VND million	1/1/2019 VND million
Vincommerce General Commerce Services Joint Stock Company	-	23,000
Other related parties	10,999	11,032
	<b>10,999</b>	<b>34,032</b>

## 25. Other payables

### a. Other payables – short-term

	31/12/2019 VND million	1/1/2019 VND million
Deposits under deposit contracts and loan agreements received from customers	288,178	331,199
Deposits from tenants for leasing offices, counters and shophouses to be refunded within the next 12 months	244,933	246,847
Deposits received for maintenance of handed-over properties	88,977	82,581
Other deposits	35,404	-
Dividends payable	2,233	-
Interest payables	2,472	-
Deposits for site construction	48,474	42,904
Deposits for shophouse projects	87,634	-
Others	32,505	45,700
	<b>830,810</b>	<b>749,231</b>

### b. Other payables – long-term

	31/12/2019 VND million	1/1/2019 VND million
Deposits from tenants for leasing offices and counters – shopping center	1,194,804	1,102,638
Deposits from tenants for leasing offices and counters to be refunded within the next 12 months – shopping center	(244,933)	(246,847)
Deposit under business cooperation contracts	180,000	-
Amount due after 12 months	1,129,871	855,791

### c. Other payables to related parties

	31/12/2019 VND million	1/1/2019 VND million
<b>Other payables – short-term</b>		
Vincommerce General Commerce Services Joint Stock Company	-	3,883
Vinhomes Joint Stock Company	8,279	-
Other related parties	15,119	2,111
	<b>23,398</b>	<b>5,994</b>
<b>Other payables – long-term</b>		
Vincommerce General Commerce Services Joint Stock Company	-	27,299
Vinpearl Joint Stock Company	182,310	-
Vinschool One Member LLC	4,247	7,054
Other related parties	10,206	22,862
	<b>196,763</b>	<b>57,215</b>

## 26. Bonds and finance lease liabilities

### a. Short-term bonds and finance lease liabilities

	1/1/2019		Movements during the year		31/12/2019	
	Carrying amount VND million	Amount within repayment capacity VND million	Increase VND million	Decrease VND million	Carrying amount VND million	Amount within repayment capacity VND million
Finance lease principals due within 12 months from related parties (Note 26(b))	18,079	18,079	19,415	(18,079)	19,415	19,415

### b. Long-term bonds and finance lease liabilities

	31/12/2019 VND million	1/1/2019 VND million
Straight bonds (i)	2,594,628	2,592,149
Finance lease liabilities from a related party (ii)	190,093	188,312
	<b>2,784,721</b>	<b>2,780,461</b>
Repayable within twelve months	(19,415)	(18,079)
Repayable after twelve months	2,765,306	2,762,382

#### i. Straight bonds

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

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 a number of shopping malls owned by North Vincom Retail LLC and South Vincom Retail LLC, two subsidiaries.

## ii. Finance lease liabilities

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

31/12/2019

	Total finance lease payments VND million	Interests VND million	Principals VND million
Within 1 year	20,911	1,496	19,415
Within 2 to 5 years	85,587	25,684	59,903
More than 5 years	528,797	418,022	110,775
	<b>635,295</b>	<b>445,202</b>	<b>190,093</b>

1/1/2019

	Total finance lease payments VND million	Interests VND million	Principals VND million
Within 1 year	19,452	1,373	18,079
Within 2 to 5 years	85,101	25,617	59,484
More than 5 years	550,592	439,843	110,749
	<b>655,145</b>	<b>466,833</b>	<b>188,312</b>

## 27. Provisions – short-term

Provisions – short-term represented the provision for warranty for commercial area and shop-houses.

	2019 VND million
Opening balance	21,094
Provision made during the year	2,698
Closing balance	23,792

## 28. Changes in owners' equity

	Ordinary shares with voting rights VND million	Share premium VND million	Treasury shares VND million	Other equity funds VND million	Undistributed profits VND million	Non- controlling interest VND million	Total VND million
<b>Balance at 1 January 2018</b>	19,010,787	4,324,380	-	(58,420)	2,786,541	30,766	26,094,054
Net profit for the year	-	-	-	-	2,404,386	8,841	2,413,227
Non-controlling interest increase capital in a subsidiary	-	-	-	-	-	2,000	2,000
Shares issued from share premium	4,277,397	(4,277,397)	-	-	-	-	-
<b>Balance at 1 January 2019</b>	23,288,184	46,983	-	(58,420)	5,190,927	41,607	28,509,281
Net profit for the year	-	-	-	-	2,851,480	453	2,851,933
Dividend declared by the Company (Note 30)	-	-	-	-	(2,445,259)	-	(2,445,259)
Dividend declared by subsidiary	-	-	-	-	-	(8,190)	(8,190)
Appropriation to equity funds	-	-	-	5,000	(5,000)	-	-
Repurchase of treasury shares	-	-	(1,954,258)	-	-	-	(1,954,258)
<b>Balance at 31 December 2019</b>	23,288,184	46,983	(1,954,258)	(53,420)	5,592,148	33,870	26,953,507

## 29. Share capital

The Company's authorised and issued share capital are:

	31/12/2019		1/1/2019	
	Number of shares	VND million	Number of shares	VND million
<b>Authorised and issued share capital</b>				
Ordinary shares	2,328,818,410	23,288,184	2,328,818,410	23,288,184
<b>Treasury shares</b>				
Ordinary shares	56,500,000	1,954,258	-	-
<b>Issued share capital</b>				
Ordinary shares	2,272,318,410	22,723,184	2,328,818,410	23,288,184
<b>Share premium</b>	-	46,983	-	46,983

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

Movements in share capital during the year were as follows:

	2019		2018	
	Number of shares	VND million	Number of shares	VND million
Balance at the beginning of the year	2,328,818,410	23,288,184	1,901,078,733	19,010,787
Repurchase of treasury shares	(56,500,000)	(565,000)	-	-
Shares issued from share premium	-	-	427,739,677	4,277,397
Balance at the end of the year	2,272,318,410	22,723,184	2,328,818,410	23,288,184

## 30. Dividends

On 11 April 2019, the shareholders of the Company resolved to distribute dividends by cash to existing shareholders at the rate of 10.5% (1 share received VND1,050) (for the year ended 31 December 2018: Nil).

## 31. Off balance sheet items

### a. Lease commitments

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

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

	31/12/2019 VND million	1/1/2019 VND million
Within 1 year	3,867,465	3,393,298
Within 2 to 5 years	7,524,354	6,532,608
More than 5 years	5,169,275	5,405,308
	<b>16,561,094</b>	<b>15,331,214</b>

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

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

	31/12/2019 VND million	1/1/2019 VND million
Within 1 year	134,399	142,904
Within 2 to 5 years	483,612	537,939
More than 5 years	3,057,240	3,298,909
	<b>3,675,251</b>	<b>3,979,752</b>

### b. Capital commitments

The Company and its subsidiaries have entered into construction contracts on the development of real estate projects. The estimated commitments amount of these contracts amount to VND1,620,787 million (1/1/2019: VND1,645,446 million).

### c. Other commitments

#### Commitment for co-developing shopping malls

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

#### Commitments under business cooperation contracts relating to shopping mall projects

As disclosed in Note 12, the Company and its subsidiaries signed agreements and business cooperation contracts with Vingroup Joint Stock Company and some companies within Vingroup Joint Stock Company (hereby named as "the counterparties") for cooperation in the development and operation of the shopping mall components of a number of real estate projects. Under these contracts, the counterparties commit to transfer the shopping mall components of these projects to the Company and its subsidiaries; or to grant the Company and its subsidiaries with the right to purchase the shopping malls. Under these contracts, the Company and its subsidiaries are expected to make additional payments estimated at VND3,940,200 million (1/1/2019: VND4,678,450 million) to these counterparties.

#### Commitments under the contract to purchase certain commercial floor area

According to the purchase of commercial floor area contract dated 31 January 2016 between South Vincom Retail LLC and a corporate counterparty, South Vincom Retail LLC will purchase a part of the commercial floor area belonging to a real estate project located at Tan Binh District, Ho Chi Minh City. Total consideration is VND83,000 million. As at 31 December 2019, there was no outstanding amount committed to be paid to this counterparty (1/1/2019: VND37,000 million).

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

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

- A half of commercial area (from 1st floor to 6th floor of Towers A&B Vincom City except for the reception and elevator waiting area of 160m<sup>2</sup> on the 1st floor); and
- A half of the basements of the towers.

#### Commitments related to program of management services and apartment rental

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

## 32. Revenue from sale of goods and provision of service

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

Net revenue comprised of:

	2019 VND million	2018 VND million
<b>Total revenue</b>		
Revenue from sale of inventory properties	2,027,165	3,432,575
Doanh thu cho thuê bất động sản đầu tư và cung cấp các dịch vụ liên quan	7,017,202	5,505,977
Other revenue	214,890	185,400
Net revenue	9,259,257	9,123,952

## 33. Cost of sales

	2019 VND million	2018 VND million
<b>Total cost of sales</b>		
Cost from sale of inventory properties	1,291,837	2,626,081
Cost from leasing activities and rendering of related services	3,264,936	2,624,415
Cost from other services	298,864	232,159
	<b>4,855,637</b>	<b>5,482,655</b>

## 34. Financial income

	2019 VND million	2018 VND million
Interest income from bank deposits, loans and other deposits	265,075	519,945
Other financial income	8	(721)
	<b>265,083</b>	<b>519,224</b>

## 35. Financial expenses

	2019 VND million	2018 VND million
Interests on bonds and finance lease	296,528	370,400
Amortisation of bond issuing costs	2,479	4,871
Other financial expenses	3,493	42,129
	<b>302,500</b>	<b>417,400</b>

## 36. Selling expenses

	2019 VND million	2018 VND million
Staff costs	70,877	34,386
Marketing expenses	197,795	193,337
Depreciation and amortisation	8,819	7,356
Consultancy, commission and brokerage fee	82,461	162,483
Outside service expenses	3,873	4,657
Outside service expenses	8,135	6,456
	<b>371,960</b>	<b>408,675</b>

## 37. General and administration expenses

	2019 VND million	2018 VND million
Staff costs	160,082	87,532
Management fee	150,470	111,536
Depreciation and amortisation	78,657	78,521
Provisions	5,674	16,217
Outside service expenses	24,299	20,020
Others	29,476	28,289
	<b>448,658</b>	<b>342,115</b>

## 38. Other income

	2019 VND million	2018 VND million
Penalties received	47,629	65,395
Others	23,100	12,656
	<b>70,729</b>	<b>78,051</b>

## 39. Other expenses

	2019 VND million	2018 VND million
Contract compensation paid	9,373	9,292
Loss from disposals of fixed assets	8,724	2,084
Loss on written-off of fixed assets	14,849	-
Others	7,426	6,221
	<b>40,372</b>	<b>17,597</b>

## 40. Production and business costs by element

	2019 VND million	2018 VND million
Cost of construction and development of real estate properties	1,365,194	1,726,315
Staff costs	660,327	483,400
Depreciation and amortisation	1,447,324	1,156,999
Outside services expenses	1,982,495	1,690,204
Other expenses	293,818	276,760

## 41. Corporate income tax

### a. Recognised in the consolidated statement of income

	2019 VND million	2018 VND million
<b>Current tax expense</b>		
Current year	723,525	592,706
Adjustment of corporate income taxes in prior years	1,078	23,980
	<b>724,603</b>	<b>616,686</b>
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	(594)	22,872
<b>Income tax expenses</b>	<b>724,009</b>	<b>639,558</b>

### b. Reconciliation of effective tax rate

	2019 VND million	2018 VND million
Accounting profit before tax	3,575,942	3,052,785
Tax at the Company's tax rate	715,188	610,557
Amortisation of goodwill	14,517	14,517
Change in tax base of subsidiary's net assets due to revaluation at merger date	(15,145)	(26,046)
Difference in cost between the consolidated financial statements and the separate financial statements	11,606	8,133
Non-deductible expenses	2,015	2,909
Other adjustments	(5,250)	5,508
Adjustment of corporate income taxes in prior years	1,078	23,980
	<b>724,009</b>	<b>639,558</b>

### c. Applicable tax rates

The Company and its subsidiaries have an obligation to pay corporate income tax to the government at corporate income tax rate of 20% (2018: 20%).

## 42. Earnings per share

### a. Basic earnings per share

The calculation of basic earnings per share for the year ended 31 December 2019 was based on the profit attributable to ordinary shareholders after deducting amount appropriated to bonus and welfare funds for the annual accounting period, of VND2,851,480 million (2018: VND2,404,386 million) and a weighted average number of ordinary shares outstanding of 2,325,877,314 (2018: 2,328,818,410 shares), calculated as follows:

#### i. Net profit attributable to ordinary shareholders

	2019 VND million	2018 VND million
Net profit attributable to ordinary shareholders after bonus and welfare fund accruals	2,851,480	2,404,386

#### ii. Weighted average number of ordinary shares

	2019	2018
Issued ordinary shares at the beginning of the period – currently in circulation	2,328,818,410	1,901,078,733
Effect of shares issued	-	427,739,677
Effect of treasury shares held	(2,941,096)	-
Weighted average number of ordinary shares during the period – currently in circulation	2,325,877,314	2,328,818,410

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

#### iii. Earnings per share

	2019 VND	2018 VND
Earnings per share	1,226	1,032

### b. Diluted earnings per share

The Company did not have dilutive potential ordinary shares as at 31 December 2019. Therefore, the presentation of diluted earnings per share is not applicable.

## 43. Significant transactions with related parties

### Terms and conditions of transactions with related parties:

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

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

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

	Transaction value	
	2019 VND million	2018 VND million
<b>Shareholders</b>		
<b>Ha Noi Southern City Development and Trading Limited Liability Company</b>		
Dividends payable	201,798	-
<b>Sai Dong Urban Development and Investment Joint Stock Company</b>		
Dividends payable	788,582	-
<b>Parent company</b>		
<b>Vingroup Joint Stock Company</b>		
Purchase of goods and services	209,501	293,171
Revenue from the provision of management services, rental and related services receivable	11,642	18,176
Interest income from loans and other deposits	7,200	169,080
Collection of deposits for investments	796,000	585,000
Dividends payable	449,101	-
Acquisition of assets	-	2,513,757
Collection of loans	-	2,613,600

	Transaction value	
	2019 VND million	2018 VND million
<b>Other related companies</b>		
<b>Vincommerce General Commerce Services Joint Stock Company</b>		
Sales of goods and services	767,851	629,316
Purchase of goods and services	83,631	106,468
<b>Vinhomes Joint Stock Company</b>		
Sales of goods and services	281,258	330,467
Purchase of goods and services	261,861	302,830
Interest income from deposits	-	84,791
Acquisition of assets	-	2,081,046
<b>Vinpearl Joint Stock Company</b>		
Sales of goods and services	91,516	56,772
Purchase of goods and services	33,933	119,673
Acquisition of assets	-	388,414
Deposit received under business cooperation contracts	180,000	-
<b>Vinfast Trading and Production LLC</b>		
Sales of goods and services	25,742	4,483
<b>Vinpro Business and Trading Services Joint Stock Company</b>		
Sales of goods and services	211,771	99,738

	Transaction value	
	2019 VND million	2018 VND million
<b>Ecology Development and Investment Joint Stock Company</b>		
Rental expense	33,714	37,085
<b>Vinschool One Member LLC</b>		
Sales of goods and services	70,113	73,836
<b>Thoi Dai Commercial Trading and Development Co., Ltd</b>		
Sales of goods and services	2,078	14,588
<b>Millenium Trading Investment and Development Company Limited</b>		
Bán hàng hóa và dịch vụ	30,645	15,868
<b>Vietnam Investment and Consulting Investment JSC</b>		
Acquisition of assets	-	489,763
<b>Thai Son Investment Construction Corporation</b>		
Sales of goods and services	100,249	-
Deposits for investment	81,000	-
Interest income from deposits	7,812	-
<b>Gia Lam Urban Co., Ltd</b>		
Sales of goods and services	158,075	-
Deposits for investment	98,000	-
Interest income from deposits	9,451	-

	Transaction value	
	2019 VND million	2018 VND million
<b>Central Park Development LLC</b>		
Acquisition of assets	239,581	-
<b>Green City Development JSC</b>		
Deposits for investment	1,020,000	-
Collection of deposits for investments	800,000	-
Interest income from deposits	90,989	8,403
<b>Members of the Board of Directors and Board of Management</b>		
Salary and bonus	28,064	25,581

## 44. Corresponding figures

Corresponding figures as at 1 January 2019 were derived from the balances and amounts reported in the Company and its subsidiaries' consolidated financial statements as at and for the year ended 31 December 2018.

25 March 2020

Prepared by:



Phung Thi Thanh

Approved by:



Nguyen Thi Xuan Nghia  
Chief Accountant



Tran Mai Hoa  
General Director

VINCOM



## VINCOM RETAIL JOINT STOCK COMPANY

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No. 7 Bang Lang 1 Street,  
Vinhomes Riverside Ecological Area,  
Viet Hung Ward, Long Bien District,  
Hanoi, Vietnam

**Tel:** (+84) 24 3974 9999

**Fax:** (+84) 24 3974 8888

**Website:** [www.vincom.com.vn](http://www.vincom.com.vn)