

# **Vincom Retail Joint Stock Company**

Interim consolidated financial statements

Quarter II 2020



# Vincom Retail Joint Stock Company

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# Vincom Retail Joint Stock Company

## GENERAL INFORMATION

### THE COMPANY

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

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

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

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

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

### BOARD OF DIRECTORS

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

Ms. Thai Thi Thanh Hai	Chairwoman
Ms. Tran Mai Hoa	Member
Ms. Nguyen Thi Diu	Member
Ms. Le Mai Lan	Member
Mr. Brett Krause	Independent member
Mr. Fong Ming Huang Earnest	Independent member (appointed on 26 May 2020)
Mr. Timothy J. Daly	Independent member (resigned on 05 May 2020)

### MANAGEMENT

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

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

### BOARD OF SUPERVISION

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

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

### LEGAL REPRESENTATIVE

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

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

# Vincom Retail Joint Stock Company

## REPORT OF MANAGEMENT

Management of Vincom Retail Joint Stock Company (“the Company”) presents its report and the interim consolidated financial statements of the Company and its subsidiaries for Quarter II 2020.

### MANAGEMENT’S RESPONSIBILITY IN RESPECT OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

### STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying interim consolidated financial statements give a true and fair view of the interim consolidated financial position of the Company and its subsidiaries as at 30 June 2020, and of the interim consolidated results of its operations and its interim consolidated cash flows for the period then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of interim consolidated financial statements.

For and on behalf of the management:



Pham Ngoc Thoa  
Chief Finance Officer

Hanoi, Vietnam

27 July 2020

INTERIM CONSOLIDATED BALANCE SHEET  
as at 30 June 2020

Currency: VND million

Code	ASSETS	Notes	As at 30/6/2020	As at 31/12/2019
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>8,162,385</b>	<b>5,070,409</b>
<b>110</b>	<b><i>I. Cash and cash equivalents</i></b>	<b>4</b>	<b>4,105,252</b>	<b>1,388,344</b>
111	1. Cash		1,885,252	1,368,344
112	2. Cash equivalents		2,220,000	20,000
<b>120</b>	<b><i>II. Short-term investments</i></b>		<b>64,716</b>	<b>788,537</b>
123	1. Held-to-maturity investments	5	64,716	788,537
<b>130</b>	<b><i>III. Current accounts receivable</i></b>		<b>1,542,202</b>	<b>724,237</b>
131	1. Short-term trade receivables	6.1	924,711	431,915
132	2. Short-term advances to suppliers	6.2	436,251	121,081
136	3. Other short-term receivables	7	193,719	182,697
137	4. Provision for doubtful short-term receivables	6.1	(12,479)	(11,456)
<b>140</b>	<b><i>IV. Inventories</i></b>	<b>8</b>	<b>1,009,599</b>	<b>985,989</b>
141	1. Inventories		1,010,410	986,800
149	2. Provision for obsolete inventories		(811)	(811)
<b>150</b>	<b><i>V. Other current assets</i></b>		<b>1,440,616</b>	<b>1,183,302</b>
151	1. Short-term prepaid expenses	9	170,327	80,316
152	2. Value-added tax deductible		52,176	37,488
153	3. Tax and other receivables from the State		198	498
155	4. Other current assets	10	1,217,915	1,065,000
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>30,598,499</b>	<b>30,768,281</b>
<b>210</b>	<b><i>I. Long-term receivables</i></b>		<b>7,405</b>	<b>8,659</b>
216	1. Other long-term receivables		7,405	8,659
<b>220</b>	<b><i>II. Fixed assets</i></b>		<b>461,496</b>	<b>473,832</b>
221	1. Tangible fixed assets	11	433,549	450,446
222	<i>Cost</i>		582,129	580,540
223	<i>Accumulated depreciation</i>		(148,580)	(130,094)
227	2. Intangible assets	12	27,947	23,386
228	<i>Cost</i>		58,876	49,787
229	<i>Accumulated amortisation</i>		(30,929)	(26,401)
<b>230</b>	<b><i>III. Investment properties</i></b>	<b>13</b>	<b>27,564,400</b>	<b>28,063,677</b>
231	1. Cost		32,877,221	32,702,792
232	2. Accumulated depreciation		(5,312,821)	(4,639,115)
<b>240</b>	<b><i>IV. Long-term assets in progress</i></b>		<b>773,586</b>	<b>654,380</b>
242	1. Construction in progress	14	773,586	654,380
<b>260</b>	<b><i>V. Other long-term assets</i></b>		<b>1,791,612</b>	<b>1,567,733</b>
261	1. Long-term prepaid expenses	9	519,463	554,712
262	2. Deferred tax assets		9,243	9,243
268	3. Other long-term assets	10	892,420	597,000
269	4. Goodwill	15	370,486	406,778
<b>270</b>	<b>TOTAL ASSETS</b>		<b>38,760,884</b>	<b>35,838,690</b>

INTERIM CONSOLIDATED BALANCE SHEET (continued)  
as at 30 June 2020

Currency: VND million

Code	RESOURCES	Notes	As at 30/6/2020	As at 31/12/2019
<b>300</b>	<b>C. LIABILITIES</b>		<b>10,972,010</b>	<b>8,885,183</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>5,866,685</b>	<b>4,780,265</b>
311	1. Short-term trade payables	16	1,634,440	2,055,465
312	2. Short-term advances from customers	17	1,493,143	470,926
313	3. Statutory obligations	18	496,805	294,967
314	4. Payables to employees		544	801
315	5. Short-term accrued expenses	19	852,434	964,902
318	6. Short-term unearned revenues	21	146,128	116,291
319	7. Short-term other payables	20	1,196,515	830,810
320	8. Short-term loan and debts	22.1	19,887	19,415
321	9. Short-term provisions		23,893	23,792
322	10. Bonus and welfare fund		2,896	2,896
<b>330</b>	<b>II. Non-current liabilities</b>		<b>5,105,325</b>	<b>4,104,918</b>
336	1. Long-term unearned revenues	21	94,003	129,524
337	2. Other long-term liabilities	20	1,147,691	1,129,871
338	3. Long-term loan and debts	22.2	3,784,431	2,765,306
341	4. Deferred tax liabilities		79,200	80,217
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>27,788,874</b>	<b>26,953,507</b>
<b>410</b>	<b>I. Capital</b>	<b>23</b>	<b>27,788,874</b>	<b>26,953,507</b>
411	1. Issued share capital		23,288,184	23,288,184
411a	- Shares with voting rights		23,288,184	23,288,184
412	2. Share premium		46,983	46,983
415	3. Treasury shares		(1,954,258)	(1,954,258)
420	4. Other funds belonging to owners' equity		(53,420)	(53,420)
421	5. Undistributed earnings		6,427,340	5,592,148
421a	- Undistributed earnings up to prior year		5,592,148	2,740,668
421b	- Undistributed earnings of current period		835,192	2,851,480
429	6. Non-controlling interests		34,045	33,870
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>38,760,884</b>	<b>35,838,690</b>



Nguyen Thi Xuan Nghia  
Chief Accountant



Pham Ngoc Thoa  
Chief Finance Officer

27 July 2020

INTERIM CONSOLIDATED INCOME STATEMENT  
Quarter II 2020

Currency: VND million

Code	ITEMS	Notes	Quarter II 2020	Quarter II 2019	For the 6-month period ended 30 June 2020	For the 6-month period ended 30 June 2019
01	1. Revenue from sale of goods and rendering of services	24.1	1,630,177	1,982,714	3,315,842	4,266,786
02	2. Deductions	24.1	-	-	-	-
10	3. Net revenue from sale of goods and rendering of services	24.1	1,630,177	1,982,714	3,315,842	4,266,786
11	4. Cost of goods sold and services rendered	25	(984,384)	(1,023,636)	(1,911,139)	(2,335,661)
20	5. Gross profit from sale of goods and rendering of services		645,793	959,078	1,404,703	1,931,125
21	6. Finance income	24.2	57,553	77,758	104,567	157,326
22	7. Finance expenses	26	(99,664)	(73,293)	(179,134)	(146,008)
23	<i>In which: Interest expenses</i>		(98,889)	(72,881)	(177,571)	(145,355)
25	8. Selling expenses	27	(44,581)	(48,280)	(105,364)	(140,537)
26	9. General and administrative expenses	27	(91,634)	(126,849)	(181,910)	(242,539)
30	10. Operating profit		467,467	788,414	1,042,862	1,559,367
31	11. Other income		(18,047)	12,296	27,445	21,594
32	12. Other expenses		(3,655)	(12,913)	(5,064)	(15,325)
40	13. Other (loss)/profit		(21,702)	(617)	22,381	6,269



INTERIM CONSOLIDATED INCOME STATEMENT (continued)  
Quarter II 2020

Currency: VND million

Code	ITEMS	Notes	Quarter II 2020	Quarter II 2019	For the 6-month period ended 30 June 2020	For the 6-month period ended 30 June 2019
50	14. Accounting profit before tax		445,765	787,797	1,065,243	1,565,636
51	15. Current corporate income tax expenses	28	(102,650)	(147,665)	(230,893)	(314,700)
52	16. Deferred tax income	28	53	164	1,017	542
60	17. Net profit after tax		343,168	640,296	835,367	1,251,478
61	18. Net profit after tax attributable to shareholders of the parent		343,106	639,375	835,192	1,251,479
62	19. Net profit after tax attributable to non-controlling interests		62	921	175	(1)

Nguyen Thi Xuan Nghia  
Chief Accountant



Phạm Ngọc Thoa  
Chief Finance Officer

27 July 2020



INTERIM CONSOLIDATED CASH FLOW STATEMENT  
Quarter II 2020

Currency: VND million

Code	ITEMS	For the 6-month period ended 30 June 2020	For the 6-month period ended 30 June 2019
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
01	<b>Profit before tax</b>	<b>1,065,243</b>	<b>1,565,636</b>
	<i>Adjustments for:</i>		
02	Depreciation of tangible fixed assets and investment properties and amortisation of intangible assets (including amortisation of goodwill)	734,379	735,072
03	Provisions	2,624	3,527
05	Profits from investing activities	(104,567)	(148,425)
06	Interest expenses and bond issue costs	177,571	145,355
08	<b>Operating profit before changes in working capital</b>	<b>1,875,250</b>	<b>2,301,165</b>
09	Changes in receivables	(784,675)	(286,486)
10	Changes in inventories	(19,016)	38,084
11	Changes in payables (other than interest, corporate income tax)	1,703,948	140,077
12	Changes in prepaid expenses	(44,636)	42,845
14	Interest paid	(131,452)	(126,814)
15	Corporate income tax paid	(144,953)	(358,046)
20	<b>Net cash flows from operating activities</b>	<b>2,454,466</b>	<b>1,750,825</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
21	Purchase, construction of fixed assets and other long-term assets	(1,508,536)	(2,979,655)
22	Proceeds from disposals of fixed assets and other long-term assets	112	487
23	Loans to other entities and payments for purchase of debt instruments of other entities	(1,050,000)	(24,709)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities	1,750,000	1,650,000
27	Interest and dividends received	55,621	237,991
30	<b>Net cash flows (used in) investing activities</b>	<b>(752,803)</b>	<b>(1,115,886)</b>

INTERIM CONSOLIDATED CASH FLOW STATEMENT (continued)  
Quarter II 2020

Currency: VND million

Code	ITEMS	For the 6-month period ended 30 June 2020	For the 6-month period ended 30 June 2019
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
33	Drawdown of borrowings	1,015,245	-
36	Dividends paid	-	(2,363,941)
40	<b>Net cash from/(used in) financing activities</b>	<b>1,015,245</b>	<b>(2,363,941)</b>
50	<b>Net increase/(decrease) in cash and cash equivalents for the period</b>	<b>2,716,908</b>	<b>(1,729,002)</b>
60	Cash and cash equivalents at the beginning of the period	1,388,344	2,431,381
70	Cash and cash equivalents at the end of the period	4,105,252	702,379




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Nguyen Thi Xuan Nghia  
Chief Accountant




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Pham Ngoc Thoa  
Chief Finance Officer

27 July 2020

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
Quarter II 2020

**1. CORPORATE INFORMATION**

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

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

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

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

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

The number of the Company's employees as at 30 June 2020 is 847 (31 December 2019: 1,076).

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

**Corporate structure**

The Company has 04 following subsidiaries as at 30 June 2020:

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter II 2020**2. BASIS OF PREPARATION****2.1 Accounting standards and system**

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

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

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

**2.2 Applied accounting documentation system**

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

**2.3 Fiscal year**

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

**2.4 Accounting currency**

The Company's accounting currency is VND.

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

**2.5 Basic of consolidation**

The interim consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the reporting period ended 30 June 2020.

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

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

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter II 2020**2. BASIS OF PREPARATION (continued)****2.5 Basic of consolidation (continued)**

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

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

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****3.1 Cash and cash equivalents**

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

**3.2 Inventories***Inventories properties*

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

Cost includes:

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

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

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

*Other inventories*

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

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

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter II 2020**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.2 Inventories (continued)***Provision for obsolete inventories*

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

**3.3 Receivables**

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

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

**3.4 Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

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

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

**3.5 Leased assets**

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 interim 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 interim consolidated income statement over the lease term to achieve a constant rate on interest on the remaining balance of the finance lease liability.



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter II 2020

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

**3.5 Leased assets (continued)**

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

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

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

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

*Where the Company and its subsidiaries are the lessor*

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

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

**3.6 Intangible assets**

Intangible assets are stated at cost less accumulated amortisation.

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

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

**3.7 Depreciation and amortisation**

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

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter II 2020**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.8 Investment properties**

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

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

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

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

Land use rights, buildings and structures	5 - 50 years
Machinery and equipment	3 - 25 years

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

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

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

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter II 2020**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.9 Borrowing costs**

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

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

**3.10 Prepaid expenses**

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

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

**3.11 Business combinations and goodwill**

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

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

*Assets acquisitions and business combinations*

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

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter II 2020**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.11 Business combinations and goodwill (continued)***Business combinations involving entities under common control*

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

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

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

**3.12 Held-to-maturity investments**

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

**3.13 Payables and accruals**

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

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

**3.14 Provisions**

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

Expenses relating to provisions are recognised in the interim consolidated income statement.

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

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter II 2020**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.15 Foreign currency transactions**

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

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

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

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

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

**3.16 Appropriation of net profits**

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

**3.17 Advance from customers**

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

**3.18 Revenue recognition**

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

*Revenue from sale of inventory properties*

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter II 2020**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.18 Revenue recognition (continued)***Revenue from sale of inventory properties (continued)*

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

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

*Revenue from leasing of investment properties*

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

*Rendering of services*

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

*Gains from capital transfer*

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

*Interest*

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

*Dividends*

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



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter II 2020**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.19 Taxation***Current income tax*

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

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

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

*Deferred tax*

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

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

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

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

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

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter II 2020**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.19 Taxation (continued)***Deferred tax (continued)*

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

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

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

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

**3.20 Related parties**

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

**4. CASH AND CASH EQUIVALENTS**

*Currency: VND million*

	<u>As at 30/6/2020</u>	<u>As at 31/12/2019</u>
Cash in banks	1,885,194	1,368,215
Cash in transit	58	129
Cash equivalents	2,220,000	20,000
<b>TOTAL</b>	<b><u>4,105,252</u></b>	<b><u>1,388,344</u></b>

Cash equivalents as at 30 June 2020 comprised bank deposits in VND with maturity terms from 1 to 3 months and earning interest at the rates ranging from 4.10% to 4.25% per annum (as at 31 December 2019: bank deposits in VND with maturity terms of 3 months and earning interest at the rates 5.0% per annum).

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter II 2020**5. HELD-TO-MATURITY INVESTMENTS**

Currency: VND million

	<u>As at 30/6/2020</u>	<u>As at 31/12/2019</u>
Short-term held-to-maturity investments (i)	64,716	788,537
<b>TOTAL</b>	<b>64,716</b>	<b>788,537</b>

- (i) Ending balance of short-term held-to-maturity investments comprised short-term bank deposits in VND with terms ranging from 6 months to 12 months and earning interest at the rate ranging from 7.0% to 7.1% per annum (31 December 2019: bank deposits in VND with terms ranging from 6 months to 12 months and earning interest at the rate ranging from 7.0% to 7.2% per annum), including maintenance fund of the handed over condotel apartments of Vinpearl Riverfront Da Nang, and shop-office of Vinhomes Times City project and Vinhomes Royal City project. This fund will be transferred to the building management boards.

**6. SHORT-TERM TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS****6.1 Short-term trade receivables**

Currency: VND million

	<u>As at 30/6/2020</u>	<u>As at 31/12/2019</u>
Receivables from leasing activities and rendering related services	779,640	268,761
Receivables from sale of inventory	103,050	128,647
Others	42,021	34,507
<b>TOTAL</b>	<b>924,711</b>	<b>431,915</b>
<i>In which:</i>		
Trade receivables from customers	815,552	363,091
Trade receivables from related parties (Note 29)	109,159	68,824
Provision for doubtful short-term receivables	(12,479)	(11,456)

**6.2 Short-term advances to suppliers**

Currency: VND million

	<u>As at 30/6/2020</u>	<u>As at 31/12/2019</u>
Advances to suppliers	162,517	112,268
Advances to related parties (Note 29)	273,734	8,813
<b>TOTAL</b>	<b>436,251</b>	<b>121,081</b>

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

Advance to Vingroup JSC	233,982	-
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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter II 2020

## 7. OTHER SHORT-TERM RECEIVABLES

Currency: VND million

	<u>As at 30/6/2020</u>	<u>As at 31/12/2019</u>
Interests on bank deposits, deposits and loans	77,207	39,820
Guarantee deposits for project development and contract implementation	20,950	41,764
Receivable for payment on behalf	12,246	17,655
Others	83,316	83,458
<b>TOTAL</b>	<b>193,719</b>	<b>182,697</b>
<i>In which:</i>		
<i>Other receivables</i>	104,883	128,142
<i>Other receivables from related parties (Note 29)</i>	88,836	54,555

## 8. INVENTORIES

Currency: VND million

	<u>As at 30/6/2020</u>		<u>As at 31/12/2019</u>	
	<i>Cost</i>	<i>Provision</i>	<i>Cost</i>	<i>Provision</i>
Inventory properties under construction (i)	884,142	(811)	828,622	(811)
Completed inventory	106,666	-	137,286	-
Others	19,602	-	20,892	-
<b>TOTAL</b>	<b>1,010,410</b>	<b>(811)</b>	<b>986,800</b>	<b>(811)</b>

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter II 2020

## 9. PREPAID EXPENSES

*Currency: VND million*

	<u>As at 30/6/2020</u>	<u>As at 31/12/2019</u>
<b>Short-term:</b>		
Selling expenses related to sale of inventory properties not yet handed over	137,770	26,458
Provisional corporate income tax	14,695	4,622
Project investment costs	-	1,014
Prepaid land rental	-	14,995
Others	17,862	33,227
<b>TOTAL</b>	<b>170,327</b>	<b>80,316</b>
<b>Long-term:</b>		
Prepaid rental to a related party for leasing commercial areas (Note 29) (i)	253,824	258,051
Prepayment for committed profit relating to business cooperation contracts and apartment management service program	82,886	114,798
Overhaul expenditures	110,008	111,029
Tools and supplies	29,603	36,132
Prepaid land rental	17,173	4,685
Commission fees for leasing commercial areas	20,629	19,827
Others	5,340	10,190
<b>TOTAL</b>	<b>519,463</b>	<b>554,712</b>

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

## 10. OTHER ASSETS

*Currency: VND million*

	<u>As at 30/6/2020</u>	<u>As at 31/12/2019</u>
<b>Short-term:</b>		
Deposits to related parties for investment purposes (Note 29) (i)	1,217,915	1,065,000
<b>TOTAL</b>	<b>1,217,915</b>	<b>1,065,000</b>
<b>Long-term:</b>		
Deposits to related parties for investment purposes (Note 29) (i)	892,420	597,000
<b>TOTAL</b>	<b>892,420</b>	<b>597,000</b>

(i) Ending balance are deposits to Vingroup JSC, parent company, and some companies within the Group (hereby referred to as "the counterparties") for the co-investment and co-operations of shopping mall component of a number of real estate projects under business co-investment and co-operation contracts. In accordance with these contracts, the counterparties have committed to transferring shopping mall component to the Company and its subsidiaries, or to granting the Company and its subsidiaries with right to purchase the shopping malls, at the price sufficient to cover all relevant capital expenditures incurred. In case the counterparties have not completed all procedures to hand over the shopping malls to the Company and its subsidiaries when the assets are completed and ready for commercial operations, two parties will sign business cooperation contracts, giving the Company and its subsidiaries the right to control, manage and operate the shopping malls, and a portion of profit before tax from the operations of the shopping malls will be shared to the counterparties.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
 Quarter II 2020

11. TANGIBLE FIXED ASSETS

Currency: VND million

	<i>Buildings and structures</i>	<i>Machinery and equipment</i>	<i>Means of transportation</i>	<i>Office equipment</i>	<i>Others</i>	<i>Total</i>
<b>Cost:</b>						
Beginning balance	280,898	254,284	1,582	18,233	25,543	580,540
- Transferred from completed construction in progress	-	1,776	-	211	-	1,987
- Reclassification	-	1,582	(1,582)	-	-	-
- Sold, disposal	-	(236)	-	(39)	-	(275)
- Other adjustments	-	(123)	-	-	-	(123)
Ending balance	280,898	257,283	-	18,405	25,543	582,129
<b>Accumulated depreciation:</b>						
Beginning balance	17,330	94,658	1,218	9,948	6,940	130,094
- Depreciation for the period	2,671	13,219	-	1,217	1,612	18,719
- Reclassification	-	1,218	(1,218)	-	-	-
- Sold, disposal	-	(125)	-	(39)	-	(164)
- Other adjustments	-	(69)	-	-	-	(69)
Ending balance	20,001	108,901	-	11,126	8,552	148,580
<b>Net carrying amount:</b>						
Beginning balance	263,568	159,626	364	8,285	18,603	450,446
Ending balance	260,897	148,382	-	7,279	16,991	433,549



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter II 2020**12. INTANGIBLE ASSETS**

	<i>Currency: VND million</i>
	<u><i>Computer software</i></u>
<b>Cost:</b>	
Beginning balance	49,787
- Transferred from completed construction in progress	9,089
Ending balance	58,876
<b>Accumulated amortisation:</b>	
Beginning balance	26,401
- Amortisation for the period	4,528
Ending balance	30,929
<b>Net carrying amount:</b>	
Beginning balance	<u>23,386</u>
Ending balance	<u>27,947</u>

**13. INVESTMENT PROPERTIES**

	<i>Currency: VND million</i>		
	<i>Land use rights, buildings and structures</i>	<i>Machinery and equipment</i>	<i>Total</i>
<b>Cost:</b>			
Beginning balance	26,769,970	5,932,822	32,702,792
Transferred from completed construction in progress	37,266	6,099	43,365
Increase due to finalisation of construction contracts	201,150	(64,358)	136,792
Reclassified to inventory properties	(4,373)	(1,267)	(5,640)
Disposal	-	(88)	(88)
Ending balance	27,004,013	5,873,208	32,877,221
<b>Accumulated depreciation:</b>			
Beginning balance	2,756,463	1,882,652	4,639,115
Depreciation for the period	386,855	287,985	674,840
Reclassified to inventory properties	(677)	(369)	(1,046)
Reclassification	32,584	(32,584)	-
Disposal	-	(88)	(88)
Ending balance	3,175,225	2,137,596	5,312,821
<b>Net carrying amount:</b>			
Beginning balance	<u>24,013,507</u>	<u>4,050,170</u>	<u>28,063,677</u>
Ending balance	<u>23,828,788</u>	<u>3,735,612</u>	<u>27,564,400</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter II 2020**13. INVESTMENT PROPERTIES (Continued)**

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.

Details of investment properties used as collaterals for borrowings and corporate bonds of the Company and its subsidiaries are disclosed in Note 22.

Revenue and operating expenses related to investment properties are disclosed in Note 24.3.

**14. CONSTRUCTION IN PROGRESS**

Currency: VND million

	<u>As at 30/6/2020</u>	<u>As at 31/12/2019</u>
Vincom Plaza Bien Hoa 2	135,650	135,650
Vincom+ Thai Nguyen	109,037	108,973
Vincom Plaza My Tho	219,523	103,448
Vincom Plaza Bac Lieu	156,826	92,312
Bac Ninh Hotel Project	75,746	51,034
Shopping malls renovation projects	-	45,886
Other projects	76,804	117,077
<b>TOTAL</b>	<b><u>773,586</u></b>	<b><u>654,380</u></b>

**15. GOODWILL**

Currency: VND million

	<u>Goodwill arisen from acquisition of</u>			<i>Total</i>
	<i>Vincom Center Long Bien One Member LLC (i)</i>	<i>Khanh Gia Investment Trading Services JSC (i)</i>	<i>An Phong Investment JSC (i)</i>	
<b>Cost:</b>				
Beginning balance	33,000	210,288	482,549	725,837
Ending balance	33,000	210,288	482,549	725,837
<b>Accumulated amortisation:</b>				
Beginning balance	21,970	96,788	200,301	319,059
Amortisation for the period	1,650	10,514	24,128	36,292
Ending balance	23,620	107,302	224,429	355,351
<b>Net carrying amount:</b>				
Beginning balance	<u>11,030</u>	<u>113,500</u>	<u>282,248</u>	<u>406,778</u>
Ending balance	<u>9,380</u>	<u>102,986</u>	<u>258,120</u>	<u>370,486</u>

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter II 2020

## 16. SHORT-TERM TRADE PAYABLES

Currency: VND million

	<u>As at 30/6/2020</u>	<u>As at 31/12/2019</u>
Trade payables to suppliers	433,573	221,131
Trade payables to related parties (Note 29)	1,200,867	1,834,334
<b>TOTAL</b>	<b><u>1,634,440</u></b>	<b><u>2,055,465</u></b>

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

<i>Payables to Vingroup JSC</i>	23,842	348,467
<i>Payables to Vinpearl JSC</i>	118,625	230,732
<i>Payables to Vinhomes JSC</i>	363,306	411,058
<i>Payables to Vietnam Investment and Consulting Investment JSC</i>	677,726	725,226

## 17. ADVANCE FROM CUSTOMERS

Currency: VND million

	<u>As at 30/6/2020</u>	<u>As at 31/12/2019</u>
Downpayment from customers under sale and purchase of real estate agreements	1,472,865	460,737
Others	20,278	10,189
<b>TOTAL</b>	<b><u>1,493,143</u></b>	<b><u>470,926</u></b>

*In which:*

<i>Downpayment from other parties</i>	1,493,143	470,926
<i>Downpayment from related parties</i>	-	-

## 18. STATUTORY OBLIGATIONS

Currency: VND million

	<u>As at 30/6/2020</u>	<u>As at 31/12/2019</u>
<b>Payables</b>		
Corporate income tax	350,290	255,478
Value added tax	121,691	33,568
Personal income tax	4,445	5,921
Others	20,379	-
<b>TOTAL</b>	<b><u>496,805</u></b>	<b><u>294,967</u></b>

## 19. SHORT-TERM ACCRUED EXPENSES

Currency: VND million

	<u>As at 30/6/2020</u>	<u>As at 31/12/2019</u>
Accrued construction costs	455,728	590,595
Accrued loans and bond interests	129,642	100,130
Accrued selling expenses	96,880	59,909
Accrued committed profit relating to business cooperation contracts and	48,594	30,381
Interest supporting fee payables	777	7,297
Accrued labor expenses	18,869	41,933
Others	101,944	134,657
<b>TOTAL</b>	<b><u>852,434</u></b>	<b><u>964,902</u></b>

*In which:*

<i>Accrued expenses due to others</i>	843,226	961,940
<i>Accrued expenses due to related parties (Note 29)</i>	9,208	2,962

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter II 2020

## 20. OTHER PAYABLES

	Currency: VND million	
	<u>As at 30/6/2020</u>	<u>As at 31/12/2019</u>
<b>Short-term:</b>		
Deposits received under deposit and loan contracts	734,288	375,812
Deposits from tenants to be refunded within the next 12 months	272,794	244,933
Maintenance fund	70,210	88,977
Deposits for site construction	36,197	48,474
Other deposits	-	35,404
Dividend payable	2,234	2,234
Payables on selling expenses	52,200	-
Other payables	28,592	34,976
<b>TOTAL</b>	<b><u>1,196,515</u></b>	<b><u>830,810</u></b>
<i>In which:</i>		
Other short-term payables	1,122,524	807,411
Other short-term payables to related parties (Note 29)	73,991	23,399
<b>Long-term:</b>		
Deposits from tenants	1,205,081	1,194,804
Less: Deposits from tenants to be refunded within the next 12 months (Presented in Short-term)	(272,794)	(244,933)
Deposit under business cooperation contracts	180,000	180,000
Other deposits	35,404	-
<b>TOTAL</b>	<b><u>1,147,691</u></b>	<b><u>1,129,871</u></b>
<i>In which:</i>		
Other long-term payables	931,821	933,109
Other long-term payables to related parties (Note 29)	215,870	196,762

## 21. UNEARNED REVENUE

	Currency: VND million	
	<u>As at 30/6/2020</u>	<u>As at 31/12/2019</u>
Short-term unearned revenue	146,128	116,291
Long-term unearned revenue	94,003	129,524
<b>TOTAL</b>	<b><u>240,131</u></b>	<b><u>245,815</u></b>
<i>In which:</i>		
Unearned revenue received from related parties (Note 29)	11,135	10,999
Unearned revenue received from others	228,996	234,816

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter II 2020**22. LOANS AND DEBTS****22.1 Short-term loans and debt**

Currency: VND million

	Note	As at 30/6/2020		As at 31/12/2019	
		Carrying value	Payable amount	Carrying value	Payable amount
Current portion of long-term debts from related parties	29	19,887	19,887	19,415	19,415
<b>TOTAL</b>		<b>19,887</b>	<b>19,887</b>	<b>19,415</b>	<b>19,415</b>

**22.2 Long-term loans and debt**

Currency: VND million

	Note	As at 30/6/2020		As at 31/12/2019	
		Carrying value	Payable amount	Carrying value	Payable amount
Corporate bonds	(i)	3,613,163	3,613,163	2,594,628	2,594,628
Other long-term debts from related parties	29	171,268	171,268	170,678	170,678
<b>TOTAL</b>		<b>3,784,431</b>	<b>3,784,431</b>	<b>2,765,306</b>	<b>2,765,306</b>

(i) Ending balance comprises:

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

These bonds are secured by land use rights and assets attached to land of shopping malls which are owned by North Vincom Retail LLC and South Vincom Retail LLC, two subsidiaries.

- Bonds which have par value of VND1,050 billion with 10,500,000 bonds and were arranged for issuance on 17 and 27 April 2020 by Vietnam Technological Commercial Joint Stock Bank with a maturity term of 3 years. Interest rate applied for first year is 9.5% per annum, and for the following years is floating which is determined by the average of 12-month VND saving rate applicable to individual customers listed by Joint Stock Commercial Bank for Investment and Development of Vietnam, Joint Stock Commercial Bank for Foreign Trade of Vietnam, Vietnam Joint Stock Commercial Bank for Industry and Trade and Vietnam Technological Commercial Joint Stock Bank plus (+) 3.25%. The bond balance is presented net of bond issue costs.

These bonds are secured by land use rights and assets attached to land of a shopping mall which is owned by North Vincom Retail LLC, a subsidiary.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter II 2020

23. OWNERS' EQUITY

23.1 Increase and decrease in owner's equity

Currency: VND million

	Shares with voting right	Share premium	Treasury shares	Undistributed earnings	Other funds belonging to owners' equity	Non-controlling interests	Total
<b>For the 6-month period ended 30 June 2019</b>							
Beginning balance	23,288,184	46,983	-	5,190,927	(58,420)	41,607	28,509,281
- Net profit for the period	-	-	-	1,251,479	-	(1)	1,251,478
- Increase in reserve fund to supplement charter capital	-	-	-	(5,000)	5,000	-	-
- Dividend declare for the Company's shareholders	-	-	-	(2,445,259)	-	-	(2,445,259)
- Dividend declare for non-controlling interests	-	-	-	-	-	(8,190)	(8,190)
Ending balance	23,288,184	46,983	-	3,992,147	(53,420)	33,416	27,307,310
<b>For the 6-month period ended 30 June 2020</b>							
Beginning balance	23,288,184	46,983	(1,954,258)	5,592,148	(53,420)	33,870	26,953,507
- Net profit for the period	-	-	-	835,192	-	175	835,367
Ending balance	23,288,184	46,983	(1,954,258)	6,427,340	(53,420)	34,045	27,788,874

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter II 2020**23. OWNERS' EQUITY (continued)****23.2 Shares**

	<i>As at 30/6/2020</i>		<i>As at 31/12/2019</i>	
	<i>Quantity</i>	<i>Amount VND million</i>	<i>Quantity</i>	<i>Amount VND million</i>
<b>Registered and issued shares</b>				
Ordinary shares	2,328,818,410	23,288,184	2,328,818,410	23,288,184
Preference shares	-	-	-	-
<b>Total</b>	<b>2,328,818,410</b>	<b>23,288,184</b>	<b>2,328,818,410</b>	<b>23,288,184</b>
<b>Outstanding shares</b>				
Ordinary shares	2,272,318,410	22,723,184	2,272,318,410	22,723,184
Preference shares	-	-	-	-
<b>Total</b>	<b>2,272,318,410</b>	<b>22,723,184</b>	<b>2,328,818,410</b>	<b>22,723,184</b>

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

**24. REVENUE****24.1 Revenue from sale of goods and rendering of services**

*Currency: VND million*

	<i>Quarter II 2020</i>	<i>Quarter II 2019</i>
<b>Gross revenue</b>	<b>1,630,177</b>	<b>1,982,714</b>
In which:		
Leasing activities and rendering of related services	1,306,607	1,659,007
Sale of inventory properties	294,439	301,739
Others	29,131	21,968
<b>Deduction</b>	<b>-</b>	<b>-</b>
<b>Net revenue</b>	<b>1,630,177</b>	<b>1,982,714</b>
In which:		
Revenue from sale to related parties	194,589	387,256
Revenue from sale to others	1,435,588	1,595,458

**24.2 Finance income**

*Currency: VND million*

	<i>Quarter II 2020</i>	<i>Quarter II 2019</i>
Interest income from bank deposits, loans and deposits	57,553	77,758
<b>TOTAL</b>	<b>57,553</b>	<b>77,758</b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter II 2020**24. REVENUE (continued)****24.3 Revenue and expenses relating to investment properties***Currency: VND million*

	<u>Quarter II 2020</u>	<u>Quarter II 2019</u>
Revenue from leasing of investment properties and rendering of related services (Note 24.1)	1,306,607	1,659,007
Direct operating costs related to investment properties generating income in the period (Note 25)	719,361	827,538

**25. COST OF GOODS SOLD AND SERVICES RENDERED***Currency: VND million*

	<u>Quarter II 2020</u>	<u>Quarter II 2019</u>
Cost of leasing activities and rendering of related services	719,361	827,538
Cost of inventory properties sold	184,069	173,211
Others	80,954	22,887
<b>TOTAL</b>	<b><u>984,384</u></b>	<b><u>1,023,636</u></b>

**26. FINANCE EXPENSES***Currency: VND million*

	<u>Quarter II 2020</u>	<u>Quarter II 2019</u>
Interests on loans and bond	95,609	72,261
Amortisation of bond issue costs	3,280	620
Others	775	412
<b>TOTAL</b>	<b><u>99,664</u></b>	<b><u>73,293</u></b>



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter II 2020**27. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES**

*Currency: VND million*

	<u>Quarter II 2020</u>	<u>Quarter II 2019</u>
<b>Selling expenses</b>	<b>44,581</b>	<b>48,280</b>
Labour cost	12,397	20,698
Consulting, commission and brokerage fees	14,483	2,346
Brand and marketing fee	15,018	20,037
Depreciation and amortisation	1,950	2,656
Out-sourcing services	627	973
Others	106	1,570
<b>General and administrative expenses</b>	<b>91,634</b>	<b>126,849</b>
Labour cost	26,975	30,902
Depreciation and amortisation	20,220	19,760
Provision expenses	1,172	1,365
Out-sourcing services	8,906	1,150
Others	544	9,848
Management fee	33,817	63,824
<b>TOTAL</b>	<b><u>136,215</u></b>	<b><u>175,129</u></b>

**28. CORPORATE INCOME TAX**

The statutory corporate income tax ("CIT") applicable to the Company and its subsidiaries for Quarter II 2020 is 20% of taxable profit (for Quarter II 2019: 20%).

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

*Currency: VND million*

	<u>Quarter II 2020</u>	<u>Quarter II 2019</u>
Current corporate income tax expenses	102,650	147,665
Deferred tax (income)	(53)	(164)
<b>TOTAL</b>	<b><u>102,597</u></b>	<b><u>147,501</u></b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter II 2020**29. TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

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

<u>Related parties</u>	<u>Relationship</u>
Vingroup JSC	Parent company
Vinhomes JSC	Under common control
Vincommerce General Commerce Services JSC (*)	Under common control (To 31 December 2019)
Vinpro Business and Trading Services JSC	Under common control
Ecology Development and Investment JSC	Under common control
Vinpearl JSC	Under common control
Central Park Development LLC	Under common control
Vietnam Investment and Consulting Investment JSC	Under common control
Can Gio Tourist City Corporation	Under common control
Vinschool One Member LLC	Under common control
Thai Son Investment Construction Corporation	Under common control
Green City Development Joint Stock Company	Under common control (Since 01 July 2019)
Vinfast Manufacturing and Trading Company Limited	Under common control
Gia Lam Urban Development and Investment Limited Company	Under common control
Vinsmart Research and Manufacture Joint Stock Company	Under common control
Vinfast Trading and Service Limited Liability Company	Under common control

Significant transactions with related parties during the period:

*Currency: VND million*

	<u>From 01/01/2020 to 30/6/2020</u>	<u>From 01/01/2019 to 30/6/2019</u>
<b>Receivables from leasing and rendering of related services</b>		
Vincommerce General Commerce Services JSC	-	388,300
Vinhomes JSC	152,916	144,281
Vinpro Business and Trading Services JSC	2,066	109,283
Vinfast Trading and Service Limited Liability Company	33,506	-
Vinschool One Member LLC	16,771	38,755
Vinpearl JSC	14,980	44,948
<b>Payables for purchase of goods and services</b>		
Vingroup JSC	72,749	127,299
Vinpearl JSC	23,462	14,011
Vincommerce General Commerce Services JSC	-	25,276
Vinhomes JSC	26,048	193,438
Ecology Development and Investment JSC	19,470	18,583

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter II 2020

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

## Significant transactions with related parties during the period:

Currency: VND million

	From 01/01/2020 to 30/6/2020	From 01/01/2019 to 30/6/2019
<b>Acquisition of assets</b>		
Vingroup JSC	-	50,881
Vinhomes JSC	-	169,558
Central Park Development LLC	-	214,187
Vinpearl JSC	-	57,964
<b>Deposit for investment purpose</b>		
Thai Son Investment Construction Corporation	121,256	81,000
Gia Lam Urban Development and Investment Limited Company	31,659	98,000
<b>Lending</b>		
Vinsmart Research and Manufacture Joint Stock Company	1,050,000	-
<b>Collection of loan principal</b>		
Vinsmart Research and Manufacture Joint Stock Company	(1,050,000)	-
<b>Interests receivable</b>		
Vinsmart Research and Manufacture Joint Stock Company	25,698	-
Green City Development Joint Stock Company	23,311	-

## Amounts due from and due to related parties

Currency: VND million

<i>Related parties</i>	<i>Transactions</i>	<i>As at 30/6/2020</i>	<i>As at 31/12/2019</i>
<b>Short-term trade receivable</b> (Note 6.1)			
Vinhomes JSC	Receivables from leasing property and provision of related services	43,059	19,394
Vinpro Business and Trading Services JSC	Receivables from leasing property and provision of related services	7,880	17,972
Vinfast Commercial and Services Trading Limited Liability	Receivables from leasing property and provision of related services	11,490	635
Other companies in the Group	Other receivables	46,730	30,823
		<b>109,159</b>	<b>68,824</b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter II 2020

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

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

Currency: VND million

<i>Related parties</i>	<i>Transactions</i>	<i>As at 30/6/2020</i>	<i>As at 31/12/2019</i>
<b>Advances to suppliers</b> (Note 6.2)			
Vingroup JSC	Advances for purchase of assets	233,982	-
Central Park Development LLC	Advances for purchase of assets	33,271	-
Vinhomes JSC	Advances for purchase of services	5,995	5,995
Other companies in the Group	Advances for purchase of services	486	2,818
		<b>273,734</b>	<b>8,813</b>
<b>Other short-term receivables</b> (Note 7)			
Vingroup JSC	Interests receivable from	10,200	4,144
	Other receivables	1,043	1,432
Vinpearl JSC	Shared profit receivable	-	3,713
	Other receivables	6,550	3,275
Vietnam Investment and Consulting Investment JSC	Interests receivable from	7,822	19,381
	Other receivables	78	78
Can Gio Tourist City Corporation	Interests receivable from deposits	17,684	9,557
Green City Development Joint Stock Company	Interests receivable from deposits	26,386	3,075
Other companies in the Group	Other receivables	19,073	9,900
		<b>88,836</b>	<b>54,555</b>
<b>Long-term prepaid expenses</b> (Note 9)			
Ecology Development and Investment JSC	Long-term lease prepaid	253,824	258,051
		<b>253,824</b>	<b>258,051</b>
<b>Other current assets</b> (Note 10)			
Vingroup JSC	Deposits for business cooperation	886,000	886,000
West Hanoi Construction and Commercial Development LLC	Deposits for business cooperation	202,256	81,000
Gia Lam Urban Investment and Development LLC	Deposits for business cooperation	129,659	98,000
		<b>1,217,915</b>	<b>1,065,000</b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter II 2020

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

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

Currency: VND million

<i>Related parties</i>	<i>Transactions</i>	<i>As at 30/6/2020</i>	<i>As at 31/12/2019</i>
<b><i>Other long-term assets</i></b> (Note 10)			
Vingroup JSC	Deposits for business cooperation	72,000	72,000
Can Gio Tourist City Corporation	Deposits for business cooperation	163,000	163,000
Green City Development JSC	Deposits for business cooperation	657,420	362,000
		<b>892,420</b>	<b>597,000</b>
<b><i>Short-term trade payables</i></b> (Note 16)			
Vinpearl JSC	Payables for purchase of assets	114,285	220,771
	Payables for purchase of goods and services	4,340	9,961
Vinhomes JSC	Payables for purchase of assets	327,065	360,058
	Payables for purchase of goods and services	36,241	51,000
Vingroup JSC	Payables for purchase of assets	-	339,398
	Payables for purchase of goods and services	23,842	9,069
Vietnam Investment and Consulting Investment JSC	Payables for purchase of assets	677,450	716,143
	Payables for purchase of goods and services	276	9,083
Central Park Development LLC	Payables for purchase of assets	-	109,487
	Payables for purchase of goods and services	124	2,894
Other companies in the Group	Other payables	17,244	6,470
		<b>1,200,867</b>	<b>1,834,334</b>
<b><i>Short-term accrued expenses</i></b> (Note 19)			
Vinpearl JSC	Other payables	8,715	661
Companies in the Group	Other payables	493	2,301
		<b>9,208</b>	<b>2,962</b>
<b><i>Other short-term payables</i></b> (Note 20)			
Vinhomes JSC	Deposit for leasing retail	11,211	7,695
	Other payables	52,785	584
Other companies in the Group	Other payables	9,995	15,120
		<b>73,991</b>	<b>23,399</b>

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

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

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

Currency: VND million

<i>Related parties</i>	<i>Transactions</i>	<i>As at 30/6/2020</i>	<i>As at 31/12/2019</i>
<b><i>Other long-term liabilities</i></b> (Note 20)			
Vinschool One Member LLC	Deposit for leasing retail	5,282	4,247
Vinfast Manufacturing and Trading	Deposit for leasing retail	6,456	6,124
Vinfast Trading and Service Limited Liability	Deposit for leasing retail	17,182	-
Vinpearl JSC	Deposits for business cooperation	180,000	180,000
	Other payables	2,251	2,310
Other companies in the Group	Deposit for leasing retail	4,699	4,081
		<b>215,870</b>	<b>196,762</b>
<b><i>Unearned revenues</i></b> (Note 21)			
Other companies in the Group	Unearned revenue from leasing and rendering of related services	11,135	10,999
		<b>11,135</b>	<b>10,999</b>

***Loans and debts due to related parties*** (Note 22.1 and Note 22.2)

Financial lease liabilities from a related party as at 30 June 2020 was as follow:

<i>Related parties</i>	<i>As at 30/6/2020</i> <i>VND million</i>	<i>Interest rate</i> <i>per annum</i>	<i>Maturity date</i>
Ecology Development and Investment JSC	191,155	From 8.58% to 14.02%	March 2045
<i>In which: Current-portion</i>	<i>(19,887)</i>		
<b>TOTAL (i)</b>	<b>171,268</b>		

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter II 2019**29. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)*****Loans and debts due to related parties*** (Note 22.1 and Note 22.2) (continued)

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

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

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

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




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Nguyen Thi Xuan Nghia  
Chief Accountant




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Pham Ngoc Thoa  
Chief Finance Officer

27 July 2020

# Vincom Retail Joint Stock Company

APPENDIX  
Quarter II 2020

## APPENDIX 1 - CORPORATE STRUCTURE AS AT 30 JUNE 2020

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



# Vincom Retail Joint Stock Company

APPENDIX (continued)  
Quarter II 2020

## APPENDIX 2 - EXPLANATION FOR THE VARIANCES IN INCOME STATEMENT BETWEEN THE TWO PERIODS

(Under guidance of Circular No. 155/2015/TT-BTC dated 06 October 2015)

Currency: VND million

Code	Item	Quarter II 2020	Quarter II 2019	Variance	%
10	Net revenue from sale of goods and rendering of services	1,630,177	1,982,714	(352,537)	-18%
11	Cost of goods sold and services rendered	984,384	1,023,636	(39,252)	-4%
21	Financial income	57,553	77,758	(20,205)	-26%
22	Finance expenses	99,664	73,293	26,371	36%
60	Net profit after tax	343,168	640,296	(297,128)	-46%

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

- Net revenue from sale of goods and rendering of services in Quarter II 2020 decreased VND 353 billion in comparison with previous period mainly because of revenue from leasing activities and rendering of related services decreased VND 352 billion due to disbursement of the supporting packages amounting to VND 375 billion for tenants who are impacted by the Covid-19. Cost of goods sold and services rendered decreased correspondingly to the decrease of revenue.
- Finance income decreased VND 20 billion because of decrease of interest income from bank deposits, loans and deposits.
- Finance expenses increased VND 26 billion mainly because of disbursement of the VND 1.050 trillion bond in April 2020.
- Net profit after tax decreased VND 297 billion in comparison with prior period because of above mentioned reasons.

