



Vincom Retail Joint Stock Company

Separate Interim Financial Statements
for the six-month period ended 30 June 2020

Vincom Retail Joint Stock Company 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

Ms. Thai Thi Thanh Hai	Chairwoman
Ms. Tran Mai Hoa	Member
Ms. Nguyen Thi Diu	Member
Ms. Le Mai Lan	Member
Mr. Brett Krause	Member
Mr. Fong Ming Huang Ernerst	Member (from 26 May 2020)
Mr. Timothy J. Daly	Member (until 5 May 2020)

Board of Management

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

Ms. Do Thi Quynh Trang	Head of Board of Supervision
Ms. Nguyen Thu Phuong	Member
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

Vincom Retail Joint Stock Company Statement of the Board of Management

The Board of Management of Vincom Retail Joint Stock Company (“the Company”) presents this statement and the accompanying separate interim financial statements of the Company for the six-month period ended 30 June 2020.

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

- (a) the separate interim financial statements set out on pages 5 to 45 give a true and fair view of the separate interim financial position of the Company as at 30 June 2020, and of its separate results of operations and its separate cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Company 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 the accompanying separate interim financial statements for issue.



On behalf of the Board of Management

Phạm Ngọc Thoa
Chief Finance Officer

Hanoi, 26 August 2020



KPMG Limited Branch
10th Floor, Sun Wah Tower
115 Nguyen Hue Street, Ben Nghe Ward
District 1, Ho Chi Minh City, Vietnam
+84 (28) 3821 9266 | kpmg.com.vn

INTERIM FINANCIAL STATEMENTS REVIEW REPORT

To the Shareholders Vincom Retail Joint Stock Company

We have reviewed the accompanying separate interim financial statements of Vincom Retail Joint Stock Company (“the Company”), which comprise the separate balance sheet as at 30 June 2020, the separate statements of income and cash flows for the six-month period then ended and the explanatory notes thereto which were authorised for issue by the Company’s Board of Management on 26 August 2020, as set out on pages 5 to 45.

Management’s Responsibility

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

Auditor’s Responsibility

Our responsibility is to express a conclusion on these separate interim financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review engagements 2410 – *Review of interim financial information performed by the independent auditor of the entity*.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Auditor's Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying separate interim financial statements do not give a true and fair view, in all material respects, of the separate financial position of Vincom Retail Joint Stock Company as at 30 June 2020 and of its separate results of operations and its separate cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting.

KPMG Limited's Branch in Ho Chi Minh City

Vietnam

Report No.: 20-01-00203-20-1



[Signature]
Practising Auditor Registration
Certificate No. 0414-2018-007-1
Deputy General Director

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

Ho Chi Minh City, 26 August 2020

Vincom Retail Joint Stock Company
Separate balance sheet as at 30 June 2020

Form B 01a – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	30/6/2020 VND million	1/1/2020 VND million
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		7,603,104	5,364,782
Cash and cash equivalents	110	7	3,734,509	1,197,520
Cash	111		1,534,509	1,197,520
Cash equivalents	112		2,200,000	-
Short-term financial investments	120		-	700,000
Held-to-maturity investments	123	8(c)	-	700,000
Accounts receivable – short-term	130		1,510,408	1,398,011
Accounts receivable from customers – short-term	131	9	444,356	279,822
Prepayments to suppliers – short-term	132		94,353	54,606
Other short-term receivables	136	10	973,386	1,064,460
Allowance for doubtful debts	137	11	(1,687)	(877)
Inventories	140	12	985,392	952,143
Inventories	141		985,392	952,143
Other current assets	150		1,372,795	1,117,108
Short-term prepaid expenses	151	19(a)	154,687	51,225
Deductible value added tax	152		-	650
Taxes receivable from State Treasury	153		193	233
Other current assets	155	13	1,217,915	1,065,000

The accompanying notes are an integral part of these separate interim financial statements

Vincom Retail Joint Stock Company
Separate balance sheet as at 30 June 2020 (continued)

Form B 01a – DN
*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	30/6/2020 VND million	1/1/2020 VND million
Long-term assets (200 = 210 + 220 + 230 + 240 + 250 + 260)	200		24,781,144	23,670,937
Accounts receivable – long-term	210		1,251,938	1,403,223
Loans receivable – long-term	215	14	1,250,000	1,400,000
Other long-term receivables	216		1,938	3,223
Fixed assets	220		35,576	31,862
Tangible fixed assets	221	15	9,244	10,264
Cost	222		13,256	13,054
Accumulated depreciation	223		(4,012)	(2,790)
Intangible assets	227	16	26,332	21,598
Cost	228		53,311	44,222
Accumulated amortisation	229		(26,979)	(22,624)
Investment property	230	17	4,648,686	4,268,587
Cost	231		5,170,990	4,692,049
Accumulated depreciation	232		(522,304)	(423,462)
Long-term work in progress	240		519,463	377,409
Construction in progress	242	18	519,463	377,409
Long-term financial investments	250		17,376,506	16,942,609
Investments in subsidiaries	251	8(a)	12,579,789	12,579,789
Investments in other entities	253	8(b)	4,796,717	4,362,820
Other long-term assets	260		948,975	647,247
Long-term prepaid expenses	261	19(b)	56,555	50,247
Other long-term assets	268	13	892,420	597,000
TOTAL ASSETS (270 = 100 + 200)	270		32,384,248	29,035,719

The accompanying notes are an integral part of these separate interim financial statements


Vincom Retail Joint Stock Company
Separate balance sheet as at 30 June 2020 (continued)

Form B 01a – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	30/6/2020 VND million	1/1/2020 VND million
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		8,033,392	5,029,817
Current liabilities	310		4,020,478	2,036,684
Accounts payable to suppliers				
– short-term	311	20	371,006	214,731
Advances from customers				
– short-term	312	21	1,460,538	436,259
Taxes and other payables to State Treasury	313	22	188,910	78,870
Payables to employees	314		378	469
Accrued expenses – short-term	315	23	651,695	567,395
Unearned revenue – short-term	318	24(a)	20,319	7,332
Other payables – short-term	319	25(a)	1,317,548	721,783
Provisions – short-term	321	27	10,084	9,845
Long-term liabilities	330		4,012,914	2,993,133
Unearned revenue – long-term	336	24(b)	128,179	120,204
Other payables – long-term	337	25(c)	268,905	274,834
Long-term bonds	338	26	3,615,830	2,598,095
EQUITY (400 = 410)	400		24,350,856	24,005,902
Owners' equity	410	28	24,350,856	24,005,902
Share capital	411	29	23,288,184	23,288,184
- Ordinary shares with voting rights	411a		23,288,184	23,288,184
Share premium	412	28	46,983	46,983
Treasury shares	415	28	(1,954,258)	(1,954,258)
Other equity funds	420	28	5,000	5,000
Undistributed profits after tax	421		2,964,947	2,619,993
- Undistributed profits after tax brought forward	421a		2,619,993	-
- Net profits after tax for the current period/prior year	421b		344,954	2,619,993
TOTAL RESOURCES (440 = 300 + 400)	440		32,384,248	29,035,719

26 August 2020

Prepared by:


 Nguyen Thi Xuan Nghia
 Chief Accountant

Approved by:

 Pham Ngoc Thoa
 Chief Finance Officer

The accompanying notes are an integral part of these separate interim financial statements

Vincom Retail Joint Stock Company
Separate statement of income for the six-month period ended 30 June 2020

Form B 02a – DN
(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	Six-month period ended	
			30/6/2020 VND million	30/6/2019 VND million
Revenue from sales of goods and provision of services	01	32	1,279,196	1,676,305
Revenue deductions	02	32	-	-
Net revenue from sale of goods and provision of services (10 = 01 - 02)	10	32	1,279,196	1,676,305
Cost of sales	11	33	771,330	1,070,292
Gross profit (20 = 10 - 11)	20		507,866	606,013
Financial income	21	34	160,505	2,043,235
Financial expenses	22	35	158,717	133,618
<i>In which: Interest expense</i>	23		158,717	133,364
Selling expenses	25	36	41,512	53,442
General and administration expenses	26	37	42,251	59,173
Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		425,891	2,403,015
Other income	31		8,023	3,787
Other expenses	32		930	351
Results of other activities (40 = 31 - 32)	40		7,093	3,436
Accounting profit before tax (50 = 30 + 40)	50		432,984	2,406,451
Current corporate income tax expense	51	39	88,030	123,136
Deferred corporate income tax expense	52	39	-	-
Net profit after tax (60 = 50 - 51 - 52)	60		344,954	2,283,315

26 August 2020

Prepared by:



Nguyen Thi Xuan Nghia
 Chief Accountant

Approved by:



Pham Ngoc Thoa
 Chief Finance Officer

The accompanying notes are an integral part of these separate interim financial statements

Vincom Retail Joint Stock Company
Separate statement of cash flows for the six-month period ended 30 June 2020
(Indirect method)

Form B 03a – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	Six-month period ended	
			30/6/2020 VND million	30/6/2019 VND million
CASH FLOWS FROM OPERATING ACTIVITIES				
Accounting profit before tax	01		432,984	2,406,451
Adjustments for				
Depreciation and amortisation	02		105,658	67,099
Allowances and provisions	03		1,420	1,462
Profits from investing activities	05		(160,505)	(2,043,235)
Interest expense and bonds issuance costs	06		158,717	133,364
Operating profit before changes in working capital	08		538,274	565,141
Change in receivables and other assets	09		(170,532)	(226,340)
Change in inventories	10		(28,655)	(62,835)
Change in payables and other liabilities	11		1,763,824	70,955
Change in prepaid expenses	12		(107,200)	(4,096)
			1,995,711	342,825
Interest paid	14		(131,444)	(126,714)
Corporate income tax paid	15		(54,789)	(97,625)
Net cash flows from operating activities	20		1,809,478	118,486

The accompanying notes are an integral part of these separate interim financial statements

Vincom Retail Joint Stock Company
Separate statement of cash flows for the six-month period ended 30 June 2020
(Indirect method – continued)

Form B 03a – DN
(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	Six-month period ended	
			30/6/2020 VND million	30/6/2019 VND million
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets and other long-term assets	21		(1,375,795)	(2,286,073)
Proceeds from disposals of fixed assets	22		111	-
Payments for granting loans and placement of term deposits	23		(878,000)	(40,000)
Receipts from collecting loans and term deposits	24		1,728,000	2,010,000
Receipts of interest and dividends	27		237,950	1,118,869
Net cash flows from investing activities	30		(287,734)	802,796
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuing bonds	33		1,015,245	-
Payments of dividends	36		-	(2,363,941)
Net cash flows used in financing activities	40		1,015,245	(2,363,941)
Net cash flows during the period (50 = 20 + 30 + 40)	50		2,536,989	(1,442,659)
Cash and cash equivalents at the beginning of the period	60		1,197,520	2,051,375
Cash and cash equivalents at the end of the period (70 = 50 + 60)	70	7	3,734,509	608,716

26 August 2020

Prepared by:



Nguyen Thi Xuan Nghia
 Chief Accountant

Approved by:



Pham Ngoc Thoa
 Chief Finance Officer

The accompanying notes are an integral part of these separate interim financial statements

Vincom Retail Joint Stock Company

Notes to the separate interim financial statements for the six-month period ended 30 June 2020

Form B 09a – DN

*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

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

1. Reporting entity

(a) Ownership structure

Vincom Retail Joint Stock Company (“the Company”) is incorporated as a joint stock company in Vietnam.

(b) Principal activities

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

(c) Normal operating cycle

The Company’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 business is from 12 months to 36 months. The Company’s normal course of business cycle of other business activities is 12 months.

(d) Company structure

As at 30 June 2020, the Company had 847 employees (1/1/2020: 1,076 employees).

2. Basis of preparation

(a) Statement of compliance

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

The Company prepares and issues its consolidated interim financial statements separately on 26 August 2020. For a comprehensive understanding of the Company’s consolidated financial position, its consolidated results of operations and its consolidated cash flows, these separate interim financial statements should be read in conjunction with the consolidated interim financial statements.

Vincom Retail Joint Stock Company

**Notes to the separate interim financial statements for the six-month period ended 30 June 2020
(continued)**

Form B 09a – DN

*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

(b) Basis of measurement

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

(c) Annual accounting period

The annual accounting period of the Company is from 1 January to 31 December. These separate interim financial statements have been prepared for the six-month period ended 30 June 2020.

(d) Accounting and presentation currency

The Company's accounting currency is Vietnam Dong ("VND").

The separate interim financial statements for the six-month period 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 in the preparation of the accompanying separate interim financial statements.

These accounting policies have been adopted by the Company in the preparation of the accompanying separate interim financial statements and are consistent with those adopted in the preparation of the latest separate annual financial statements.

(a) Foreign currency transactions

Transactions in currencies other than VND during the period 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 the account transfer selling rate at the end of the accounting period, respectively, quoted by the commercial bank where the Company most frequently conducts transactions.

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

(b) Cash and cash equivalents

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.

Vincom Retail Joint Stock Company

**Notes to the separate interim financial statements for the six-month period ended 30 June 2020
(continued)**

Form B 09a – DN

*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

(c) Investments

(i) *Held-to-maturity investments*

Held-to-maturity investments are those that the Company has 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.

(ii) *Investments in subsidiaries*

For the purpose of these separate interim financial statements, investments in subsidiaries are initially recognised at cost which includes purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, these investments are stated at cost less allowance for diminution in value. An allowance is made for diminution in investment value if the investee has suffered a loss, except where such a loss was anticipated by the Company's management before making the investment. The allowance is reversed if the investee subsequently made a profit that offsets the previous loss for which the allowance had been made. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

(d) Accounts receivable from customers and other receivables

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

(e) 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 separate 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.

Vincom Retail Joint Stock Company

**Notes to the separate interim financial statements for the six-month period ended 30 June 2020
(continued)**

Form B 09a – DN

*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

(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.

(f) 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 separate statement of income in the period 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.

(ii) 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 3 – 5 years
- office equipment 3 – 5 years

(g) Intangible fixed assets

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 – 8 years.

Vincom Retail Joint Stock Company

**Notes to the separate interim financial statements for the six-month period ended 30 June 2020
(continued)**

Form B 09a – DN

*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

(h) Investment property

Investment property held to earn rental

(i) 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 separate statement of income in the period 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.

(ii) 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 5 – 25 years

(i) 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 period of construction or installation.

(j) Prepaid expenses

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

(i) Selling expenses

Selling expenses comprise commission fees and gift vouchers that are directly related to sale of inventory properties and lease of shopping malls. These expenses are capitalised under the prepaid expenses account in the separate balance sheet and subsequently expensed when the Company recognises revenue from the sale of the related inventory properties and leasing shopping malls and lease of shopping malls.

(ii) Prepaid land costs

Prepaid land costs comprise prepaid land lease rentals, including those for which the Company 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 separate statement of income on a straight-line basis over the term of the lease contract.

Vincom Retail Joint Stock Company

**Notes to the separate interim financial statements for the six-month period ended 30 June 2020
(continued)**

Form B 09a – DN

*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

(iii) Tools and supplies

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

(v) Overhaul expenditures

Overhaul expenditure include major repair and maintenance 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.

(k) Accounts payable to suppliers and other payables

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

(l) Provisions

A provision is recognised if, as a result of a past event, the Company has 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 shophouses

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

(m) 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 recognised as a reduction from equity. Repurchased shares are classified as treasury shares under equity.

Vincom Retail Joint Stock Company

**Notes to the separate interim financial statements for the six-month period ended 30 June 2020
(continued)**

Form B 09a – DN

*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

(n) 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.

(o) Taxation

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

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

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 end of the 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.

(p) 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 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.

Vincom Retail Joint Stock Company

**Notes to the separate interim financial statements for the six-month period ended 30 June 2020
(continued)**

Form B 09a – DN

*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

(ii) Revenue from leasing of investment properties

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

(iii) Rendering of services

Revenue from services rendered is recognised in the separate 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 on a time proportion basis with reference to the principal outstanding and the applicable interest rate.

(v) Dividend income

Dividend income is recognised when the right to receive dividend is established.

(q) Leased assets

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

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

Where the Company is the lessee

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

Where the Company is the lessor

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

Lease income is recognised in the separate 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.

(r) Borrowing costs

Borrowing costs are recognised as an expense in the period 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 period of construction are capitalised as part of the cost of the assets concerned.

Vincom Retail Joint Stock Company

**Notes to the separate interim financial statements for the six-month period ended 30 June 2020
(continued)**

Form B 09a – DN

*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

(s) Related parties

Parties are considered to be related to the Company 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 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. Seasonality of operations

The Company main activities are to invest in and develop shopping centers for lease and inventory properties for sale and these activities are not subject to seasonal fluctuations.

5. Changes in accounting estimates and unusual items

In preparing these separate interim financial statements, the Company's Board of Management has made several accounting estimates. Actual results may differ from these estimates. There were no significant changes in accounting estimates made in the separate interim financial statements for the six-month period ended 30 June 2020 compared to those made in the most recent annual separate financial statements or those made in the same interim period of the prior year.

There are no significant unusual items that may affect the Company and its subsidiaries' interim consolidated financial statements for the six-month period ended 30 June 2020.

6. Changes in the composition of the Company

There were no changes in the composition of the Company made in the separate interim financial statements for the six-month period ended 30 June 2020 compared to those made in the most recent annual separate financial statements.

7. Cash and cash equivalents

	30/6/2020	1/1/2020
	VND million	VND million
Cash in banks	1,534,499	1,197,500
Cash in transit	10	20
Cash equivalents	2,200,000	-
	<hr/>	<hr/>
	3,734,509	1,197,520
	<hr/>	<hr/>

Cash equivalents as at 30 June 2020 included term deposits in VND with original terms of one month and earned interest at the rate ranging from 4.1% - 4.25% per annum (1/1/2020: nil).

Vincom Retail Joint Stock Company

Notes to the separate interim financial statements for the six-month period ended 30 June 2020 (continued)

Form B 09a – DN

(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

8. Investments

(a) Investments in subsidiaries

	30/6/2020				1/1/2020			
	Quantity	% of equity owned and voting rights	Cost VND million	Fair value	Quantity	% of equity owned and voting rights	Cost VND million	Fair value
▪ South Vincom Retail Limited Liability Company	(*)	100%	5,779,000	(**)	(*)	100%	5,779,000	(**)
▪ North Vincom Retail Limited Liability Company	(*)	100%	5,858,780	(**)	(*)	100%	5,858,780	(**)
▪ Suoi Hoa Urban Development and Investment Joint Stock Company	34,240,000	97.27%	562,009	(**)	34,240,000	97.27%	562,009	(**)
▪ Ha Thanh Real Estate Development and Investment Company Limited	(*)	100%	380,000	(**)	(*)	100%	380,000	(**)
			12,579,789				12,579,789	

(*) These are limited liability companies.

(**) The Company has not determined the fair value of the equity investment in subsidiaries for disclosure in the separate interim financial statements because information about their market prices are not available and there is currently no guidance on determination of fair value using valuation techniques under Vietnamese Accounting Standards or the Vietnamese Accounting System for enterprises. The fair value of the equity investments may differ from its carrying amount.

Vincom Retail Joint Stock Company**Notes to the separate interim financial statements for the six-month period ended 30 June 2020 (continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

There was no movement in investments in subsidiaries during the period.

There was no allowance for diminution of investments in subsidiaries in the separate interim financial statements for the six-month period ended 30 June 2020 and 2019.

Details of the subsidiaries as at 30 June 2020 are described as follows:

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

Vincom Retail Joint Stock Company**Notes to the separate interim financial statements for the six-month period ended 30 June 2020
(continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***(b) Investments in other entities**

Investment in other entities included capital contributions under business cooperation contracts of VND4,796,717 million (1/1/2020: VND4,362,820 million) to Vingroup Joint Stock Company, parent company, and its related companies (hereby referred to as “the counterparties”), to develop the shopping mall components of real estate projects. The construction of shopping malls has been completed and were ready for commercial operations. The business cooperation contracts for those shopping malls have been signed giving the Company the right to control, manage and operate the shopping malls, and to share a portion of profit before tax from the operation of the shopping malls to the counterparties.

(c) Held-to-maturity investments – short-term

There were no held-to-maturity investments – short-term in the separate interim financial statements for the six-month period ended 30 June 2020 (1/1/2020: term deposits with remaining term less than 12 months and earned interest at the rate of 7.1% per annum).

9. Accounts receivable from customers – short-term

	30/6/2020	1/1/2020
	VND million	VND million
Receivables from leasing activities and rendering of related services	256,420	86,346
Receivables from rendering management services	102,210	85,963
Receivables from sale of inventory properties	85,726	107,513
	<hr/>	<hr/>
	444,356	279,822
	<hr/>	<hr/>

In which:

	30/6/2020	1/1/2020
	VND million	VND million
<i>Receivable from related parties:</i>	<i>135,118</i>	<i>113,002</i>
North Vincom Retail Limited Liability Company	108,804	64,938
Suoi Hoa Urban Development and Investment Joint Stock Company	2,892	1,252
South Vincom Retail Limited Liability Company	-	32,713
Other related parties	23,422	14,099
<i>Third parties:</i>	<i>309,238</i>	<i>166,820</i>
Other customers	309,238	166,820
	<hr/>	<hr/>
	444,356	279,822
	<hr/>	<hr/>

Vincom Retail Joint Stock Company**Notes to the separate interim financial statements for the six-month period ended 30 June 2020
(continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***10. Other short-term receivables****(a) Other short-term receivables comprise:**

	30/6/2020 VND million	1/1/2020 VND million
Deposits for purchase of shopping mall	750,000	750,000
Dividend receivable	96,000	220,000
Interests on bank deposits, other deposits and loans	86,817	51,270
Receivable for payment on behalf	19,047	13,945
Deposits for projects and contracts	4,783	14,565
Others	16,739	14,680
	973,386	1,064,460

(b) Other short-term receivables from related parties

	30/6/2020 VND million	1/1/2020 VND million
Parent company		
Vingroup Joint Stock Company	11,130	4,291
Subsidiaries		
South Vincom Retail Limited Liability Company	754,118	758,182
North Vincom Retail Limited Liability Company	125,123	242,579
Suoi Hoa Urban Development and Investment Joint Stock Company	452	9
Other related parties		
Other related parties	67,182	35,941
	958,005	1,041,002

11. Allowance for doubtful debts

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

	Six-month period ended 30/6/2020 VND million	Six-month period ended 30/6/2019 VND million
Opening balance	877	45
Increase in allowance during the period	810	276
Closing balance	1,687	321

Vincom Retail Joint Stock Company**Notes to the separate interim financial statements for the six-month period ended 30 June 2020
(continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***12. Inventories**

	30/6/2020		1/1/2020	
	Cost VND million	Allowance VND million	Cost VND million	Allowance VND million
Completed inventory properties	100,347	-	130,405	-
Inventory properties under construction	874,976	-	812,345	-
Other inventories	10,069	-	9,393	-
	<hr/>		<hr/>	
	985,392	-	952,143	-
	<hr/>		<hr/>	

13. Other assets

	30/6/2020 VND million	1/1/2020 VND million
Other current assets		
Deposits to related parties for investment purposes	1,217,915	1,065,000
	<hr/>	<hr/>
Other long-term assets		
Deposits to related parties for investment purposes	892,420	597,000
	<hr/>	<hr/>
	2,110,335	1,662,000
	<hr/>	<hr/>

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, or to grant the Company the right to purchase the shopping malls.

Vincom Retail Joint Stock Company**Notes to the separate interim financial statements for the six-month period ended 30 June 2020
(continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***Deposits to related parties for investments**

	30/6/2020 VND million	1/1/2020 VND million
Parent company		
Vingroup Joint Stock Company	958,000	958,000
Other related parties		
Thai Son Investment Construction Corporation	202,256	81,000
Gia Lam Urban Investment and Development Company Limited	129,659	98,000
Can Gio Tourist City Corporation	163,000	163,000
Green City Development JSC	657,420	362,000
	2,110,335	1,662,000
	2,110,335	1,662,000

14. Loans receivable – long-term

	Year of maturity	Annual interest rate	30/6/2020 VND million	1/1/2020 VND million
Subsidiaries				
▪ North Vincom Retail Limited Liability Company	2019-2022	9.8%	900,000	900,000
▪ South Vincom Retail Limited Liability Company	2019-2022	9.8%	350,000	500,000
			1,250,000	1,400,000
			1,250,000	1,400,000

These loans are unsecured.

Vincom Retail Joint Stock Company**Notes to the separate interim financial statements for the six-month period ended 30 June 2020
(continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***15. Tangible fixed assets**

	Buildings, structures VND million	Machinery and equipment VND million	Office equipment VND million	Total VND million
Cost				
Opening balance	226	10,082	2,746	13,054
Additions	-	485	75	560
Disposals	-	(236)	-	(236)
Transfers to short-term prepaid expenses	-	(122)	-	(122)
Closing balance	226	10,209	2,821	13,256
Accumulated depreciation				
Opening balance	184	2,086	520	2,790
Charge for the period	23	1,213	179	1,415
Disposals	-	(125)	-	(125)
Transfers to short-term prepaid expenses	-	(68)	-	(68)
Closing balance	207	3,106	699	4,012
Net book value				
Opening balance	42	7,996	2,226	10,264
Closing balance	19	7,103	2,122	9,244

Vincom Retail Joint Stock Company**Notes to the separate interim financial statements for the six-month period ended 30 June 2020
(continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***16. Intangible fixed asset**

	Software VND million
Cost	
Opening balance	44,222
Additions	9,089
Closing balance	53,311
Accumulated amortisation	
Opening balance	22,624
Charge for the period	4,355
Closing balance	26,979
Net book value	
Opening balance	21,598
Closing balance	26,332

17. Investment property

	Land use right and buildings, structures VND million	Machinery and equipment VND million	Total VND million
Cost			
Opening balance	3,667,683	1,024,366	4,692,049
Additions	214,662	74,351	289,013
Increase upon finalisation	184,442	11,126	195,568
Transfers to inventory properties	(4,373)	(1,267)	(5,640)
Closing balance	4,062,414	1,108,576	5,170,990
Accumulated depreciation			
Opening balance	266,039	157,423	423,462
Charge for the period	56,194	43,694	99,888
Transfers to inventory properties	(677)	(369)	(1,046)
Closing balance	321,556	200,748	522,304
Net book value			
Opening balance	3,401,644	866,943	4,268,587
Closing balance	3,740,858	907,828	4,648,686

Vincom Retail Joint Stock Company**Notes to the separate interim financial statements for the six-month period ended 30 June 2020
(continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

Investment properties mainly include the shopping malls of the Company. As at 30 June 2020, the Company is 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 are disclosed in Note 26.

18. Construction in progress

	Six-month period ended 30/6/2020 VND million
Opening balance	377,409
Additions	142,054
	<hr/>
Closing balance	519,463
	<hr/>

Detailed by constructions in progress which account for more than 10% of total were as follows:

	30/6/2020 VND million	1/1/2020 VND million
Vincom Plaza My Tho project	219,523	103,448
Vincom Plaza Bac Lieu project	156,826	92,312
Vincom Plaza Song Cong project	109,037	108,973
	<hr/>	<hr/>

19. Prepaid expenses**(a) Short-term prepaid expenses**

	30/6/2020 VND million	1/1/2020 VND million
Prepaid selling expenses related to sale of inventory properties not yet handed over	135,600	24,541
Prepaid provisional corporate income tax	14,475	4,331
Prepaid land costs	-	13,236
Others	4,612	9,117
	<hr/>	<hr/>
	154,687	51,225
	<hr/>	<hr/>

Vincom Retail Joint Stock Company

**Notes to the separate interim financial statements for the six-month period ended 30 June 2020
(continued)**

Form B 09a – DN

*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

(b) Long-term prepaid expenses

	30/6/2020 VND million	1/1/2020 VND million
Tools and supplies	18,793	20,694
Overhaul expenditures	11,564	11,142
Prepaid land costs	11,236	-
Others	14,962	18,411
	56,555	50,247
	56,555	50,247

20. Accounts payable to suppliers – short-term

	30/6/2020		1/1/2020	
	Cost VND million	Amount within payment capacity VND million	Cost VND million	Amount within payment capacity VND million
<i>Related parties</i>	81,957	81,957	55,290	55,290
Vinhomes Joint Stock Company	31,652	31,652	32,933	32,933
Vingroup Joint Stock Company	26,810	26,810	3,944	3,944
North Vincom Retail Limited Liability Company	5,887	5,887	3,385	3,385
South Vincom Retail Limited Liability Company	367	367	19	19
Other related parties	17,241	17,241	15,009	15,009
<i>Payables to a constructor</i>	41,290	41,290	15,058	15,058
<i>Other suppliers</i>	247,759	247,759	144,383	144,383
	371,006	371,006	214,731	214,731
	371,006	371,006	214,731	214,731

Vincom Retail Joint Stock Company**Notes to the separate interim financial statements for the six-month period ended 30 June 2020
(continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***21. Advance from customers – short-term**

	30/6/2020 VND million	1/1/2020 VND million
Advance from customers under real estate sale and purchase agreements	1,452,180	433,041
Others	8,358	3,218
	<hr/> 1,460,538	<hr/> 436,259

22. Taxes and other payables to State Treasury

	1/1/2020 VND million	Incurred VND million	Paid VND million	Transfer/ (net-off) VND million	30/6/2020 VND million
Value added tax	-	203,203	(31,646)	(111,181)	60,376
Corporate income tax	75,187	88,030	(54,789)	10,144	118,572
Personal income tax	3,683	22,882	(24,341)	-	2,224
Land tax and land rental fee	-	8,854	(1,116)	-	7,738
Other taxes	-	834	(793)	(41)	-
	<hr/> 78,870	<hr/> 323,803	<hr/> (112,685)	<hr/> (101,078)	<hr/> 188,910

23. Accrued expenses – short-term

	30/6/2020 VND million	1/1/2020 VND million
Accrued construction costs	395,874	359,167
Accrued bond and loan interests	120,736	103,993
Accrued commission and brokerage fee	78,411	22,809
Others	56,674	81,426
	<hr/> 651,695	<hr/> 567,395

Vincom Retail Joint Stock Company**Notes to the separate interim financial statements for the six-month period ended 30 June 2020
(continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***Accrued expenses payable to related party**

	30/6/2020 VND million	1/1/2020 VND million
Other related parties	531	1,393

24. Unearned revenue**(a) Unearned revenue – short-term**

	30/6/2020 VND million	1/1/2020 VND million
Portion of long-term unearned revenue to be realised within 12 months	20,319	7,332

(b) Unearned revenue – long-term

	30/6/2020 VND million	1/1/2020 VND million
Revenue received in advance from leasing activities and rendering of related services	148,498	127,536
Amount to be realised within 12 months	(20,319)	(7,332)
Amount to be realised after 12 months	128,179	120,204

(c) Unearned revenue from related parties

	30/6/2020 VND million	1/1/2020 VND million
Other related parties	11,413	183

Vincom Retail Joint Stock Company**Notes to the separate interim financial statements for the six-month period ended 30 June 2020
(continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***25. Other payables****(a) Other payables – short-term**

	30/6/2020	1/1/2020
	VND million	VND million
Deposits under deposit contracts and loan agreements received from customers	715,616	361,832
Centralised cash management in master account payable to subsidiaries	478,053	308,888
Gift voucher related to sale of inventory properties not yet handed over	52,200	-
Deposits from tenants for leasing offices and shophouses to be refunded within the next 12 months	37,185	18,767
Deposits for site construction	12,905	16,341
Deposits received for maintenance of handed-over properties	4,103	-
Dividends payable	14	14
Others	17,472	15,941
	<hr/>	<hr/>
	1,317,548	721,783
	<hr/>	<hr/>

(b) Other payables – short-term to related parties

	30/6/2020	1/1/2020
	VND million	VND million
Subsidiaries		
South Vincom Retail Limited Liability Company	277,405	119,269
Suoi Hoa Urban Development and Investment Joint Stock Company	160,902	189,261
North Vincom Retail Limited Liability Company	48,893	5,964
Other related parties		
Vinhomes Joint Stock Company	52,200	-
Other related parties	1,506	141
	<hr/>	<hr/>
	540,906	314,635
	<hr/>	<hr/>

Vincom Retail Joint Stock Company

**Notes to the separate interim financial statements for the six-month period ended 30 June 2020
(continued)**

Form B 09a – DN

*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

(c) Other payables – long-term

	30/6/2020 VND million	1/1/2020 VND million
Deposits from tenants for leasing offices and shophouses	306,090	293,601
Deposits from tenants to be refunded within the next 12 months	(37,185)	(18,767)
	<hr/>	<hr/>
	268,905	274,834
	<hr/>	<hr/>

(d) Other payables – long-term to related parties

	30/6/2020 VND million	1/1/2020 VND million
Other related parties	9,923	6,866
	<hr/>	<hr/>

Vincom Retail Joint Stock Company

Notes to the separate interim financial statements for the six-month period ended 30 June 2020 (continued)

Form B 09a – DN

(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

26. Long-term bonds

Bond holder	30/6/2020 VND million	1/1/2020 VND million	Maturity date	Annual interest rate	Secured assets
Vietnam Bank for Industry and Trade Securities Joint Stock Company	2,598,535	2,598,095	8 March 2022	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%.	(*)
Techcom Securities Joint Stock Company	1,017,295	-	17 April 2023 and 27 April 2023	Interest rate applied for the first year is 9.5% per annum, and the rate for the subsequent years is floating, being adjusted once per quarter and is determined by the average interest rate of 12-month VND savings in Joint stock Commercial Bank for Investment and. Development of Viet Nam; Vietnam Joint Stock Commercial Bank for Industry and Trade; Joint Stock Commercial Bank for Foreign Trade of Vietnam and Vietnam Technology and Commercial Joint Stock Bank plus (+) 3.25%.	(**)
	<u>3,615,830</u>	<u>2,598,095</u>			

(*) These bonds are secured by land use rights and assets attached to land of a number of shopping malls owned by subsidiaries.

(**) These bonds are secured by land use rights and assets attached to land of one shopping mall owned by a subsidiary.

Vincom Retail Joint Stock Company

**Notes to the separate interim financial statements for the six-month period ended 30 June 2020
(continued)**

Form B 09a – DN

*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

27. Provisions – short-term

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

Movements of the provision during the period were as follows:

	Six-month period ended 30/6/2020 VND million
Opening balance	9,845
Provision made during the period	610
Provision used during the period	(371)
	<hr/>
Closing balance	10,084
	<hr/>

Vincom Retail Joint Stock Company

Notes to the separate interim financial statements for the six-month period ended 30 June 2020 (continued)

Form B 09a – DN

*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

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	Total VND million
Balance at 1 January 2019	23,288,184	46,983	-	-	967,580	24,302,747
Net profit for the period	-	-	-	-	2,283,315	2,283,315
Dividends declared (Note 30)	-	-	-	-	(2,445,259)	(2,445,259)
Appropriation to equity funds	-	-	-	5,000	(5,000)	-
Balance at 30 June 2019	23,288,184	46,983	-	5,000	800,636	24,140,803
Balance at 1 January 2020	23,288,184	46,983	(1,954,258)	5,000	2,619,993	24,005,902
Net profit for the period	-	-	-	-	344,954	344,954
Balance at 30 June 2020	23,288,184	46,983	(1,954,258)	5,000	2,964,947	24,350,856

Vincom Retail Joint Stock Company**Notes to the separate interim financial statements for the six-month period ended 30 June 2020
(continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***29. Share capital**

The Company's authorised and issued share capital are:

	30/6/2020		1/1/2020	
	Number of shares	VND million	Number of shares	VND million
Authorised and issued share capital				
Ordinary shares	2,328,818,410	23,288,184	2,328,818,410	23,288,184
Treasury shares				
Ordinary shares	56,500,000	1,954,258	56,500,000	1,954,258
Shares in circulation				
Ordinary shares	2,272,318,410	22,723,184	2,272,318,410	22,723,184
Share premium	-	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.

Movements in share capital during the period were as follows:

	30/6/2020		1/1/2020	
	Number of shares	VND million	Number of shares	VND million
Balance at the beginning of the period	2,272,318,410	22,723,184	2,328,818,410	23,288,184
Repurchase of treasury shares	-	-	(56,500,000)	(565,000)
Balance at the end of the period	2,272,318,410	22,723,184	2,272,318,410	22,723,184

30. Dividends

During the period, there was no dividends distributed to existing shareholders (for the six-month period ended 30 June 2019: dividends by cash distributed to existing shares at the rate of 10.5% (1 share received VND1,050)).

Vincom Retail Joint Stock Company**Notes to the separate interim financial statements for the six-month period ended 30 June 2020
(continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***31. Off balance sheet items****(a) Lease commitments***Commitment under operating leases where the Company is the lessor*

The Company, as lessor, leased retail outlets under operating lease agreements. The future minimum lease payments under these agreements at the balance sheet date were as follows:

	30/6/2020 VND million	1/1/2020 VND million
Within 1 year	1,084,975	834,885
Within 2 to 5 years	1,857,163	1,574,595
More than 5 years	1,671,038	1,559,295
	<hr/>	<hr/>
	4,613,176	3,968,775
	<hr/>	<hr/>

Commitment under operating leases where the Company is the lessee

The Company, as lessee, entered into certain operating lease agreements. The minimum lease payments under non-cancellable operating leases were as follows:

	30/6/2020 VND million	1/1/2020 VND million
Within 1 year	10,389	10,389
Within 2 to 5 years	41,554	41,554
More than 5 years	418,608	428,256
	<hr/>	<hr/>
	470,551	480,199
	<hr/>	<hr/>

(b) Capital commitments

The Company has entered into construction contracts on the development of real estate projects. The estimated commitments on these contracts amount to approximately VND639,998 million as at 30 June 2020 (1/1/2020: VND1,076,191 million).

Vincom Retail Joint Stock Company**Notes to the separate interim financial statements for the six-month period ended 30 June 2020
(continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***(c) Other commitments***Commitments for co-developing of shopping malls*

Under business cooperation contracts between the Company and Vingroup Joint Stock Company, the Company is 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 provides funds to Vingroup Joint Stock Company to construct the malls. In case Vingroup Joint Stock Company does not complete the necessary procedures to transfer the shopping centers to the target companies in the form of capital contribution, the parties to the contract will cooperate to manage the operations of these shopping malls. The Company commits to take over the management and operations of these shopping malls and share a portion of profit to Vingroup Joint Stock Company.

Commitments under business cooperation contracts relating to shopping mall projects

As disclosed in Note 13, the Company 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 component of their projects, or to grant the Company the right to purchase the shopping malls. Under these contracts, the Company is expected to make additional payments, estimated at VND2,643,241 million (1/1/2020: VND3,825,914 million), to these counterparties.

32. Revenue from sales of goods and provision of services

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

Net revenue comprised of:

	Six-month period ended	
	30/6/2020	30/6/2019
	VND million	VND million
Total revenue		
▪ Revenue from sale of inventory properties	466,855	772,025
▪ Revenue from leasing activities and rendering of related services	675,121	707,974
▪ Revenue from rendering management services	133,416	187,885
▪ Revenue from other services	3,804	8,421
Net revenue	1,279,196	1,676,305

Vincom Retail Joint Stock Company**Notes to the separate interim financial statements for the six-month period ended 30 June 2020
(continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***33. Cost of sales**

	Six-month period ended	
	30/6/2020	30/6/2019
	VND million	VND million
Total cost of sales		
▪ Cost from sale of inventory properties	244,739	506,138
▪ Cost from leasing activities and rendering of related services	397,090	380,187
▪ Cost from rendering management services	126,797	180,127
▪ Cost from other services	2,704	3,840
	<hr/>	<hr/>
	771,330	1,070,292
	<hr/>	<hr/>

34. Financial income

	Six-month period ended	
	30/6/2020	30/6/2019
	VND million	VND million
Interest income from loans and deposits	160,505	251,425
Dividends	-	1,791,810
	<hr/>	<hr/>
	160,505	2,043,235
	<hr/>	<hr/>

35. Financial expenses

	Six-month period ended	
	30/6/2020	30/6/2019
	VND million	VND million
Interest on bonds	155,817	132,924
Amortisation of bond issuing costs	2,900	440
Other financial expenses	-	254
	<hr/>	<hr/>
	158,717	133,618
	<hr/>	<hr/>

Vincom Retail Joint Stock Company**Notes to the separate interim financial statements for the six-month period ended 30 June 2020
(continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***36. Selling expenses**

	Six-month period ended	
	30/6/2020	30/6/2019
	VND million	VND million
Consulting, commission and brokerage fees	23,204	30,022
Marketing expense	9,155	12,993
Management fee	7,041	8,039
Staff costs	2,081	2,201
Others	31	187
	<hr/>	<hr/>
	41,512	53,442
	<hr/>	<hr/>

37. General and administration expenses

	Six-month period ended	
	30/6/2020	30/6/2019
	VND million	VND million
Management fee	41,353	57,332
Provisions	810	276
Outside services expenses	88	31
Staff costs	-	1,474
Others	-	60
	<hr/>	<hr/>
	42,251	59,173
	<hr/>	<hr/>

38. Production and business costs by element

	Six-month period ended	
	30/6/2020	30/6/2019
	VND million	VND million
Cost of developing inventory properties	277,312	570,666
Staff costs	57,003	48,187
Depreciation and amortisation	105,658	67,099
Management fee charged by parent company	171,422	180,127
Outside services expenses	256,140	314,339
Other expenses	20,131	67,018
	<hr/>	<hr/>

Vincom Retail Joint Stock Company**Notes to the separate interim financial statements for the six-month period ended 30 June 2020
(continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***39. Corporate income tax****(a) Recognised in the separate statement of income**

	Six-month period ended	
	30/6/2020 VND million	30/6/2019 VND million
Current tax expense		
Current period	86,828	123,136
Adjustment of corporate income taxes in prior years	1,202	-
	<hr/>	<hr/>
	88,030	123,136
	<hr/>	<hr/>

(b) Reconciliation of effective tax rate

	Six-month period ended	
	30/6/2020 VND million	30/6/2019 VND million
Accounting profit before tax	432,984	2,406,451
	<hr/>	<hr/>
Tax at the Company's tax rate	86,597	481,290
Non-deductible expenses	231	208
Tax-exempt income	-	(358,362)
Adjustment of corporate income taxes in prior years	1,202	-
	<hr/>	<hr/>
	88,030	123,136
	<hr/>	<hr/>

(c) Applicable tax rates

The Company has an obligation to pay the government income tax at the rate of 20% of taxable profits (for the six-month period ended 30 June 2019: 20%).

Vincom Retail Joint Stock Company**Notes to the separate interim financial statements for the six-month period ended 30 June 2020
(continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***40. Significant transactions with related parties***Terms and conditions of transactions with related parties:*

During the period, the Company 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 separate interim financial statements, the Company had the following significant transactions with related parties during the period:

	Transaction value	
	Six-month period ended	
	30/6/2020	30/6/2019
	VND million	VND million
Shareholders		
Hanoi Southern City Development and Trading LLC		
Dividends payable	-	201,798
Sai Dong Urban Development and Investment JSC		
Dividends payable	-	788,582
Parent company		
Vingroup Joint Stock Company		
Purchase of goods and services	104,128	196,154
Dividends payable	-	449,101
Deposits for investment	379,056	289,495
Subsidiaries		
South Vincom Retail Limited Liability Company		
Revenue from provision of services	45,130	97,423
Interests income	17,915	60,314
Lending	-	40,000
Collection of loans	150,000	410,000
North Vincom Retail Limited Liability Company		
Revenue from provision of services	50,567	111,666
Interests income	44,837	43,738
Dividends receivable	-	1,500,000
Transfer investment receivable	-	1,000
Suoi Hoa Urban Development and Investment Joint Stock Company		
Dividends receivable	-	291,810

Vincom Retail Joint Stock Company**Notes to the separate interim financial statements for the six-month period ended 30 June 2020
(continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

	Transaction value	
	30/6/2020	30/6/2019
	VND million	VND million
Other related companies		
Vinhomes Joint Stock Company		
Revenue from provision of services	-	3,488
Purchase of goods and services	59,861	200,502
Deposits for investment	170,472	273,485
Vinpearl Joint Stock Company		
Purchase of goods and services	5,709	16,528
Deposit for investment	-	108,931
Vincommerce General Commerce Services Joint Stock Company		
Revenue from provision of services	-	91,954
Vinpro Business and Trading Services Joint Stock Company		
Revenue from provision of services	132	30,505
Central Park Development LLC		
Capital contribution to other investments	117,768	20,814
Interests income	23,311	-
Thai Son Investment Construction Corporation		
Deposits for investment	121,256	81,000
Gia Lam Urban Investment and Development Company Limited		
Deposits for investment	31,659	98,000
Vinsmart Research and Manufacture Joint Stock Company		
Lending	878,000	-
Collection of loans	878,000	-
Interests income	25,698	-
Members of the Board of Directors and Board of Management		
Salary and bonus	18,743	23,004

Vincom Retail Joint Stock Company

**Notes to the separate interim financial statements for the six-month period ended 30 June 2020
(continued)**

Form B 09a – DN

*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

41. Corresponding figures

Corresponding figures as at 1 January 2020 and for the six-month period ended 30 June 2020 were derived respectively from the balances and amounts reported in the Company's separate financial statements as at and for the year ended 31 December 2019 and from the Company's separate interim financial statements as at and for the period ended 30 June 2019.

26 August 2020

Prepared by:



Nguyen Thi Xuan Nghia
Chief Accountant

Approved by:



The stamp is circular with a double border. The outer border contains the text 'CÔNG TY CỔ PHẦN VINCOM RETAIL' at the top and 'MSDN: 01058301' at the bottom. In the center, there is a stylized bird logo. A handwritten signature is written across the stamp.

Pham Ngoc Thoa
Chief Finance Officer