

Vincom Retail Joint Stock Company

Consolidated financial statements

Quarter IV 2020



Vincom Retail Joint Stock Company

CONTENT

	<i>Pages</i>
General information	1
Report of management	2
Consolidated balance sheet	3 - 4
Consolidated income statement	5 - 6
Consolidated cash flow statement	7 - 8
Notes to the consolidated financial statements	9 - 39
Appendix - Explanation for the variances in income statements between the two periods	40

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 2nd 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 20th amended Enterprise Registration Certificate being granted on 02 January 2019.

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

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

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

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

BOARD OF DIRECTORS

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

Ms. Thai Thi Thanh Hai	Chairwoman
Ms. Tran Mai Hoa	Member
Ms. Nguyen Thi Diu	Member
Ms. Le Mai Lan	Member
Mr. Fong Ming Huang Ernest	Independent member (appointed on 26 May 2020)
Mr. Sanjay Vinayak	Independent member (appointed on 05 January 2021)
Mr. Timothy J. Daly	Independent member (resigned on 05 May 2020)
Mr. Brett Krause	Independent member (resigned on 05 January 2021)

MANAGEMENT

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

Ms. Tran Mai Hoa	Chief Executive Officer
Mr. Nguyen Anh Dung	Deputy General Director
Ms. Tran Thu Hien	Deputy General Director

BOARD OF SUPERVISION

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

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

LEGAL REPRESENTATIVE

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

Vincom Retail Joint Stock Company

REPORT OF MANAGEMENT

Management of Vincom Retail Joint Stock Company ("the Company") presents its report and the consolidated financial statements of the Company and its subsidiaries for Quarter IV 2020.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the consolidated financial statements of each financial year which give a true and fair view of the consolidated financial position of the Company and its subsidiaries and of the consolidated results of its operations and its consolidated cash flows for the year. In preparing those 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 consolidated financial statements; and
- ▶ prepare the 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 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 consolidated financial statements.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Company and its subsidiaries as at 31 December 2020, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of consolidated financial statements.

For and on behalf of the management.



Tran Mai Hoa
Chief Executive Officer

Hanoi, Vietnam

28 January 2021

CONSOLIDATED BALANCE SHEET
as at 31 December 2020

Currency: VND million

Code	ASSETS	Notes	As at 31/12/2020	As at 31/12/2019
100	A. CURRENT ASSETS		7,099,011	5,070,409
110	I. Cash and cash equivalents	4	3,050,907	1,388,344
111	1. Cash		1,030,907	1,368,344
112	2. Cash equivalents		2,020,000	20,000
120	II. Short-term investments		1,894,314	788,537
123	1. Held-to-maturity investments	5	1,894,314	788,537
130	III. Current accounts receivable		1,532,703	724,237
131	1. Short-term trade receivables	6.1	817,997	431,915
132	2. Short-term advances to suppliers	6.2	97,136	121,081
136	3. Other short-term receivables	7	632,036	182,697
137	4. Provision for doubtful short-term receivables	6.1	(14,466)	(11,456)
140	IV. Inventories	8	519,889	985,989
141	1. Inventories		519,889	986,800
149	2. Provision for obsolete inventories		-	(811)
150	V. Other current assets		101,198	1,183,302
151	1. Short-term prepaid expenses	9	69,513	80,316
152	2. Value-added tax deductible		31,150	37,488
153	3. Tax and other receivables from the State		535	498
155	4. Other current assets	10	-	1,065,000
200	B. NON-CURRENT ASSETS		32,670,466	30,768,281
210	I. Long-term receivables		8,308	8,659
216	1. Other long-term receivables		8,308	8,659
220	II. Fixed assets		450,233	473,832
221	1. Tangible fixed assets	11	430,206	450,446
222	Cost		595,633	580,540
223	Accumulated depreciation		(165,427)	(130,094)
227	2. Intangible assets	12	20,027	23,386
228	Cost		54,391	49,787
229	Accumulated amortisation		(34,364)	(26,401)
230	III. Investment properties	13	27,598,604	28,063,677
231	1. Cost		33,576,651	32,702,792
232	2. Accumulated depreciation		(5,978,047)	(4,639,115)
240	IV. Long-term assets in progress		959,231	654,380
242	1. Construction in progress	14	959,231	654,380
260	V. Other long-term assets		3,654,090	1,567,733
261	1. Long-term prepaid expenses	9	514,162	554,712
262	2. Deferred tax assets		16,032	9,243
268	3. Other long-term assets	10	2,789,702	597,000
269	4. Goodwill	15	334,194	406,778
270	TOTAL ASSETS		39,769,477	35,838,690

CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2020

Currency: VND million

Code	RESOURCES	Notes	As at 31/12/2020	As at 31/12/2019
300	C. LIABILITIES		10,433,659	8,885,183
310	I. Current liabilities		3,490,911	4,780,265
311	1. Short-term trade payables	16	741,405	2,055,465
312	2. Short-term advances from customers	17	429,835	470,926
313	3. Statutory obligations	18	321,533	294,967
314	4. Payables to employees		204	801
315	5. Short-term accrued expenses	19	1,009,332	964,902
318	6. Short-term unearned revenues	21	164,209	116,291
319	7. Short-term other payables	20	786,519	830,810
320	8. Short-term loan and debts	22.1	19,887	19,415
321	9. Short-term provisions		15,091	23,792
322	10. Bonus and welfare fund		2,896	2,896
330	II. Non-current liabilities		6,942,748	4,104,918
336	1. Long-term unearned revenues	21	86,181	129,524
337	2. Other long-term liabilities	20	1,072,229	1,129,871
338	3. Long-term loan and debts	22.2	5,706,162	2,765,306
341	4. Deferred tax liabilities		78,176	80,217
400	D. OWNERS' EQUITY		29,335,818	26,953,507
410	I. Capital	23	29,335,818	26,953,507
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		7,974,006	5,592,148
421a	- Undistributed earnings up to prior year		5,592,148	2,740,668
421b	- Undistributed earnings of current year		2,381,858	2,851,480
429	6. Non-controlling interests		34,323	33,870
440	TOTAL LIABILITIES AND OWNERS' EQUITY		39,769,477	35,838,690



Pham Ngoc Thoa 
Chief Accountant



Trần Mai Hoa
Chief Executive Officer

28 January 2021

CONSOLIDATED INCOME STATEMENT
Quarter IV 2020

Currency: VND million

Code	ITEMS	Notes	Quarter IV 2020	Quarter IV 2019	Current year	Prior year
01	1. Revenue from sale of goods and rendering of services	24.1	3,252,725	2,784,403	8,328,918	9,259,257
02	2. Deductions	24.1	-	-	-	-
10	3. Net revenue from sale of goods and rendering of services	24.1	3,252,725	2,784,403	8,328,918	9,259,257
11	4. Cost of goods sold and services rendered	25	(1,680,924)	(1,389,837)	(4,507,631)	(4,855,637)
20	5. Gross profit from sale of goods and rendering of services		1,571,801	1,394,566	3,821,287	4,403,620
21	6. Finance income	24.2	94,442	47,314	275,859	265,083
22	7. Finance expenses	26	(162,420)	(80,077)	(467,092)	(302,500)
23	<i>In which: Interest expenses</i>		(161,340)	(79,192)	(463,586)	(299,007)
25	8. Selling expenses	27	(184,772)	(162,959)	(330,040)	(371,960)
26	9. General and administrative expenses	27	(133,144)	(102,731)	(398,568)	(448,658)
30	10. Operating profit		1,185,907	1,096,113	2,901,446	3,545,585
31	11. Other income		48,767	32,734	123,527	70,729
32	12. Other expenses		(23,622)	(19,664)	(32,251)	(40,372)
40	13. Other profit		25,145	13,070	91,276	30,357

CONSOLIDATED INCOME STATEMENT (continued)
Quarter IV 2020

Currency: VND million

Code	ITEMS	Notes	Quarter IV 2020	Quarter IV 2019	Current year	Prior year
50	14. Accounting profit before tax		1,211,052	1,109,183	2,992,722	3,575,942
51	15. Current corporate income tax expenses	28	(243,802)	(226,171)	(619,241)	(724,603)
52	16. Deferred tax income	28	7,301	641	8,830	594
60	17. Net profit after tax		974,551	883,653	2,382,311	2,851,933
61	18. Net profit after tax attributable to shareholders of the parent		974,399	883,427	2,381,858	2,851,480
62	19. Net profit after tax attributable to non-controlling interests		152	226	453	453



Pham Ngoc Thoa
Chief Accountant

28 January 2021



Tran Mai Hoa
Chief Executive Officer

CONSOLIDATED CASH FLOW STATEMENT
Quarter IV 2020

Currency: VND million

Code	ITEMS	Current year	Prior year
	I. CASH FLOWS FROM OPERATING ACTIVITIES		
01	Profit before tax	2,992,722	3,575,942
	<i>Adjustments for:</i>		
02	Depreciation of tangible fixed assets and investment properties and amortisation of intangible assets (including amortisation of goodwill)	1,476,422	1,447,324
03	Provisions	1,955	7,322
05	Profits from investing activities	(262,704)	(244,005)
06	Interest expenses and bond issue costs	463,586	299,007
08	Operating profit before changes in working capital	4,671,981	5,085,590
09	Changes in receivables	(780,110)	132,354
10	Changes in inventories	472,005	(62,234)
11	Changes in payables (other than interest, corporate income tax)	479,389	(1,194,687)
12	Changes in prepaid expenses	50,767	106,573
14	Interest paid	(397,070)	(258,031)
15	Corporate income tax paid	(592,805)	(662,851)
20	Net cash flows from operating activities	3,904,157	3,146,714
	II. CASH FLOWS FROM INVESTING ACTIVITIES		
21	Purchase, construction of fixed assets and other long-term assets	(4,279,804)	(3,492,372)
21	Collection on investment deposits	-	1,596,000
22	Proceeds from disposals of fixed assets and other long-term assets	-	701
23	Loans to other entities and payments for purchase of debt instruments of other entities	(2,875,936)	(33,941)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities	1,750,000	1,780,000
26	Proceeds from sale of investments in other entities (net of cash held by entity being disposed)	-	2,000
27	Interest and dividends received	243,663	382,787
30	Net cash flows (used in)/from investing activities	(5,162,077)	235,175

CONSOLIDATED CASH FLOW STATEMENT (continued)
Quarter IV 2020

Currency: VND million

Code	ITEMS	Current year	Prior year
	III. CASH FLOWS FROM FINANCING ACTIVITIES		
32	Capital redemption	-	(1,954,258)
33	Drawdown of borrowings	2,920,483	-
35	Payment to settle finance lease liabilities	-	(19,452)
36	Dividends paid	-	(2,451,216)
40	Net cash from/(used in) financing activities	2,920,483	(4,424,926)
50	Net increase/(decrease) in cash and cash equivalents for the year	1,662,563	(1,043,037)
60	Cash and cash equivalents at the beginning of the year	1,388,344	2,431,381
70	Cash and cash equivalents at the end of the year	3,050,907	1,388,344



Pham Ngoc Thoa
Chief Accountant



Trần Mai Hoa
Chief Executive Officer

28 January 2021

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Quarter IV 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 2nd 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 20th 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 31 December 2020 is 695 (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 31 December 2020:

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

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

The 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 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 consolidated financial position and interim consolidated results of operations and 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 Financial year

The Company's financial 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 consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the financial year ended 31 December 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 CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV 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 consolidated income statement and within equity in the 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*Inventory 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 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 CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV 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 consolidated income statement.

3.3 Receivables

Receivables are presented in the 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 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 consolidated income statement.

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 consolidated balance sheet at the inception of the lease at the fair value of the leased assets or, if lower, at the net present value of the minimum lease payments. The principal amount included in future lease payments under finance leases are recorded as a liability. The interest amounts included in lease payments are charged to the consolidated 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 CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV 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 consolidated balance sheet.

Rentals under operating leases are charged to the 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 consolidated balance sheet.

Lease income is recognised in the 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 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 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 CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV 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 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.

Land use rights presented as investment properties include definite and indefinite land use rights granted to the Company for the development of its investment properties. Definite land use rights are depreciated during authorised period. No amortisation is charged for indefinite land use rights.

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

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 consolidated income statement in the year of retirement or disposal.

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment properties when, and only when, there is change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. The transfer from investment 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 consolidated balance sheet upon the hand over of these properties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV 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 year 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 year 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 year for which the amounts are paid or the year in which economic benefits are generated in relation to these expenses.

Long-term prepaid expenses include long-term prepaid land rental in accordance with Circular No. 45/2013/TT-BTC, 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 consolidated income statement. After initial recognition, goodwill is measured at cost less any accumulated amortisation. Goodwill is amortised over a period not exceeding 10-years 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 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 CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV 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 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 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 CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV 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 financial year, 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 year and arising from the revaluation of monetary accounts denominated in foreign currency at year-end are taken to the 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 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 CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV 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 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 CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV 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 years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the balance sheet date.

Current income tax is charged or credited to the 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 CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV 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 year when the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date.

Deferred tax is charged or credited to the 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 year 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 31/12/2020</u>	<u>As at 31/12/2019</u>
Cash in banks	1,030,832	1,368,215
Cash in transit	75	129
Cash equivalents	2,020,000	20,000
TOTAL	<u>3,050,907</u>	<u>1,388,344</u>

Cash equivalents as at 31 December 2020 comprised bank deposits in VND with maturity terms from 1 to 3 months and earning interest at the rates ranging from 2.9% to 4.0% 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 CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV 2020

5. HELD-TO-MATURITY INVESTMENTS

Currency: VND million

	<u>As at 31/12/2020</u>	<u>As at 31/12/2019</u>
Short-term held-to-maturity investments (i)	1,894,314	788,537
TOTAL	1,894,314	788,537

- (i) Ending balance of short-term held-to-maturity investments comprised short-term bank deposits in VND with terms ranging from 5 months to 12 months and earning interest at the rate ranging from 4.0% to 6.3% 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 apartment and shop-house projects amounted to VND 73.3 billion. 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 31/12/2020</u>	<u>As at 31/12/2019</u>
Receivables from leasing activities and rendering related services	660,921	268,761
Receivables from sale of inventory	111,001	128,647
Others	46,075	34,507
TOTAL	817,997	431,915
<i>In which:</i>		
Trade receivables from customers	741,157	363,091
Trade receivables from related parties (Note 29)	76,840	68,824
Provision for doubtful short-term receivables	(14,466)	(11,456)

6.2 Short-term advances to suppliers

Currency: VND million

	<u>As at 31/12/2020</u>	<u>As at 31/12/2019</u>
Advances to suppliers	92,799	112,268
Advances to related parties (Note 29)	4,337	8,813
TOTAL	97,136	121,081

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV 2020

7. OTHER SHORT-TERM RECEIVABLES

Currency: VND million

	<u>As at 31/12/2020</u>	<u>As at 31/12/2019</u>
Interests on bank deposits, deposits and loans	52,635	39,820
Guarantee deposits for project development and contract implementation	12,728	41,764
Receivable for business cooperation contract	544,522	-
Receivable for payment on behalf	6,713	17,655
Others	15,438	83,458
TOTAL	632,036	182,697
<i>In which:</i>		
<i>Other receivables</i>	60,187	128,142
<i>Other receivables from related parties (Note 29)</i>	571,849	54,555

8. INVENTORIES

Currency: VND million

	<u>As at 31/12/2020</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)	422,004	-	828,622	(811)
Completed inventory	77,251	-	137,286	-
Others	20,634	-	20,892	-
TOTAL	519,889	-	986,800	(811)

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV 2020

9. PREPAID EXPENSES

	<i>Currency: VND million</i>	
	<u>As at 31/12/2020</u>	<u>As at 31/12/2019</u>
Short-term:		
Selling expenses related to sale of inventory properties not yet handed over	46,583	26,458
Provisional corporate income tax	3,983	4,622
Project investment costs	-	1,014
Prepaid land rental	-	14,995
Others	18,947	33,227
TOTAL	<u>69,513</u>	<u>80,316</u>
Long-term:		
Prepaid rental to a related party for leasing commercial areas (Note 29) (i)	247,997	258,051
Prepayment for committed profit relating to business cooperation contracts and apartment management service program	51,823	114,798
Overhaul expenditures	164,339	111,029
Tools and supplies	22,048	36,132
Prepaid land rental	14,073	4,685
Commission fees for leasing commercial areas	11,648	19,827
Others	2,234	10,190
TOTAL	<u>514,162</u>	<u>554,712</u>

(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

	<i>Currency: VND million</i>	
	<u>As at 31/12/2020</u>	<u>As at 31/12/2019</u>
Short-term:		
Deposits to related parties for investment purposes (Note 29) (i)	-	1,065,000
TOTAL	<u>-</u>	<u>1,065,000</u>
Long-term:		
Deposits to related parties for investment purposes (Note 29) (i)	2,789,702	597,000
TOTAL	<u>2,789,702</u>	<u>597,000</u>

(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 CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV 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>
Cost:						
Beginning balance	280,898	254,284	1,582	18,233	25,543	580,540
- Transferred from completed construction in progress	-	10,821	-	5,572	-	16,393
- Reclassification	-	1,582	(1,582)	-	-	-
- Sold, disposal	-	(1,138)	-	(39)	-	(1,177)
- Other adjustments	-	(123)	-	-	-	(123)
Ending balance	280,898	265,426	-	23,766	25,543	595,633
Accumulated depreciation:						
Beginning balance	17,330	94,658	1,218	9,948	6,940	130,094
- Depreciation for the year	5,131	25,822	-	2,317	3,240	36,510
- Reclassification	-	1,218	(1,218)	-	-	-
- Sold, disposal	-	(1,069)	-	(39)	-	(1,108)
- Other adjustments	-	(69)	-	-	-	(69)
Ending balance	22,461	120,560	-	12,226	10,180	165,427
Net carrying amount:						
Beginning balance	263,568	159,626	364	8,285	18,603	450,446
Ending balance	258,437	144,866	-	11,540	15,363	430,206

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV 2020

12. INTANGIBLE ASSETS

	<i>Currency: VND million</i>
	<u>Computer software</u>
Cost:	
Beginning balance	49,787
- Transferred from completed construction in progress	4,684
- Disposal	(80)
Ending balance	54,391
Accumulated amortisation:	
Beginning balance	26,401
- Amortisation for the year	8,043
- Disposal	(80)
Ending balance	34,364
Net carrying amount:	
Beginning balance	<u>23,386</u>
Ending balance	<u>20,027</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>
Cost:			
Beginning balance	26,769,970	5,932,822	32,702,792
Transferred from completed construction in progress	529,457	254,798	784,255
Increase due to finalisation of construction contracts	144,299	(15,089)	129,210
Reclassified to inventory properties	(4,873)	(4,999)	(9,872)
Disposal	(28,661)	-	(28,661)
Other adjustments	-	(1,073)	(1,073)
Ending balance	27,410,192	6,166,459	33,576,651
Accumulated depreciation:			
Beginning balance	2,756,463	1,882,652	4,639,115
Depreciation for the year	777,400	581,885	1,359,285
Reclassified to inventory properties	(677)	(4,101)	(4,778)
Reclassification	32,584	(32,584)	-
Disposal	(15,575)	-	(15,575)
Ending balance	3,550,195	2,427,852	5,978,047
Net carrying amount:			
Beginning balance	<u>24,013,507</u>	<u>4,050,170</u>	<u>28,063,677</u>
Ending balance	<u>23,859,997</u>	<u>3,738,607</u>	<u>27,598,604</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV 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 31/12/2020</u>	<u>As at 31/12/2019</u>
Vincom Plaza Bien Hoa 2	135,650	135,650
Vincom+ Thai Nguyen	110,084	108,973
Vincom Plaza My Tho	284,107	103,448
Vincom Plaza Bac Lieu	215,724	92,312
Bac Ninh Hotel Project	123,529	51,034
Shopping malls renovation projects	-	45,886
Other projects	90,137	117,077
TOTAL	<u>959,231</u>	<u>654,380</u>

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>	
Cost:				
Beginning balance	33,000	210,288	482,549	725,837
Ending balance	33,000	210,288	482,549	725,837
Accumulated amortisation:				
Beginning balance	21,970	96,788	200,301	319,059
Amortisation for the year	3,300	21,029	48,255	72,584
Ending balance	25,270	117,817	248,556	391,643
Net carrying amount:				
Beginning balance	<u>11,030</u>	<u>113,500</u>	<u>282,248</u>	<u>406,778</u>
Ending balance	<u>7,730</u>	<u>92,471</u>	<u>233,993</u>	<u>334,194</u>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV 2020**16. SHORT-TERM TRADE PAYABLES**

Currency: VND million

	<u>As at 31/12/2020</u>	<u>As at 31/12/2019</u>
Trade payables to suppliers	430,474	221,131
Trade payables to related parties (Note 29)	310,931	1,834,334
TOTAL	<u>741,405</u>	<u>2,055,465</u>

17. ADVANCE FROM CUSTOMERS

Currency: VND million

	<u>As at 31/12/2020</u>	<u>As at 31/12/2019</u>
Downpayment from customers under sale and purchase of real estate agreements	398,317	460,737
Others	31,518	10,189
TOTAL	<u>429,835</u>	<u>470,926</u>
<i>In which:</i>		
Downpayment from other parties	429,835	470,926
Downpayment from related parties	-	-

18. STATUTORY OBLIGATIONS

Currency: VND million

	<u>As at 31/12/2020</u>	<u>As at 31/12/2019</u>
Payables		
Corporate income tax	281,166	255,478
Value added tax	33,263	33,568
Personal income tax	5,087	5,921
Others	2,017	-
TOTAL	<u>321,533</u>	<u>294,967</u>

19. SHORT-TERM ACCRUED EXPENSES

Currency: VND million

	<u>As at 31/12/2020</u>	<u>As at 31/12/2019</u>
Accrued construction costs	467,777	590,595
Accrued loans and bond interests	140,364	100,130
Accrued selling expenses	47,312	67,206
Accrued committed profit relating to business cooperation contracts and	50,247	30,381
Accrued labor expenses	58,620	41,933
Others	245,012	134,657
TOTAL	<u>1,009,332</u>	<u>964,902</u>
<i>In which:</i>		
Accrued expenses due to others	1,004,035	961,940
Accrued expenses due to related parties (Note 29)	5,297	2,962

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV 2020

20. OTHER PAYABLES

	Currency: VND million	
	<u>As at 31/12/2020</u>	<u>As at 31/12/2019</u>
Short-term:		
Deposits received under deposit and loan contracts	269,067	375,812
Deposits from tenants to be refunded within the next 12 months	364,032	244,933
Maintenance fund	82,208	88,977
Deposits for site construction	46,357	48,474
Other deposits	-	35,404
Dividend payable	2,234	2,234
Other payables	22,621	34,976
TOTAL	<u>786,519</u>	<u>830,810</u>
<i>In which:</i>		
Other short-term payables	765,694	807,411
Other short-term payables to related parties (Note 29)	20,825	23,399
Long-term:		
Deposits from tenants	1,220,300	1,194,804
Less: Deposits from tenants to be refunded within the next 12 months (Presented in Short-term)	(364,032)	(244,933)
Deposit under business cooperation contracts	180,000	180,000
Other deposits	35,961	-
TOTAL	<u>1,072,229</u>	<u>1,129,871</u>
<i>In which:</i>		
Other long-term payables	865,470	933,109
Other long-term payables to related parties (Note 29)	206,759	196,762

21. UNEARNED REVENUE

	Currency: VND million	
	<u>As at 31/12/2020</u>	<u>As at 31/12/2019</u>
Short-term unearned revenue	164,209	116,291
Long-term unearned revenue	86,181	129,524
TOTAL	<u>250,390</u>	<u>245,815</u>
<i>In which:</i>		
Unearned revenue received from related parties (Note 29)	35,363	10,999
Unearned revenue received from others	215,027	234,816

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

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

Currency: VND million

	Note	As at 31/12/2020		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
TOTAL		19,887	19,887	19,415	19,415

22.2 Long-term loans and debt

Currency: VND million

	Note	As at 31/12/2020		As at 31/12/2019	
		Carrying value	Payable amount	Carrying value	Payable amount
Corporate bonds	(i)	5,534,767	5,534,767	2,594,628	2,594,628
Other long-term debts from related parties	29	171,395	171,395	170,678	170,678
TOTAL		5,706,162	5,706,162	2,765,306	2,765,306

(i) Ending balance comprises:

Bond arranger	As at 31/12/2020 (VND million)	Maturity date	Interest rate	Secured assets
Vietnam Bank for Industry and Trade Securities Joint Stock Company	2,597,107	March 2022	The 12-month interest paid-in-arrears VND saving rate plus (+) 3% per annum with interest paid semi-annually.	(*)
Techcom Securities Joint Stock Company	2,937,660	From April 2023 to August 2025	The 12-month interest paid-in-arrears VND saving rate plus (+) 3,25% or 3,5% per annum with interest paid quarterly.	(**)
TOTAL	5,534,767			

(*) 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.

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

23. OWNERS' EQUITY

23.1 Increase and decrease in owner's equity

Currency: VND million

	<i>Shares with voting right</i>	<i>Share premium</i>	<i>Treasury shares</i>	<i>Undistributed earnings</i>	<i>Other funds belonging to owners' equity</i>	<i>Non-controlling interests</i>	<i>Total</i>
For the financial year ended 31 December 2019							
Beginning balance	23,288,184	46,983	-	5,190,927	(58,420)	41,607	28,509,281
- Net profit for the year	-	-	-	2,851,480	-	453	2,851,933
- 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)
- Treasury shares buy-back	-	-	(1,954,258)	-	-	-	(1,954,258)
Ending balance	23,288,184	46,983	(1,954,258)	5,592,148	(53,420)	33,870	26,953,507
For the financial year ended 31 December 2020							
Beginning balance	23,288,184	46,983	(1,954,258)	5,592,148	(53,420)	33,870	26,953,507
- Net profit for the year	-	-	-	2,381,858	-	453	2,382,311
Ending balance	23,288,184	46,983	(1,954,258)	7,974,006	(53,420)	34,323	29,335,818

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

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

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

	<u>Quarter IV 2020</u>	<u>Quarter IV 2019</u>
Gross revenue	3,252,725	2,784,403
In which:		
Leasing activities and rendering of related services	1,644,530	1,951,265
Sale of inventory properties	1,546,942	785,050
Others	61,253	48,088
Deduction	-	-
Net revenue	3,252,725	2,784,403
In which:		
Revenue from sale to related parties	115,059	548,387
Revenue from sale to others	3,137,666	2,236,016

24.2 Finance income

Currency: VND million

	<u>Quarter IV 2020</u>	<u>Quarter IV 2019</u>
Interest income from bank deposits, loans and deposits	94,442	47,314
TOTAL	94,442	47,314

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV 2020**24. REVENUE (continued)****24.3 Revenue and expenses relating to investment properties**

Currency: VND million

	<u>Quarter IV 2020</u>	<u>Quarter IV 2019</u>
Revenue from leasing of investment properties and rendering of related services (Note 24.1)	1,644,530	1,951,265
Direct operating costs related to investment properties generating income in the period (Note 25)	786,201	864,335

25. COST OF GOODS SOLD AND SERVICES RENDERED

Currency: VND million

	<u>Quarter IV 2020</u>	<u>Quarter IV 2019</u>
Cost of leasing activities and rendering of related services	786,201	864,335
Cost of inventory properties sold	806,896	450,317
Others	87,827	75,185
TOTAL	<u>1,680,924</u>	<u>1,389,837</u>

26. FINANCE EXPENSES

Currency: VND million

	<u>Quarter IV 2020</u>	<u>Quarter IV 2019</u>
Interests on loans and bond	151,212	78,572
Amortisation of bond issuance costs	10,128	620
Others	1,080	885
TOTAL	<u>162,420</u>	<u>80,077</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV 2020

27. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

Currency: VND million

	<u>Quarter IV 2020</u>	<u>Quarter IV 2019</u>
Selling expenses	184,772	162,959
Labour cost	17,549	15,007
Consulting, commission and brokerage	101,831	36,826
Brand and marketing fee	61,337	105,766
Depreciation and amortisation	1,915	2,157
Out-sourcing services	539	1,312
Others	1,601	1,891
General and administrative expenses	133,144	102,731
Labour cost	47,500	58,006
Depreciation and amortisation	20,324	19,331
Provision expenses	5,619	1,676
Out-sourcing services	22,316	12,706
Others	3,613	5,182
Management fee	33,772	5,830
TOTAL	<u>317,916</u>	<u>265,690</u>

28. CORPORATE INCOME TAX

The statutory corporate income tax ("CIT") applicable to the Company and its subsidiaries for Quarter IV 2020 is 20% of taxable profit (for Quarter IV 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 consolidated financial statements could change at a later date upon final determination by the tax authorities.

Currency: VND million

	<u>Quarter IV 2020</u>	<u>Quarter IV 2019</u>
Current corporate income tax expenses	243,802	226,171
Deferred tax (income)	(7,301)	(641)
TOTAL	<u>236,501</u>	<u>225,530</u>

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

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

<u>Related parties</u>	<u>Relationship</u>
Vingroup JSC	Parent company
Hanoi Southern City Development and Trading LLC	Share holder
Saidong Urban Development and Investment JSC	Share holder
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 year:

Currency: VND million

	<u>Current year</u>	<u>Prior year</u>
Receivables from leasing and rendering of related services		
Vincommerce General Commerce Services JSC	-	767,851
Vinhomes JSC	284,778	281,258
Vinpro Business and Trading Services JSC	2,066	211,771
Gia Lam Urban Development and Investment Limited Company	166	158,075
Vinfast Trading and Service Limited Liability Company	118,725	-
Vinschool One Member LLC	53,674	70,113
Vinpearl JSC	57,557	91,516
Payables for purchase of goods and services		
Vingroup JSC	151,597	209,501
Vinpearl JSC	47,930	33,933
Vincommerce General Commerce Services JSC	-	83,631
Vinhomes JSC	61,123	261,861
Ecology Development and Investment JSC	39,867	33,714

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV 2020

29. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

Significant transactions with related parties during the year (continued):

Currency: VND million

	<u>Current year</u>	<u>Prior year</u>
Acquisition of assets		
Central Park Development LLC	-	239,581
Gia Lam Urban Development and Investment Limited Company	773,270	-
Deposit for investment purpose		
Thai Son Investment Construction Corporation	930,282	81,000
Gia Lam Urban Development and Investment Limited Company	550,294	98,000
Green City Development Joint Stock Company	295,420	220,000
Collection from deposit for investment		
Vingroup JSC	-	796,000
Lending		
Vinsmart Research and Manufacture Joint Stock Company	1,050,000	-
Collection of loan principal		
Vinsmart Research and Manufacture Joint Stock Company	(1,050,000)	-
Interests receivable		
Vinsmart Research and Manufacture Joint Stock Company	25,698	-
Green City Development Joint Stock Company	39,882	90,989
Thai Son Investment Construction Corporation	19,098	7,812
Interests received		
Vingroup JSC	219	91,627
Green City Development Joint Stock Company	37,553	96,318
Thai Son Investment Construction Corporation	10,786	7,812
Vinsmart Research and Manufacture Joint Stock Company	25,698	-
Dividend payable		
Vingroup JSC	-	449,101
Hanoi Southern City Development and Trading LLC	-	201,798
Saidong Urban Development and Investment JSC	-	788,582
Dividend paid		
Vingroup JSC	-	449,101
Hanoi Southern City Development and Trading LLC	-	201,798
Saidong Urban Development and Investment JSC	-	788,582

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV 2020

29. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

Amounts due from and due to related parties

Currency: VND million

<i>Related parties</i>	<i>Transactions</i>	<i>As at 31/12/2020</i>	<i>As at 31/12/2019</i>
<i>Short-term trade receivable</i> (Note 6.1)			
Vinhomes JSC	Receivables from leasing property and provision of related services	23,109	19,394
Vinpro Business and Trading Services JSC	Receivables from leasing property and provision of related services	-	17,972
Vinfast Commercial and Services Trading LLC	Receivables from leasing property and provision of related services	38,179	3,136
Other companies in the Group	Other receivables	15,552	28,322
		76,840	68,824
<i>Advances to suppliers</i> (Note 6.2)			
Vinhomes JSC	Advances for purchase of services	-	5,995
Other companies in the Group	Advances for purchase of services	4,337	2,818
		4,337	8,813
<i>Other short-term receivables</i> (Note 7)			
Vingroup JSC	Receivable for business cooperation contract	236,958	-
	Interests receivable from deposits	612	4,144
	Other receivables	93	1,432
Vinpearl JSC	Shared profit receivable	3,713	3,713
	Other receivables	2,537	3,275
Vietnam Investment and Consulting Investment JSC	Receivable for business cooperation contract	65,970	-
	Interests receivable from deposits	-	19,381
	Other receivables	177	78
Central Park Development LLC	Receivable for business cooperation contract	41,870	-
Vinhomes JSC	Receivable for business cooperation contract	199,725	-
	Other receivables	3,935	7,335
Other companies in the Group	Other receivables	16,259	15,197
		571,849	54,555
<i>Long-term prepaid expenses</i> (Note 9)			
Ecology Development and Investment JSC	Long-term lease prepaid	247,997	258,051
		247,997	258,051

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV 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 31/12/2020</i>	<i>As at 31/12/2019</i>
<i>Other current assets</i> (Note 10)			
Vingroup JSC	Deposits for business cooperation	-	886,000
Thai Son Investment Construction Corporation	Deposits for business cooperation	-	81,000
Gia Lam Urban Investment and Development LLC	Deposits for business cooperation	-	98,000
		-	1,065,000
<i>Other long-term assets</i> (Note 10)			
Vingroup JSC	Deposits for business cooperation	958,000	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
Thai Son Investment Construction Corporation	Deposits for business cooperation	1,011,282	-
		2,789,702	597,000
<i>Short-term trade payables</i> (Note 16)			
Vinpearl JSC	Payables for purchase of assets	99,269	220,771
	Payables for purchase of goods and services	4,025	9,961
Vinhomes JSC	Payables for purchase of assets	-	360,058
	Payables for purchase of goods and services	22,132	51,000
Vingroup JSC	Payables for purchase of assets	-	339,398
	Payables for purchase of goods and services	52,124	9,069
Vietnam Investment and Consulting Investment JSC	Payables for purchase of assets	-	716,143
	Payables for purchase of goods and services	124	9,083
Central Park Development LLC	Payables for purchase of assets	-	109,487
	Payables for purchase of goods and services	109	2,894
Gia Lam Urban Development and Investment Ltd., Co.	Payables for purchase of assets	125,581	-
Other companies in the Group	Other payables	7,567	6,470
		310,931	1,834,334

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV 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 31/12/2020</i>	<i>As at 31/12/2019</i>
Short-term accrued expenses (Note 19)			
Vinpearl JSC	Other payables	3,457	661
Companies in the Group	Other payables	1,840	2,301
		5,297	2,962
Other short-term payables (Note 20)			
Vinhomes JSC	Deposit for leasing retail	9,747	7,695
	Other payables	1,884	584
Other companies in the Group	Other payables	9,194	15,120
		20,825	23,399
Other long-term liabilities (Note 20)			
Vinschool One Member LLC	Deposit for leasing retail	6,375	4,247
Vinfast Manufacturing and Trading Co., Ltd.	Deposit for leasing retail	-	6,124
Vinfast Trading and Service Limited Liability Company	Deposit for leasing retail	16,018	-
Vinpearl JSC	Deposits for business	180,000	180,000
	Other payables	144	2,310
Other companies in the Group	Deposit for leasing retail	4,222	4,081
		206,759	196,762
Unearned revenues (Note 21)			
Vinhomes JSC	Other revenue	25,071	-
Other companies in the Group	Unearned revenue from leasing and rendering of related services	10,292	10,999
		35,363	10,999

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

Financial lease liabilities from a related party as at 31 December 2020 was as follow:

<i>Related parties</i>	<i>As at 31/12/2020</i> <i>VND million</i>	<i>Interest rate</i> <i>per annum</i>	<i>Maturity date</i>
Ecology Development and Investment JSC	191,282	From 8.58% to 14.02%	March 2045
<i>In which: Current-portion</i>	<i>(19,887)</i>		
TOTAL (i)	<u>171,395</u>		

(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.

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>		
TOTAL	<u>170,678</u>		

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 consolidated financial statements of the Company and its subsidiaries.


Pham Ngoc Thoa
Chief AccountantTran Mai Hoa
Chief Executive Officer

28 January 2021

Vincom Retail Joint Stock Company

APPENDIX
Quarter IV 2020

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

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

Currency: VND million

Code	Item	Quarter IV 2020	Quarter IV 2019	Variance	%
10	Net revenue from sale of goods and rendering of services	3,252,725	2,784,403	468,322	17%
11	Cost of goods sold and services rendered	1,680,924	1,389,837	291,087	21%
21	Financial income	94,442	47,314	47,128	100%
22	Finance expenses	162,420	80,077	82,343	103%
60	Net profit after tax	974,551	883,653	90,898	10%

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 IV 2020 increased VND 468 billion in comparison with previous period mainly because: (i) revenue from leasing activities and rendering of related services decreased VND 307 billion due to impact of the Covid-19; (ii) sales of inventory properties increased VND 762 billion due to the delivery of 2 shop-house projects My Tho and Bac Lieu. Cost of goods sold and services rendered increased correspondingly to the decrease of revenue.
- Finance income increased VND 47 billion because of increase of interest income from bank deposits, loans and deposits.
- Finance expenses increased VND 82 billion mainly because of disbursement of the VND 3.050 trillion bond.
- Net profit after tax increased VND 91 billion in comparison with prior period because of above mentioned reasons.