



Vincom Retail Joint Stock Company

**Separate Interim Financial Statements
for the six-month period ended 30 June 2021**



Vincom Retail Joint Stock Company Corporate Information

Enterprise Registration Certificate No.

0105850244

11 April 2012

The Company's Enterprise Registration Certificate has been amended several times, the most recent of which is dated 2 January 2019. The Company's Enterprise 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. Le Mai Lan	Member
Mr. Sanjay Vinayak	Member
Mr. Fong Ming Huang Ernest	Member
Mr. Nguyen The Anh	Member (<i>from 23 June 2021</i>)
Ms. Nguyen Thi Diu	Member (<i>until 23 June 2021</i>)
Mr. Brett Harold Krause	Member (<i>until 5 January 2021</i>)

Board of Management

Ms. Tran Mai Hoa	General Director
Mr. Nguyen Anh Dung	Deputy General Director
Ms. Pham Thi Thu Hien	Deputy General Director (<i>from 16 Mar 2021</i>)
Ms. Tran Thu Hien	Deputy General Director (<i>until 16 Mar 2021</i>)

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 2021.

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 44 give a true and fair view of the unconsolidated financial position of the Company as at 30 June 2021, and of its unconsolidated results of operations and unconsolidated 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



Trần Mai Hoa
General Director

Hanoi, 25 August 2021

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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 2021, 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 25 August 2021, as set out on pages 5 to 44.

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 unconsolidated financial position of Vincom Retail Joint Stock Company as at 30 June 2021, and of its unconsolidated results of operations and its unconsolidated 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

Vietnam
Review Report No.: 21-01-00203-21-1




Wang Toon Kim
Practicing Auditor Registration
Certificate No. 0557-2018-007-1
Deputy General Director

Hanoi,


Pham Thi Thuy Linh
Practicing Auditor Registration
Certificate No. 3065-2019-007-1



Vincom Retail Joint Stock Company
Separate balance sheet as at 30 June 2021

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

	Code	Note	30/6/2021 VND million	1/1/2021 VND million
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		3,823,262	5,137,627
Cash and cash equivalents	110	7	1,460,574	2,258,786
Cash	111		246,574	358,786
Cash equivalents	112		1,214,000	1,900,000
Short-term financial investments	120		604,279	1,825,193
Held-to-maturity investments	123	8(a)	604,279	1,825,193
Accounts receivable – short-term	130		392,942	490,873
Accounts receivable from customers – short-term	131	9	336,099	311,390
Prepayments to suppliers – short-term	132		21,720	54,336
Loans receivable – short-term	135	10(a)	-	58,294
Other short-term receivables	136	11	46,129	70,287
Allowance for doubtful debts	137	12	(11,006)	(3,434)
Inventories	140	13	273,647	503,342
Inventories	141		273,647	503,342
Other current assets	150		1,091,820	59,433
Short-term prepaid expenses	151	19(a)	51,351	56,717
Deductible value added tax	152		-	2,181
Taxes and others receivable from State Treasury	153		469	535
Other current assets	155	14	1,040,000	-

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 2021 (continued)

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

	Code	Note	30/6/2021 VND million	1/1/2021 VND million
Long-term assets (200 = 210 + 220 + 230 + 240 + 250 + 260)	200		26,492,332	27,888,325
Accounts receivable – long-term	210		1,938	1,091,938
Loans receivable – long-term	215	10(b)	-	1,090,000
Other long-term receivables	216		1,938	1,938
Fixed assets	220		22,655	27,243
Tangible fixed assets	221	15	7,771	8,659
Cost	222		14,701	14,087
Accumulated depreciation	223		(6,930)	(5,428)
Intangible fixed assets	227	16	14,884	18,584
Cost	228		48,906	48,906
Accumulated amortisation	229		(34,022)	(30,322)
Investment property	230	17	4,665,095	4,544,245
Cost	231		5,397,350	5,171,305
Accumulated depreciation	232		(732,255)	(627,060)
Long-term work in progress	240		660,994	647,219
Construction in progress	242	18	660,994	647,219
Long-term financial investments	250		18,099,578	18,716,905
Investments in subsidiaries	251	8(b)	12,730,965	12,730,965
Investments in other entities	253	8(c)	5,368,613	5,985,940
Other long-term assets	260		3,042,072	2,860,775
Long-term prepaid expenses	261	19(b)	58,080	68,901
Deferred tax assets	262		2,172	2,172
Other long-term assets	268	14	2,981,820	2,789,702
TOTAL ASSETS (270 = 100 + 200)	270		30,315,594	33,025,952

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 2021 (continued)

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

	Code	Note	30/6/2021 VND million	1/1/2021 VND million
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		5,006,324	8,014,945
Current liabilities	310		1,687,505	2,122,056
Accounts payable to suppliers – short-term	311	20	401,607	451,206
Advances from customers – short-term	312	21	367,911	439,367
Taxes and other payables to State Treasury	313	22	118,537	123,363
Payables to employees	314		-	234
Accrued expenses	315	23	427,735	697,954
Unearned revenue – short-term	318	24(a)	25,202	23,106
Other payables – short-term	319	25(a)	343,344	384,572
Provisions – short-term	321	27	3,169	2,254
Long-term liabilities	330		3,318,819	5,892,889
Unearned revenue – long-term	336	24(b)	169,366	160,360
Other payables – long-term	337	25(c)	192,947	195,895
Long-term bonds	338	26	2,956,506	5,536,634
EQUITY (400 = 410)	400		25,309,270	25,011,007
Owners' equity	410	28	25,309,270	25,011,007
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		46,983	46,983
Treasury shares	415		(1,954,258)	(1,954,258)
Other equity funds	420		5,000	5,000
Undistributed profits after tax	421		3,923,361	3,625,098
- Undistributed profit after tax brought forward	421a		3,625,098	2,619,993
- Net profit after tax for the current period/year	421b		298,263	1,005,105
TOTAL RESOURCES (440 = 300 + 400)	440		30,315,594	33,025,952

25 August 2021

Prepared by:



Pham Thi Ngoc Ha
Chief Accountant

Approved by:



Tran Mai Hoa
General Director

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 2021

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	
			30/6/2021 VND million	30/6/2020 VND million
Revenue from sales of goods and provision of services	01	31	1,344,660	1,279,196
Revenue deductions	02	31	-	-
Net revenue from sale of goods and provision of services (10 = 01 - 02)	10	31	1,344,660	1,279,196
Cost of sales	11	32	828,768	771,330
Gross profit (20 = 10 - 11)	20		515,892	507,866
Financial income	21	33	242,296	160,505
Financial expenses	22	34	289,029	158,717
<i>In which: Interest expenses</i>	23		289,019	158,717
Selling expenses	25	35	66,065	41,512
General and administration expenses	26	36	35,216	42,251
Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		367,878	425,891
Other income	31		5,426	8,023
Other expenses	32		240	930
Results of other activities (40 = 31 - 32)	40		5,186	7,093
Accounting profit before tax (50 = 30 + 40)	50		373,064	432,984
Current corporate income tax expense	51	38	74,801	88,030
Net profit after tax (60 = 50 - 51)	60		298,263	344,954

25 August 2021

Prepared by:



Pham Thi Ngoc Ha
Chief Accountant

Approved by:



Tran Mai Hoa
General Director

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 2021
(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	
		30/6/2021 VND million	30/6/2020 VND million
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounting profit before tax	01	373,064	432,984
Adjustments for			
Depreciation and amortisation	02	112,594	105,658
Allowances and provisions	03	8,487	1,420
Profits from investing activities	05	(242,296)	(160,505)
Interest expense and bonds issuance costs	06	289,019	158,717
Operating profit before changes in working capital	08	540,868	538,274
Change in receivables and other assets	09	24,604	(170,532)
Change in inventories	10	229,695	(28,655)
Change in payables and other liabilities	11	(277,172)	1,763,824
Change in prepaid expenses	12	13,990	(107,200)
		531,985	1,995,711
Interest paid	14	(342,720)	(131,444)
Corporate income tax paid	15	(115,667)	(54,789)
Net cash flows from operating activities	20	73,598	1,809,478
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets and other long-term assets	21	(1,289,168)	(1,375,795)
Collections on investment deposits	21	383,573	-
Proceeds from disposals of fixed assets	22	-	111
Payments for granting loans and placement of term deposits	23	(1,750,000)	(878,000)
Receipts from collecting loans and term deposits	24	4,119,294	1,728,000
Receipts of interest	27	264,491	237,950
Net cash flows from investing activities	30	1,728,190	(287,734)

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 2021
(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	
			30/6/2021 VND million	30/6/2020 VND million
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuing bonds	33		-	1,015,245
Payments to settle loan principals	34		(2,600,000)	-
Net cash flows from financing activities	40		(2,600,000)	1,015,245
Net cash flows during the period (50 = 20 + 30 + 40)	50		(798,212)	2,536,989
Cash and cash equivalents at the beginning of the period	60		2,258,786	1,197,520
Cash and cash equivalents at the end of the period (70 = 50 + 60)	70	7	1,460,574	3,734,509

25 August 2021

Prepared by:

Pham Thi Ngoc Ha
Chief Accountant

Approved by:



Trần Mai Hoa
General Director

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 2021

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 2021, the Company had 702 employees (1/1/2021: 695 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 prepared and issued its consolidated interim financial statements on 25 August 2021. 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.

(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.

Vincom Retail Joint Stock Company
Notes to the separate interim financial statements for the six-month period
ended 30 June 2021 (continued)

Form B 09a – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(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 2021.

(d) Accounting and presentation currency

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

The separate interim financial statements are prepared and presented in million of Vietnam Dong ("VND million").

3. Summary of significant accounting policies

The following significant accounting policies have been adopted by the Company 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.

(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.

Vincom Retail Joint Stock Company
Notes to the separate interim financial statements for the six-month period
ended 30 June 2021 (continued)

Form B 09a – DN
(Issued under Circular No. 200/2014/TT-BTC
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(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.

(iii) Investments in other entities

The Company participates in co-operation agreements with counterparties to develop and construct shopping malls, in which the Company will be entitled to full rights to operate and manage the shopping malls when they are completed and ready for commercial operations. A portion of the profit before tax from the operations of shopping malls will be shared to the counterparties. The Company's investments relating to these co-operation agreements are accounted for as investments in other entities on the balance sheet on the date the shopping malls are handed over to the Company for commercial operations until completion of the legal procedures to transfer these assets to the Company, whereupon the assets will be reclassified to investment properties.

(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 2021 (continued)

Form B 09a – DN
(Issued under Circular No. 200/2014/TT-BTC
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(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 2021 (continued)

Form B 09a – DN
(Issued under Circular No. 200/2014/TT-BTC
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(h) Investment property

Investment property held to earn rental

Cost

Investment property held to earn rental is stated at cost less accumulated depreciation. The initial cost of an investment property held to earn rental comprises its purchase price, cost of land use rights and any directly attributable expenditures of bringing the property to the condition necessary for it to be capable of operating in the manner intended by the Board of Management. Expenditure incurred after the investment property held to earn rental has been put into operation, such as repairs and maintenance, is charged to the 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.

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 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 2021 (continued)

Form B 09a – DN
(Issued under Circular No. 200/2014/TT-BTC
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(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 regulations. Cost of tools and supplies are amortised on a straight-line basis not exceeding 3 years.

(iv) 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 shares 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 2021 (continued)

Form B 09a – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(n) Bonds 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 bonds.

(o) Taxation

Income tax on the unconsolidated 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.

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(ii) Revenue from lease 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.

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(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.

(t) Comparative information

Comparative information in these separate interim financial statements is presented as corresponding figures. Under this method, comparative information for the prior period are included as an integral part of the current period financial statements and are intended to be read only in relation to the amounts and other disclosures relating to the current period. Accordingly, the comparative information included in these separate interim financial statements is not intended to present the Company's unconsolidated financial position, unconsolidated results of operation or unconsolidated cash flows for the prior period.

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 2021 compared to those made in the most recent annual separate financial statements or those made in the same interim period of the prior year.

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 2021 compared to those made in the most recent annual separate financial statements.

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7. Cash and cash equivalents

	30/6/2021 VND million	1/1/2021 VND million
Cash in banks	246,574	358,782
Cash in transit	-	4
Cash equivalents (*)	1,214,000	1,900,000
	1,460,574	2,258,786

(*) Cash equivalents represented term deposits with remaining term to maturity of less than 3 months and earned interest at the rate of 3.0% – 4.0% per annum (1/1/2021: 2.9% – 4.0% per annum).

8. Investments

(a) Held-to-maturity investments

	30/6/2021 VND million	1/1/2021 VND million
Held-to-maturity investments – short-term		
▪ Term deposits (*)	604,279	1,825,193
	604,279	1,825,193

(*) Held-to-maturity investments – short-term represented term deposits with remaining term to maturity of less than 12 months and earned interest at the rate of 3.7% – 6.0% per annum (1/1/2021: 4.0% – 5.1% per annum).



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	30/6/2021		1/1/2021	
	Quantity	% of equity owned and voting rights	Cost VND million	Fair value VND million
<ul style="list-style-type: none"> ▪ South Vincom Retail Limited Liability Company ▪ Vincom Retail Operation Company Limited (formerly known as North Vincom Retail Limited Liability Company) (***) ▪ Suoi Hoa Urban Development and Investment Joint Stock Company ▪ Ha Thanh Real Estate Development and Investment Company Limited (***) 	(*)	100%	5,779,000	(**)
			5,779,000	5,779,000
	(*)	100%	6,389,956	(**)
			6,389,956	6,009,956
	34,240,000	97.27%	562,009	(**)
			562,009	562,009
	-	-	-	(**)
			-	380,000
			<u>12,730,965</u>	<u>12,730,965</u>

(*) 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.

There was no allowance for diminution of investments in subsidiaries in the separate interim financial statements for the six-month period ended 30 June 2021 and for the separate financial statements for the year ended 31 December 2020.

(***) In accordance with Decision No. 01/2021/QĐ-CSH-VCR dated 19 May 2021 and the merger contract dated 19 May 2021, Ha Thanh Real Estate Development and Investment Company Limited was merged into North Vincom Retail Limited Liability Company. After the merger, on 2 July 2021, North Vincom Retail Limited Liability Company changed its name to Vincom Retail Operation Company Limited.



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Details of the subsidiaries as at 30 June 2021 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.
Vincom Retail Operation Company Limited	Symphony Office Building, Chu Huy Man Street, Ecological Residence of Vinhomes Riverside, Phuc Loi Ward, Long Bien 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.

(c) Investments in other entities

Investment in other entities included capital contributions under business cooperation contracts of VND5,368,613 million (1/1/2021: VND5,985,940 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.

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9. Accounts receivable from customers – short-term

	30/6/2021	1/1/2021
	VND million	VND million
Receivables from leasing activities and rendering of related services	265,562	189,258
Receivables from rendering management services	14,385	22,576
Receivables from sale of inventory properties	56,152	99,556
	<hr/>	<hr/>
	336,099	311,390
	<hr/>	<hr/>

In which:

	30/6/2021	1/1/2021
	VND million	VND million
<i>Related parties:</i>		
Vincom Retail Operation Company Limited	7,548	-
Vinhomes Joint Stock Company	1,676	1,151
Vinfast Commercial and Services Trading Limited Liability Company	-	14,388
Other related parties	8,956	4,657
<i>Third parties:</i>		
Other customers	317,919	291,194
	<hr/>	<hr/>
	336,099	311,390
	<hr/>	<hr/>

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10. Loans receivable

(a) Loans receivable – short-term

	Annual interest rate	30/6/2021 VND million	1/1/2021 VND million
Subsidiaries			
▪ Vincom Retail Operation Company Limited	10%	-	58,294

(b) Loan receivables – long-term

	Annual interest rate	30/6/2021 VND million	1/1/2021 VND million
Subsidiaries			
▪ South Vincom Retail Limited Liability Company	10%	-	190,000
▪ Vincom Retail Operation Company Limited	10%	-	900,000
		-	1,090,000

11. Other short-term receivables

(a) Other short-term receivables comprise:

	30/6/2021 VND million	1/1/2021 VND million
Interests on bank deposits, other deposits and loans	34,734	56,929
Receivable for payment on behalf	2,380	3,796
Deposits for projects and contracts	4,783	4,783
Others	4,232	4,779
	46,129	70,287

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(b) Other short-term receivables from related parties

	30/6/2021	1/1/2021
	VND million	VND million
<i>Parent company</i>		
Vingroup Joint Stock Company	1,210	611
<i>Subsidiaries</i>		
South Vincom Retail Limited Liability Company	532	3,567
Vincom Retail Operation Company Limited	2,165	11,728
<i>Other related parties</i>		
Thai Son Investment Construction Corporation	9,891	8,589
Green City Development JSC	5,403	-
Other related parties	3,871	3,420
	23,072	27,915

12. Allowance for doubtful debts

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

	Six-month period ended	
	30/6/2021	30/6/2020
	VND million	VND million
Opening balance	3,434	877
Increase in allowance during the period	7,572	810
	11,006	1,687

13. Inventories

	30/6/2021		1/1/2021	
	Cost	Allowance	Cost	Allowance
	VND million	VND million	VND million	VND million
Completed inventory properties	44,691	-	70,933	-
Inventory properties under construction	218,735	-	422,004	-
Other inventories	10,221	-	10,405	-
	273,647	-	503,342	-

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14. Other assets

	30/6/2021 VND million	1/1/2021 VND million
Other current assets		
Deposits to related parties for investment purposes	1,040,000	-
Other long-term assets		
Deposits to related parties for investment purposes	2,981,820	2,789,702
	4,021,820	2,789,702

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.

Deposits to related parties for investments

	30/6/2021 VND million	1/1/2021 VND million
<i>Parent company</i>		
Vingroup Joint Stock Company	1,998,000	958,000
<i>Other related parties</i>		
Thai Son Investment Construction Corporation	1,203,400	1,011,282
Green City Development JSC	657,420	657,420
Can Gio Tourist City Corporation	163,000	163,000
	4,021,820	2,789,702

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15. Tangible fixed asset

	Buildings, structures VND million	Machinery and equipment VND million	Office equipment VND million	Total VND million
Cost				
Opening balance	226	10,305	3,556	14,087
Additions	-	482	132	614
<hr/>				
Closing balance	226	10,787	3,688	14,701
<hr/>				
Accumulated depreciation				
Opening balance	225	4,315	888	5,428
Charge for the period	1	1,185	316	1,502
<hr/>				
Closing balance	226	5,500	1,204	6,930
<hr/>				
Net book value				
Opening balance	1	5,990	2,668	8,659
Closing balance	-	5,287	2,484	7,771
<hr/>				

16. Intangible fixed assets

	Software VND million
Cost	
Opening balance and closing balance	48,906
<hr/>	
Accumulated amortisation	
Opening balance	30,322
Charge for the period	3,700
<hr/>	
Closing balance	34,022
<hr/>	
Net book value	
Opening balance	18,584
Closing balance	14,884
<hr/>	

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17. Investment property

	Land use right and buildings, structures VND million	Machinery and equipment VND million	Total VND million
Cost			
Opening balance	4,062,729	1,108,576	5,171,305
Additions	206,056	19,989	226,045
Closing balance	4,268,785	1,128,565	5,397,350
Accumulated depreciation			
Opening balance	379,913	247,147	627,060
Charge for the period	59,143	46,052	105,195
Closing balance	439,056	293,199	732,255
Net book value			
Opening balance	3,682,816	861,429	4,544,245
Closing balance	3,829,729	835,366	4,665,095

Investment properties mainly include the shopping malls of the Company. As at 30 June 2021, the Company is in the process of determining the fair values of these investment properties.

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18. Construction in progress

	Six-month period ended	
	30/6/2021	30/6/2020
	VND million	VND million
Opening balance	647,219	377,409
Additions	13,775	142,054
	<hr/>	<hr/>
Closing balance	660,994	519,463
	<hr/>	<hr/>

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

	30/6/2021	1/1/2021
	VND million	VND million
Vincom Plaza My Tho project	284,987	284,107
Vincom Plaza Bac Lieu project	219,308	215,724
Vincom Plaza Song Cong project	111,031	110,084
Other projects	45,668	37,304
	<hr/>	<hr/>
	660,994	647,219
	<hr/>	<hr/>

19. Prepaid expenses

(a) Short-term prepaid expenses

	30/6/2021	1/1/2021
	VND million	VND million
Prepaid selling expense related to sale of inventory properties not yet handed over	43,983	46,416
Prepaid provisional corporate income tax	3,497	3,952
Others	3,871	6,349
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	51,351	56,717
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(b) Long-term prepaid expenses

	30/6/2021	1/1/2021
	VND million	VND million
Tools and supplies	10,976	14,782
Overhaul expenditures	31,649	34,318
Prepaid land costs	7,039	9,236
Others	8,416	10,565
	<hr/>	<hr/>
	58,080	68,901
	<hr/>	<hr/>

20. Accounts payable to suppliers – short-term

	Cost & amount	
	within payment capacity	
	30/6/2021	1/1/2021
	VND million	VND million
<i>Related parties</i>		
Vinhomes Joint Stock Company	57,592	33,094
Vingroup Joint Stock Company	93,601	74,315
Vincom Retail Operation Company Limited	445	1,045
Vietnam Investment and Consulting Investment		
Joint Stock Company	24,926	9,230
Other related parties	5,821	11,225
<i>Payables to a constructor</i>	35,274	38,198
<i>Other suppliers</i>	183,948	284,099
	<hr/>	<hr/>
	401,607	451,206
	<hr/>	<hr/>

21. Advance from customers – short-term

	30/6/2021	1/1/2021
	VND million	VND million
Advance from customers under real estate sale and purchase agreements	349,766	395,196
Others	18,145	44,171
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	367,911	439,367
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22. Taxes and other payables to State Treasury

	1/1/2021 VND million	Incurred VND million	Paid VND million	30/6/2021 VND million
Value added tax	10,834	45,685	(15,776)	40,743
Corporate income tax	110,017	74,347	(115,667)	68,697
Personal income tax	2,512	9,474	(10,865)	1,121
Land tax and land rental fee	-	10,692	(2,716)	7,976
Other taxes	-	153	(153)	-
	123,363	140,351	(145,177)	118,537

23. Accrued expenses – short-term

	30/6/2021 VND million	1/1/2021 VND million
Accrued loan interests	59,150	131,580
Accrued commission and brokerage fee	27,544	47,179
Accrued construction costs	256,590	392,039
Accrued salary expenses	6,908	37,441
Others	77,543	89,715
	427,735	697,954

Accrued expenses payable to related parties

	30/6/2021 VND million	1/1/2021 VND million
Other related parties	89	1,000

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24. Unearned revenue

(a) Unearned revenue – short-term

	30/6/2021	1/1/2021
	VND million	VND million
Portion of long-term unearned revenue to be realised within 12 months	25,202	23,106

(b) Unearned revenue – long-term

	30/6/2021	1/1/2021
	VND million	VND million
Revenue received in advance from leasing activities and rendering of related services	194,568	183,466
Amount to be realised within 12 months	(25,202)	(23,106)
Amount to be realised after 12 months	169,366	160,360

(c) Unearned revenue from related parties

	30/6/2021	1/1/2021
	VND million	VND million
Other related parties	-	13

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25. Other payables

(a) Other payables – short-term

	30/6/2021	1/1/2021
	VND million	VND million
Deposits under deposit contracts and loan agreements received from customers	195,111	265,832
Deposits from tenants for leasing offices and shophouses to be refunded within the next 12 months	95,870	90,332
Maintenance fund payable	15,519	12,809
Deposits for site construction	12,627	11,205
Dividends payable	14	14
Others	24,203	4,380
	343,344	384,572

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

	30/6/2021	1/1/2021
	VND million	VND million
<i>Subsidiaries</i>		
South Vincom Retail Limited Liability Company	-	18
Vincom Retail Operation Company Limited	7,443	680
<i>Other related parties</i>		
Vinhomes Joint Stock Company	8,002	1,470
Other related parties	1,929	661
	17,374	2,829

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(c) Other payables – long-term

	30/6/2021	1/1/2021
	VND million	VND million
Deposits from tenants for leasing offices and shophouses	288,817	286,227
Deposits from tenants to be refunded within the next 12 months	(95,870)	(90,332)
	192,947	195,895

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

	30/6/2021	1/1/2021
	VND million	VND million
Other related parties	13,515	8,833

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26. Long-term bonds

Bond arrangers	30/6/2021 VND million	1/1/2021 VND million	Maturity date	Annual interest rate	Secured assets
Vietnam Bank for Industry and Trade Securities Joint Stock Company	-	2,598,973			Interest rate applied for the first year is 8.1% per annum, and the rate for the subsequent years 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	2,956,506	2,937,661	17 April 2023, 27 April 2023 and 26 August 2025		Interest rate applied for the first year is from 9.5% to 10% per annum, and the rate for the subsequent years is floating, being adjusted once each 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% or 3.5%.
	<u>2,956,506</u>	<u>5,536,634</u>			

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

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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	
	30/6/2021	30/6/2020
	VND million	VND million
Opening balance	2,254	9,845
Provision made during the period	915	610
Provision utilized during the period	-	(371)
Closing balance	3,169	10,084

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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 after tax VND million	Total VND million
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
Balance at 1 January 2021	23,288,184	46,983	(1,954,258)	5,000	3,625,098	25,011,007
Net profit for the period	-	-	-	-	298,263	298,263
Balance at 30 June 2021	23,288,184	46,983	(1,954,258)	5,000	3,923,361	25,309,270

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29. Share capital

The Company's authorised and issued share capital are:

	30/6/2021 & 1/1/2021	
	Number of shares	VND million
Authorised and issued share capital		
Ordinary shares	2,328,818,410	23,288,184
Treasury shares		
Ordinary shares	56,500,000	1,954,258
Shares in circulation		
Ordinary shares	2,272,318,410	22,723,184
Share premium	-	46,983

All ordinary shares have a par value of VND10,000. Each share is entitled to one vote at meetings of the Company. Shareholders are entitled to receive dividend as declared from time to time. All ordinary shares are ranked equally with regard to the Company's residual assets. In respect of shares bought back by the Company, all rights are suspended until those shares are reissued.

30. 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 end of the accounting period were as follows:

	30/6/2021	1/1/2021
	VND million	VND million
Within one year	860,129	988,519
Within two to five years	1,564,714	1,709,911
More than five years	1,814,450	1,749,765
	4,239,293	4,448,195

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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:

	30/6/2021	1/1/2021
	VND million	VND million
Within one year	10,389	10,389
Within two to five years	41,554	41,554
More than five years	408,220	417,868
	460,163	469,811

(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 VND175,248 million as at 30 June 2021 (1/1/2021: VND565,960 million).

(c) Other commitments

Commitments for co-developing of shopping malls

Under business cooperation contracts between the Company and Vingroup Joint Stock Company, parent 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 8(c) and Note 14, 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 VND106,447 million (1/1/2021: VND290,471 million), to these counterparties.

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31. 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	
	30/6/2021	30/6/2020
	VND million	VND million
Total revenue		
▪ Revenue from sale of inventory properties	519,059	466,855
▪ Revenue from leasing activities and rendering of related services	709,493	675,121
▪ Revenue from rendering management services	113,135	133,416
▪ Revenue from other services	2,973	3,804
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Net revenue	1,344,660	1,279,196
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32. Cost of sales

	Six-month period ended	
	30/6/2021	30/6/2020
	VND million	VND million
Total cost of sales		
▪ Cost from sale of inventory properties	292,939	244,739
▪ Cost from leasing activities and rendering of related services	439,031	397,090
▪ Cost from rendering management services	94,445	126,797
▪ Cost from other services	2,353	2,704
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	828,768	771,330
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33. Financial income

	Six-month period ended	
	30/6/2021	30/6/2020
	VND million	VND million
Interest income from loans and deposits	242,296	160,505
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34. Financial expenses

	Six-month period ended	
	30/6/2021	30/6/2020
	VND million	VND million
Interest on bonds	265,600	155,817
Amortisation of bond issuing costs	23,419	2,900
Other financial expenses	10	-
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	289,029	158,717
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35. Selling expenses

	Six-month period ended	
	30/6/2021	30/6/2020
	VND million	VND million
Consulting, commission and brokerage fees	52,280	23,204
Marketing expense	8,314	9,155
Management fee	4,934	7,041
Staff costs	530	2,081
Others	7	31
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	66,065	41,512
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36. General and administration expenses

	Six-month period ended	
	30/6/2021	30/6/2020
	VND million	VND million
Management fee	27,637	41,353
Provisions	7,572	810
Outside services expenses	7	88
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	35,216	42,251
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37. Production and business costs by elements

	Six-month period ended	
	30/6/2021	30/6/2020
	VND million	VND million
Cost of developing inventory properties	63,428	277,312
Staff costs	47,391	57,003
Depreciation and amortisation	112,594	105,658
Management fee	122,568	171,422
Outside services expenses	335,865	256,140
Other expenses	18,692	20,131

38. Income tax

(a) Recognised in the separate statement of income

	Six-month period ended	
	30/6/2021	30/6/2020
	VND million	VND million
Current tax expense		
Current period	74,801	86,828
Adjustment of corporate income taxes in prior years	-	1,202
	74,801	88,030

(b) Reconciliation of effective tax rate

	Six-month period ended	
	30/6/2021	30/6/2020
	VND million	VND million
Accounting profit before tax	373,064	432,984
Tax at the Company's tax rate	74,613	86,597
Non-deductible expenses	188	231
Adjustment of corporate income taxes in prior years	-	1,202
	74,801	88,030

(c) Applicable tax rates

The Company has an obligation to pay the government income tax at the rate of 20% of taxable profits.

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39. 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 30/6/2021	30/6/2020
	VND million	VND million
<i>Parent company</i>		
Vingroup Joint Stock Company		
Purchase of goods and services	108,151	104,128
Deposits for investment	1,040,000	379,056
Collections on investment deposits	99,745	-
<i>Subsidiaries</i>		
South Vincom Retail Limited Liability Company		
Revenue from provision of services	53,984	45,130
Interest income	3,647	17,915
Collection of loans	190,000	150,000
Vincom Retail Operation Company Limited		
Revenue from provision of services	58,730	50,567
Collection of loans	958,294	-
Interest income	25,112	44,837
<i>Other related companies</i>		
Vinhomes Joint Stock Company		
Revenue from provision of services	3,521	-
Purchase of goods and services	113,004	59,861
Deposits for investment	-	170,472
Collections on investment deposits	242,172	-
Vinpearl Joint Stock Company		
Lending	1,150,000	-
Collection of loans	1,150,000	-
Interest income	45,685	-
Purchase of goods and services	9,493	5,709
Vinfast Commercial and Services Trading Limited Liability Company		
Revenue from provision of services	27,387	-

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	Transaction value	
	Six-month period ended	
	30/6/2021	30/6/2020
	VND million	VND million
Central Park Development LLC		
Capital contribution to other investments	-	117,768
Interest income	-	23,311
Collections on investment deposits	41,656	-
Thai Son Investment Construction Corporation		
Deposits for investment	192,118	121,256
Interest income	55,465	7,128
Gia Lam Urban Investment and Development Company Limited		
Deposits for investment	-	31,659
Green City Development Joint Stock Company		
Deposits for investment	-	295,420
Interest income	32,601	23,311
Vinsmart Research and Manufacture Joint Stock Company		
Lending	-	878,000
Collection of loans	-	878,000
Interest income	-	25,698
Members of the Board of Directors and Board of Management		
Salary and bonus	11,348	18,743

40. Comparative information

The comparative information as at 1 January 2021 and for the six-month period ended 30 June 2021 was derived respectively from the balances and amounts reported in the Company's separate financial statements as at and for the year ended 31 December 2020 and from the Company's separate interim financial statements as at and for the six-month period ended 30 June 2020.

25 August 2021

Prepared by:

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Approved by:

Pham Mai Hoa
General Director