

Vincom Retail Joint Stock Company

Interim consolidated financial statements

Quarter III 2021

Vincom Retail Joint Stock Company

CONTENT

	<i>Pages</i>
General information	1
Report of management	2
Interim consolidated balance sheet	3 - 4
Interim consolidated income statement	5 - 6
Interim consolidated cash flow statement	7 - 8
Notes to the interim 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 period and at the date of this report are:

Ms. Thai Thi Thanh Hai	Chairwoman
Ms. Tran Mai Hoa	Member
Ms. Nguyen Thi Diu	Member (registered on 23/06/2021)
Mr. Nguyen The Anh	Member (appointed on 23/06/2021)
Ms. Le Mai Lan	Member
Mr. Fong Ming Huang Ernest	Independent member
Mr. Sanjay Vinayak	Independent member

MANAGEMENT

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

Ms. Tran Mai Hoa	General Director
Mr. Nguyen Anh Dung	Deputy General Director (registered on 28/10/2021)
Ms. Pham Thi Thu Hien	Deputy General Director
Mr. Nguyen Duy Khanh	Deputy General Director (appointed on 07/09/2021)

SUPERVISORY BOARD

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

Mr. Chu Anh Dung	Head (appointed on 05/10/2021)
Ms. Do Thi Quynh Trang	Head (resigned on 05/10/2021)
Ms. Nguyen Thu Phuong	Member
Ms. Tran Thanh Tam	Member

LEGAL REPRESENTATIVE

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

Ms. Pham Thi Ngoc Ha is authorised by the legal representative of the Company to sign the Company's financial statements in accordance with the Authorisation Letter dated 07 September 2021.

Vincom Retail Joint Stock Company

REPORT OF MANAGEMENT

Management of Vincom Retail Joint Stock Company ("the Company") presents its report and the interim consolidated financial statements of the Company and its subsidiaries for Quarter III 2021.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying interim consolidated financial statements give a true and fair view of the interim consolidated financial position of the Company and its subsidiaries as at 30 September 2021, and of the interim consolidated results of its operations and its interim consolidated cash flows for the period then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of interim consolidated financial statements.

For and on behalf of the management: 



Pham Thi Ngoc Ha
Chief Finance Officer

Hanoi, Vietnam

28 October 2021

INTERIM CONSOLIDATED BALANCE SHEET
as at 30 September 2021

Currency: VND million

Code	ASSETS	Notes	As at 30/9/2021	As at 31/12/2020
100	A. CURRENT ASSETS		5,911,228	7,012,397
110	I. Cash and cash equivalents	4	2,689,495	3,050,907
111	1. Cash		427,855	1,030,907
112	2. Cash equivalents		2,261,640	2,020,000
120	II. Short-term investments		174,517	1,894,314
123	1. Held-to-maturity investments	5	174,517	1,894,314
130	III. Current accounts receivable		1,630,616	1,446,089
131	1. Short-term trade receivables	6.1	1,462,495	817,997
132	2. Short-term advances to suppliers	6.2	49,098	97,136
136	3. Other short-term receivables	7	194,257	545,422
137	4. Provision for doubtful short-term receivables	6.1	(75,234)	(14,466)
140	IV. Inventories	8	280,049	519,889
141	1. Inventories		280,049	519,889
150	V. Other current assets		1,136,551	101,198
151	1. Short-term prepaid expenses	9	72,869	69,513
152	2. Value-added tax deductible		23,195	31,150
153	3. Tax and other receivables from the State		487	535
155	4. Other current assets	10	1,040,000	-
200	B. NON-CURRENT ASSETS		31,835,098	32,804,035
210	I. Long-term receivables		7,500	8,308
216	1. Other long-term receivables		7,500	8,308
220	II. Fixed assets		437,314	450,233
221	1. Tangible fixed assets	11	423,113	430,206
222	Cost		612,132	595,633
223	Accumulated depreciation		(189,019)	(165,427)
227	2. Intangible assets	12	14,201	20,027
228	Cost		54,391	54,391
229	Accumulated amortisation		(40,190)	(34,364)
230	III. Investment properties	13	26,685,367	27,732,173
231	1. Cost		33,692,823	33,710,220
232	2. Accumulated depreciation		(7,007,456)	(5,978,047)
240	IV. Long-term assets in progress		1,013,392	959,231
242	1. Construction in progress	14	1,013,392	959,231
260	V. Other long-term assets		3,691,525	3,654,090
261	1. Long-term prepaid expenses	9	413,916	514,162
262	2. Deferred tax assets		16,032	16,032
268	3. Other long-term assets	10	2,981,820	2,789,702
269	4. Goodwill	15	279,757	334,194
270	TOTAL ASSETS		37,746,326	39,816,432

INTERIM CONSOLIDATED BALANCE SHEET (continued)
as at 30 September 2021

Currency: VND million

Code	RESOURCES	Notes	As at 30/9/2021	As at 31/12/2020
300	C. LIABILITIES		7,217,370	10,480,616
310	I. Current liabilities		2,857,864	3,537,868
311	1. Short-term trade payables	16	500,213	788,362
312	2. Short-term advances from customers	17	467,230	429,835
313	3. Statutory obligations	18	280,609	321,533
314	4. Payables to employees		-	204
315	5. Short-term accrued expenses	19	585,162	1,009,332
318	6. Short-term unearned revenues	21	130,807	164,209
319	7. Short-term other payables	20	854,840	786,519
320	8. Short-term loan and debts	22.1	19,887	19,887
321	9. Short-term provisions		16,220	15,091
322	10. Bonus and welfare fund		2,896	2,896
330	II. Non-current liabilities		4,359,506	6,942,748
336	1. Long-term unearned revenues	21	93,120	86,181
337	2. Other long-term liabilities	20	1,061,480	1,072,229
338	3. Long-term loan and debts	22.2	3,128,216	5,706,162
341	4. Deferred tax liabilities		76,690	78,176
400	D. OWNERS' EQUITY		30,528,956	29,335,816
410	I. Capital	23	30,528,956	29,335,816
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		9,166,702	7,974,003
421a	- Undistributed earnings up to prior year		7,974,003	5,592,148
421b	- Undistributed earnings of current period		1,192,699	2,381,855
429	6. Non-controlling interests		34,765	34,324
440	TOTAL LIABILITIES AND OWNERS' EQUITY		37,746,326	39,816,432



Nguyen Thi Ninh
Preparer



Pham Hoang Viet
Chief Accountant



Pham Thi Ngoc Ha
Chief Finance Officer

28 October 2021

Vincom Retail Joint Stock Company

B02a-DN/HIN

INTERIM CONSOLIDATED INCOME STATEMENT Quarter III 2021

Currency: VND million

Code	ITEMS	Notes	Quarter III 2021	Quarter III 2020	For the 9-month period ended 30 September 2021	For the 9-month period ended 30 September 2020
01	1. Revenue from sale of goods and rendering of services	24.1	787,355	1,760,351	4,524,131	5,076,194
02	2. Deductions	24.1	-	-	-	-
10	3. Net revenue from sale of goods and rendering of services	24.1	787,355	1,760,351	4,524,131	5,076,194
11	4. Cost of goods sold and services rendered	25	(657,006)	(915,567)	(2,595,985)	(2,826,706)
20	5. Gross profit from sale of goods and rendering of services		130,349	844,784	1,928,146	2,249,488
21	6. Finance income	24.2	78,360	76,850	299,629	181,417
22	7. Finance expenses	26	(89,236)	(125,539)	(395,312)	(304,673)
23	In which: Interest expenses		(88,352)	(124,676)	(392,732)	(302,247)
25	8. Selling expenses	27	22,077	(39,904)	(121,453)	(145,268)
26	9. General and administrative expenses	27	(106,050)	(83,514)	(250,787)	(265,424)
30	10. Operating profit		35,500	672,677	1,460,223	1,715,540
31	11. Other income		16,980	47,314	58,208	74,759
32	12. Other expenses		(4,125)	(3,566)	(6,867)	(8,630)
40	13. Other (loss)/profit		12,855	43,748	51,341	66,129

Vincom Retail Joint Stock Company

B02a-DN/HN

INTERIM CONSOLIDATED INCOME STATEMENT (continued) Quarter III 2021

Currency: VND million

Code	ITEMS	Notes	Quarter III 2021	Quarter III 2020	For the 9-month period ended 30 September 2021	For the 9-month period ended 30 September 2020
50	14. Accounting profit before tax		48,355	716,425	1,511,564	1,781,669
51	15. Current corporate income tax expenses	28	(24,466)	(144,546)	(319,910)	(375,439)
52	16. Deferred tax income	28	487	512	1,486	1,530
60	17. Net profit after tax		24,376	572,391	1,193,140	1,407,760
61	18. Net profit after tax attributable to shareholders of the parent		24,253	572,264	1,192,699	1,407,458
62	19. Net profit after tax attributable to non-controlling interests		123	127	441	302



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Nguyen Thi Ninh
Preparer

Pham Hoang Viet
Chief Accountant

Pham Thi Ngoc Ha
Chief Finance Officer

28 October 2021

INTERIM CONSOLIDATED CASH FLOW STATEMENT
Quarter III 2021

Currency: VND million

Code	ITEMS	For the 9-month period ended 30 September 2021	For the 9-month period ended 30 September 2020
	I. CASH FLOWS FROM OPERATING ACTIVITIES		
01	Profit before tax	1,511,564	1,781,669
	<i>Adjustments for:</i>		
02	Depreciation of tangible fixed assets and investment properties and amortisation of intangible assets (including amortisation of goodwill)	1,118,915	1,110,599
03	Provisions	61,897	5,651
05	Profits from investing activities	(299,259)	(181,356)
06	Interest expenses and bond issue costs	392,732	302,247
08	Operating profit before changes in working capital	2,785,849	3,018,810
09	Changes in receivables	(727,847)	(941,145)
10	Changes in inventories	252,396	(211,902)
11	Changes in payables (other than interest, corporate income tax)	(182,224)	1,866,763
12	Changes in prepaid expenses	97,016	(37,247)
14	Interest paid	(439,747)	(308,075)
15	Corporate income tax paid	(467,802)	(289,088)
20	Net cash flows from operating activities	1,317,641	3,098,116
	II. CASH FLOWS FROM INVESTING ACTIVITIES		
21	Purchase, construction of fixed assets and other long-term assets	(1,589,843)	(4,216,050)
21	Collection on investment deposits	465,820	-
22	Proceeds from disposals of fixed assets and other long-term assets	-	-
23	Loans to other entities and payments for purchase of debt instruments of other entities	(1,850,000)	(2,878,567)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities	3,571,000	1,750,000
27	Interest and dividends received	323,970	153,184
30	Net cash flows (used in) investing activities	920,947	(5,191,433)

INTERIM CONSOLIDATED CASH FLOW STATEMENT (continued)
Quarter III 2021

Currency: VND million

Code	ITEMS	For the 9-month period ended 30 September 2021	For the 9-month period ended 30 September 2020
	III. CASH FLOWS FROM FINANCING ACTIVITIES		
33	Drawdown of borrowings	-	2,930,490
34	Repayment of borrowings	(2,600,000)	-
40	Net cash from/(used in) financing activities	(2,600,000)	2,930,490
50	Net increase/(decrease) in cash and cash equivalents for the period	(361,412)	837,173
60	Cash and cash equivalents at the beginning of the period	3,050,907	1,388,344
70	Cash and cash equivalents at the end of the period	2,689,495	2,225,517



Nguyen Thi Ninh
Preparer





Pham Hoang Viet
Chief Accountant

Pham Thi Ngoc Ha
Chief Finance Officer

28 October 2021

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
Quarter III 2021

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 employees of the Company and its subsidiaries as at 30 September 2021 is 1,981 (31 December 2020: 2,137).

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 03 following subsidiaries as at 30 September 2021:

No.	Name	Voting right (%)	Equity interest (%)	Registered office's address	Principal activities
1	Vincom Retail Operation Co., LTD (*)	100.00	100.00	Symphony Building, Chu Huy Man street, Phuc Loi Ward, Long Bien district, Hanoi city	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

In May 2021, Ha Thanh Real Estate Development and Investment Company Limited was merged in to North Vincom Retail Limited Liability Company. In July 2021, North Vincom Retail Limited Liability Company changed its name to Vincom Retail Operation Company Limited.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter III 2021**2. BASIS OF PREPARATION****2.1 Accounting standards and system**

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

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

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

2.2 Applied accounting documentation system

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

2.3 Fiscal year

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

2.4 Accounting currency

The Company's accounting currency is VND.

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

2.5 Basic of consolidation

The interim consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the reporting period ended 30 September 2021.

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

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

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter III 2021**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*Inventories properties*

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

Cost includes:

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

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

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

Other inventories

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

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

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter III 2021**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.2 Inventories (continued)***Provision for obsolete inventories*

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

3.3 Receivables

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

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

3.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

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

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

3.5 Leased assets

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

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

Where the Company and its subsidiaries are the lessee

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter III 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Leased assets (continued)

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

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

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

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

Where the Company and its subsidiaries are the lessor

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

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

3.6 Intangible assets

Intangible assets are stated at cost less accumulated amortisation.

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

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

3.7 Depreciation and amortisation

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

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter III 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Investment properties

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

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

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

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

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

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

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

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter III 2021**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.9 Borrowing costs**

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

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

3.10 Prepaid expenses

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

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

3.11 Business combinations and goodwill

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

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

Assets acquisitions and business combinations

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

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter III 2021**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.11 Business combinations and goodwill (continued)***Business combinations involving entities under common control*

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

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

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

3.12 Held-to-maturity investments

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

3.13 Payables and accruals

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

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

3.14 Provisions

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

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

Provision for warranty expenses for apartments and shop-houses

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter III 2021**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.15 Foreign currency transactions**

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

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

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

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

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

3.16 Appropriation of net profits

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

3.17 Advance from customers

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

3.18 Revenue recognition

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

Revenue from sale of inventory properties

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter III 2021**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 INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter III 2021**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.19 Taxation***Current income tax*

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

Current income tax is charged or credited to the 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 to set off current tax assets against current tax liabilities and when the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax

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

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

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

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

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

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter III 2021**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.19 Taxation (continued)***Deferred tax (continued)*

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

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

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

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

3.20 Related parties

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

4. CASH AND CASH EQUIVALENTS

Currency: VND million

	<u>As at 30/9/2021</u>	<u>As at 31/12/2020</u>
Cash in banks	427,855	1,030,832
Cash in transit	-	75
Cash equivalents	2,261,640	2,020,000
TOTAL	<u>2,689,495</u>	<u>3,050,907</u>

Cash equivalents as at 30 September 2021 comprised bank deposits in VND with maturity terms from 1 to 3 months and earning interest at the rates ranging 4.0% per annum (as at 31 December 2020: bank deposits in VND with maturity terms of 3 months and earning interest at the rates ranging 2.9% to 4.0% per annum).

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter III 2021

5. HELD-TO-MATURITY INVESTMENTS

Currency: VND million

	<u>As at 30/9/2021</u>	<u>As at 31/12/2020</u>
Short-term held-to-maturity investments (i)	174,517	1,894,314
TOTAL	174,517	1,894,314

- (i) Ending balance of short-term held-to-maturity investments comprised short-term bank deposits and investments in VND with terms ranging from 6 months to 12 months and earning interest at the rate ranging from 3.7% to 6.03% per annum (31 December 2020: bank deposits in VND with terms ranging from 6 months to 12 months and earning interest at the rate ranging from 4.0% to 6.3% per annum), including VND 74.5 billion of maintenance fund of the handed over condotel apartments and will be transferred to the building management boards.

6. SHORT-TERM TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

6.1 Short-term trade receivables

Currency: VND million

	<u>As at 30/9/2021</u>	<u>As at 31/12/2020</u>
Receivables from leasing activities and rendering related services	1,238,452	660,921
Receivables from sale of inventory	152,153	111,001
Others	71,890	46,075
TOTAL	1,462,495	817,997
<i>In which:</i>		
Trade receivables from customers	1,323,032	741,157
Trade receivables from related parties (Note 29)	139,463	76,840
Provision for doubtful short-term receivables	(75,234)	(14,466)

6.2 Short-term advances to suppliers

Currency: VND million

	<u>As at 30/9/2021</u>	<u>As at 31/12/2020</u>
Advances to suppliers	49,098	92,799
Advances to related parties (Note 29)	-	4,337
TOTAL	49,098	97,136

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter III 2021

7. OTHER SHORT-TERM RECEIVABLES

Currency: VND million

	<u>As at 30/9/2021</u>	<u>As at 31/12/2020</u>
Interests deposits	28,040	52,635
Guarantee deposits for project development and contract implementation	56,118	12,728
Value added tax receivables	69,680	457,909
Receivable for payment on behalf	5,182	6,713
Others	35,237	15,437
TOTAL	194,257	545,422
<i>In which:</i>		
<i>Other receivables</i>	89,760	60,187
<i>Other receivables from related parties (Note 29)</i>	104,497	485,235

8. INVENTORIES

Currency: VND million

	<u>As at 30/9/2021</u>		<u>As at 31/12/2020</u>	
	Cost	Provision	Cost	Provision
Inventory properties under construction (i)	218,788	-	422,004	-
Completed inventory	42,076	-	77,251	-
Others	19,185	-	20,633	-
TOTAL	280,049	-	519,889	-

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter III 2021

9. PREPAID EXPENSES

Currency: VND million

	<i>As at 30/9/2021</i>	<i>As at 31/12/2020</i>
Short-term:		
Selling expenses related to sale of inventory properties not yet handed over	56,959	46,583
Provisional corporate income tax	4,109	3,983
Others	11,801	18,947
TOTAL	72,869	69,513
Long-term:		
Prepaid rental to a related party for leasing commercial areas (Note 29) (i)	242,892	247,997
Prepayment for committed profit relating to business cooperation contracts and	10,705	51,823
Overhaul expenditures	133,425	164,339
Tools and supplies	13,055	22,048
Prepaid land rental	9,703	14,073
Commission fees for leasing commercial areas	4,128	11,648
Others	8	2,234
TOTAL	413,916	514,162

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

10. OTHER ASSETS

Currency: VND million

	<i>As at 30/9/2021</i>	<i>As at 31/12/2020</i>
Short-term:		
Deposits to related parties for investment purposes (Note 29) (i)	1,040,000	-
TOTAL	1,040,000	-
Long-term:		
Deposits to related parties for investment purposes (Note 29) (i)	2,981,820	2,789,702
TOTAL	2,981,820	2,789,702

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
 Quarter III 2021

11. TANGIBLE FIXED ASSETS

Currency: VND million

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Others	Total
Cost:						
Beginning balance	280,898	265,426	-	23,766	25,543	595,633
- Transferred from completed construction in progress	-	18,704	-	289	-	18,993
- Sold, disposal	-	(1,489)	-	(1,005)	-	(2,494)
Ending balance	280,898	282,641	-	23,050	25,543	612,132
Accumulated depreciation:						
Beginning balance	22,461	120,560	-	12,226	10,180	165,427
- Depreciation for the period	3,388	18,047	-	2,255	2,025	25,715
- Sold, disposal	-	(1,100)	-	(1,024)	-	(2,124)
Ending balance	25,850	137,507	-	13,457	12,205	189,019
Net carrying amount:						
Beginning balance	258,437	144,866	-	11,541	15,363	430,206
Ending balance	255,048	145,134	-	9,593	13,338	423,113

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter III 2021

12. INTANGIBLE ASSETS

	<i>Currency: VND million</i>
	<u>Computer software</u>
Cost:	
Beginning balance	54,391
- Transferred from completed construction in progress	-
Ending balance	54,391
Accumulated amortisation:	
Beginning balance	34,364
- Amortisation for the period	5,826
Ending balance	40,190
Net carrying amount:	
Beginning balance	<u>20,027</u>
Ending balance	<u>14,201</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	27,542,687	6,167,533	33,710,220
Increase due to finalisation of construction contracts	54,942	(56,258)	(1,316)
Disposal	(11,912)	(4,169)	(16,081)
Ending balance	27,585,717	6,107,106	33,692,823
Accumulated depreciation:			
Beginning balance	3,517,613	2,460,434	5,978,047
Depreciation for the period	596,208	436,728	1,032,936
Disposal	(1,148)	(2,379)	(3,527)
Ending balance	4,112,673	2,894,783	7,007,456
Net carrying amount:			
Beginning balance	<u>24,025,074</u>	<u>3,707,099</u>	<u>27,732,173</u>
Ending balance	<u>23,473,044</u>	<u>3,212,323</u>	<u>26,685,367</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter III 2021**13. INVESTMENT PROPERTIES (Continued)**

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

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

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

14. CONSTRUCTION IN PROGRESS

Currency: VND million

	<u>As at 30/9/2021</u>	<u>As at 31/12/2020</u>
Vincom Plaza Bien Hoa 2	135,650	135,650
Vincom+ Thai Nguyen	111,260	110,084
Vincom Plaza My Tho	286,232	284,107
Vincom Plaza Bac Lieu	221,504	215,724
Bac Ninh Hotel Project	167,749	123,529
Other projects	90,997	90,137
TOTAL	<u>1,013,392</u>	<u>959,231</u>

15. GOODWILL

Currency: VND million

	<u>Goodwill arisen from acquisition of</u>			Total
	<u>Vincom Center Long Bien One Member LLC (i)</u>	<u>Khanh Gia Investment Trading Services JSC (i)</u>	<u>An Phong Investment JSC (i)</u>	
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	25,270	117,817	248,556	391,643
Amortisation for the period	2,475	15,772	36,190	54,437
Ending balance	27,745	133,589	284,746	446,080
Net carrying amount:				
Beginning balance	7,730	92,471	233,993	334,194
Ending balance	5,255	76,699	197,803	279,757

(i) These companies were merged into Vincom Retail Operation Co., LTD and South Vincom Retail LLC.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter III 2021

16. SHORT-TERM TRADE PAYABLES

Currency: VND million

	<u>As at 30/9/2021</u>	<u>As at 31/12/2020</u>
Trade payables to suppliers	299,036	430,474
Trade payables to related parties (Note 29)	201,177	357,888
TOTAL	<u>500,213</u>	<u>788,362</u>

17. ADVANCE FROM CUSTOMERS

Currency: VND million

	<u>As at 30/9/2021</u>	<u>As at 31/12/2020</u>
Downpayment from customers under sale and purchase of real estate agreements	410,856	398,317
Others	56,374	31,518
TOTAL	<u>467,230</u>	<u>429,835</u>

18. STATUTORY OBLIGATIONS

Currency: VND million

	<u>As at 30/9/2021</u>	<u>As at 31/12/2020</u>
Payables		
Corporate income tax	133,318	281,165
Value added tax	115,336	33,263
Personal income tax	2,088	5,084
Others	29,867	2,021
TOTAL	<u>280,609</u>	<u>321,533</u>

19. SHORT-TERM ACCRUED EXPENSES

Currency: VND million

	<u>As at 30/9/2021</u>	<u>As at 31/12/2020</u>
Accrued construction costs	292,745	467,777
Accrued loans and bond interests	65,576	140,364
Accrued selling expenses	12,816	47,312
Accrued committed profit relating to business cooperation contracts and	43,184	50,247
Accrued labor expenses	20,570	58,620
Others	150,271	245,012
TOTAL	<u>585,162</u>	<u>1,009,332</u>
<i>In which:</i>		
Accrued expenses due to others	579,747	1,004,035
Accrued expenses due to related parties (Note 29)	5,415	5,297

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter III 2021

20. OTHER PAYABLES

	<i>Currency: VND million</i>	
	<u>As at 30/9/2021</u>	<u>As at 31/12/2020</u>
Short-term:		
Deposits received under deposit and loan contracts	292,810	269,067
Deposits from tenants to be refunded within the next 12 months	377,757	364,032
Maintenance fund	87,085	82,208
Deposits for site construction	46,497	46,357
Dividend payable	2,234	2,234
Other payables	48,457	22,621
TOTAL	854,840	786,519
<i>In which:</i>		
Other short-term payables	853,429	765,694
Other short-term payables to related parties (Note 29)	1,411	20,825
Long-term:		
Deposits from tenants	1,223,107	1,220,300
Less: Deposits from tenants to be refunded within the next 12 months (Presented in Short-term)	(377,757)	(364,032)
Deposit under business cooperation contracts	180,000	180,000
Other deposits	36,130	35,961
TOTAL	1,061,480	1,072,229
<i>In which:</i>		
Other long-term payables	881,480	865,470
Other long-term payables to related parties (Note 29)	180,000	206,759

21. UNEARNED REVENUE

	<i>Currency: VND million</i>	
	<u>As at 30/9/2021</u>	<u>As at 31/12/2020</u>
Short-term unearned revenue	130,807	164,209
Long-term unearned revenue	93,120	86,181
TOTAL	223,927	250,390
<i>In which:</i>		
Unearned revenue received from related parties (Note 29)	1,413	35,363
Unearned revenue received from others	222,514	215,027

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter III 2021**22. LOANS AND DEBTS****22.1 Short-term loans and debt**

Currency: VND million

	Note	As at 30/9/2021		As at 31/12/2020	
		Carrying value	Payable amount	Carrying value	Payable amount
Current portion of long-term debts from related parties	29	19,887	19,887	19,887	19,887
TOTAL		19,887	19,887	19,887	19,887

22.2 Long-term loans and debt

Currency: VND million

	Note	As at 30/9/2021		As at 31/12/2020	
		Carrying value	Payable amount	Carrying value	Payable amount
Corporate bonds	(i)	2,956,484	2,956,484	5,534,767	5,534,767
Other long-term debts from related parties	29	171,732	171,732	171,395	171,395
TOTAL		3,128,216	3,128,216	5,706,162	5,706,162

(i) Ending balance comprises:

<u>Bond arranger</u>	<u>As at 30/9/2021</u> <u>(VND million)</u>	<u>Maturity</u> <u>date</u>	<u>Interest rate</u>	<u>Secured</u> <u>assets</u>
Techcom Securities Joint Stock Company	2,956,484	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	2,956,484			

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

Vincom Retail Joint Stock Company

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued) Quarter III 2021

23. OWNERS' EQUITY

23.1 Increase and decrease in owner's equity

Currency: VND million

	Shares with voting right	Share premium	Treasury shares	Undistributed earnings	Other funds belonging to owners' equity	Non-controlling interests	Total
For the 9-month period ended 30 September 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 period	-	-	-	1,407,458	-	302	1,407,760
Ending balance	23,288,184	46,983	(1,954,258)	6,999,606	(53,420)	34,172	28,361,267
For the 9-month period ended 30 September 2021							
Beginning balance	23,288,184	46,983	(1,954,258)	7,974,003	(53,420)	34,324	29,335,816
- Net profit for the period	-	-	-	1,192,699	-	441	1,193,140
Ending balance	23,288,184	46,983	(1,954,258)	9,166,702	(53,420)	34,765	30,528,956

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter III 2021

23. OWNERS' EQUITY (continued)

23.2 Shares

	As at 30/9/2021		As at 31/12/2020	
	Quantity	Amount VND million	Quantity	Amount VND million
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	2,272,318,410	22,723,184

Par value of each outstanding share: VND 10,000 per share (31 December 2020: VND 10,000 per share).

24. REVENUE

24.1 Revenue from sale of goods and rendering of services

Currency: VND million

	Quarter III 2021	Quarter III 2020
Gross revenue	787,355	1,760,351
In which:		
Leasing activities and rendering of related services	728,162	1,607,612
Sale of inventory properties	20,402	106,853
Others	38,791	45,886
Deduction	-	-
Net revenue	787,355	1,760,351
In which:		
Revenue from sale to related parties	294,012	209,806
Revenue from sale to others	493,343	1,550,545

24.2 Finance income

Currency: VND million

	Quarter III 2021	Quarter III 2020
Interest income from bank deposits, loans and deposits	78,360	76,850
TOTAL	78,360	76,850

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter III 2021**24. REVENUE (continued)****24.3 Revenue and expenses relating to investment properties**

Currency: VND million

	<u>Quarter III 2021</u>	<u>Quarter III 2020</u>
Revenue from leasing of investment properties and rendering of related services (Note 24.1)	728,162	1,607,612
Direct operating costs related to investment properties generating income in the period (Note 25)	575,987	770,055

25. COST OF GOODS SOLD AND SERVICES RENDERED

Currency: VND million

	<u>Quarter III 2021</u>	<u>Quarter III 2020</u>
Cost of leasing activities and rendering of related services	575,987	770,055
Cost of inventory properties sold	9,007	58,139
Others	72,012	87,373
TOTAL	<u>657,006</u>	<u>915,567</u>

26. FINANCE EXPENSES

Currency: VND million

	<u>Quarter III 2021</u>	<u>Quarter III 2020</u>
Interests on loans and bond	82,014	118,236
Amortisation of bond issue costs	6,338	6,440
Others	884	863
TOTAL	<u>89,236</u>	<u>125,539</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter III 2021

27. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

Currency: VND million

	<u>Quarter III 2021</u>	<u>Quarter III 2020</u>
Selling expenses	(22,077)	39,904
Labour cost	8,567	12,111
Consulting, commission and brokerage fees	10,491	6,628
Brand and marketing fee	(43,120)	18,639
Depreciation and amortisation	1,769	1,954
Out-sourcing services	11	125
Others	205	447
General and administrative expenses	106,050	83,514
Labour cost	20,358	26,363
Depreciation and amortisation	20,030	21,383
Provision expenses	46,634	2,482
Out-sourcing services	2,242	5,746
Others	677	2,204
Management fee	16,109	25,336
TOTAL	<u>83,973</u>	<u>123,418</u>

28. CORPORATE INCOME TAX

The statutory corporate income tax ("CIT") applicable to the Company and its subsidiaries for Quarter III 2021 is 20% of taxable profit (for Quarter III 2020: 20%).

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

Currency: VND million

	<u>Quarter III 2021</u>	<u>Quarter III 2020</u>
Current corporate income tax expenses	24,466	144,546
Deferred tax income	(487)	(512)
TOTAL	<u>23,979</u>	<u>144,034</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter III 2021**29. TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

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

<u>Related parties</u>	<u>Relationship</u>
Vingroup JSC	Parent company
Vinhomes JSC	Under common control
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
Vinfast Manufacturing and Trading Company Limited	Under common control
Gia Lam Urban Development and Investment Limited Company	Under common control
Vinsmart Research and Manufacture Joint Stock Company	Under common control
Vinfast Trading and Service Limited Liability Company	Under common control

Significant transactions with related parties during the period:

Currency: VND million

	<u>From 01/01/2021</u> <u>to 30/9/2021</u>	<u>From 01/01/2020</u> <u>to 30/9/2020</u>
Receivables from leasing and rendering of related services		
Millenium Trading Investment And Development Company Limited	13,750	-
Vinhomes JSC	195,812	216,356
Vinfast Trading and Service Limited Liability Company	121,347	73,065
Vinschool One Member LLC	19,129	35,023
Vinpearl JSC	54,721	35,101
Green City Development Joint Stock Company	-	50,818
Payables for purchase of goods and services		
Vingroup JSC	81,261	124,095
Vinpearl JSC	9,471	37,068
Vinhomes JSC	65,021	65,027
Ecology Development and Investment JSC	18,543	29,668
Payable for renting property		
Vingroup JSC	122,955	-
Vinhomes JSC	75,447	-
Vietnam Investment and Consulting Investment JSC	19,512	-
Gia Lam Urban Development and Investment Limited Company	13,582	-

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter III 2021**29. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)**

Significant transactions with related parties during the period:

Currency: VND million

	<i>From 01/01/2021 to 30/9/2021</i>	<i>From 01/01/2020 to 30/9/2020</i>
Deposit for investment purpose		
Vingroup JSC	1,040,000	-
Thai Son Investment Construction Corporation	192,118	930,282
Green City Development Joint Stock Company	-	295,420
Gia Lam Urban Development and Investment Limited Company	131,396	550,294
Collection from deposit for investment purpose		
Vingroup JSC	181,992	-
Vinhomes JSC	242,172	-
Central Park Development LLC	41,656	-
Lending		
Vinsmart Research and Manufacture Joint Stock	-	1,050,000
Vinpearl JSC	1,250,000	-
Collection of loan principal		
Vinsmart Research and Manufacture Joint Stock	-	1,050,000
Vinpearl JSC	1,250,000	-
Interests receivable		
Vingroup JSC	5,385	-
Vinsmart Research and Manufacture Joint Stock	-	25,698
Green City Development Joint Stock Company	49,171	39,882
Vinpearl JSC	49,657	-
Thai Son Investment Construction Corporation	85,797	19,098
Can Gio Tourism Urban Joint Stock Company	12,192	-

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter III 2021

29. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

Significant transactions with related parties during the period:

Amounts due from and due to related parties

Currency: VND million

<i>Related parties</i>	<i>Transactions</i>	<i>As at 30/9/2021</i>	<i>As at 31/12/2020</i>
Short-term trade receivable (Note 6.1)			
Vinhomes JSC	Receivables from leasing property and provision of related services	80,395	23,109
Vinfast Commercial and Services Trading Limited Liability Company	Receivables from leasing property and provision of related services	20,696	38,179
Vingroup JSC	Receivables from leasing property and provision of related services	11,401	-
Other companies in the Group	Other receivables	26,971	15,552
		139,463	76,840
Other short-term receivables (Note 7)			
Vingroup JSC	Receivable for business	-	143,990
	Interests receivable from	592	612
	Other receivables	108	93
Vinpearl JSC	Shared profit receivable	7,425	3,713
	Interests receivable		
	Other receivables	213	2,537
Vietnam Investment and Consulting Investment JSC	Receivable for business	69,680	69,680
	Other receivables	146	177
Central Park Development LLC	Receivable for business cooperation contract	-	41,287
Vinhomes JSC	Receivable for business	-	202,952
	Other receivables	1,821	3,935
Other companies in the Group	Other receivables	24,512	16,259
		104,497	485,235

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter III 2021

29. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

Amounts due from and due to related parties (continued)

Currency: VND million

<i>Related parties</i>	<i>Transactions</i>	<i>As at 30/9/2021</i>	<i>As at 31/12/2020</i>
Long-term prepaid expenses (Note 9)			
Ecology Development and Investment JSC	Long-term lease prepaid	242,892	247,997
		242,892	247,997
Other current assets (Note 10)			
Vingroup JSC	Deposits for business cooperation	1,040,000	-
		1,040,000	-
Other long-term assets (Note 10)			
Vingroup JSC	Deposits for business cooperation	958,000	958,000
Can Gio Tourist City Corporation	Deposits for business cooperation	163,000	163,000
Green City Development JSC	Deposits for business cooperation	657,420	657,420
Thai Son Investment Construction Corporation	Deposits for business cooperation	1,203,400	1,011,282
		2,981,820	2,789,702
Short-term trade payables (Note 16)			
Vinpearl JSC	Payables for purchase of assets, goods and	90,407	103,294
Vinhomes JSC	Payables for purchase of assets, goods and	25,404	25,360
Vingroup JSC	Payables for purchase of assets, goods and	77,694	92,725
Gia Lam Urban Investment and Development LLC	Payables for purchase of assets, goods and services	-	123,173
Other companies in the Group	Other payables	7,671	13,336
		201,177	357,888
Short-term accrued expenses (Note 19)			
Vinpearl JSC	Other payables	5,415	3,457
Companies in the Group	Other payables	-	1,840
		5,415	5,297

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter III 2021

29. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

Amounts due from and due to related parties (continued)

Currency: VND million

<i>Related parties</i>	<i>Transactions</i>	<i>As at 30/9/2021</i>	<i>As at 31/12/2020</i>
<i>Other short-term payables</i> (Note 20)			
Vinhomes JSC	Deposit for leasing retail	1,400	9,747
	Other payables	-	1,884
Other companies in the Group	Other payables	11	9,194
		1,411	20,825
<i>Other long-term liabilities</i> (Note 20)			
Vinschool One Member LLC	Deposit for leasing retail	-	6,375
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
Other companies in the Group	Deposit for leasing retail	-	4,222
		180,000	206,759
<i>Unearned revenues</i> (Note 21)			
Vinhomes JSC	Unearned revenue from leasing and rendering of related services	-	25,071
Other companies in the Group	Unearned revenue from leasing and rendering of related services	1,413	10,292
		1,413	35,363

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

Financial lease liabilities from a related party as at 30 September 2021 was as follow:

<i>Related parties</i>	<i>As at 30/9/2021</i>	<i>Interest rate</i>	<i>Maturity date</i>
	<i>VND million</i>	<i>per annum</i>	
Ecology Development and Investment JSC	191,619	From 8.58% to 14.02%	March 2045
<i>In which: Current-portion</i>	(19,887)		
TOTAL (i)	171,732		

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter III 2021

29. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

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

Financial lease liabilities from a related party as at 31 December 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>	<u>(19,887)</u>		
TOTAL	<u>171,395</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 interim consolidated financial statements of the Company and its subsidiaries.



Nguyen Thi Ninh
Preparer



Pham Hoang Viet
Chief Accountant




Pham Thi Ngoc Ha
Chief Finance Officer

28 October 2021

Vincom Retail Joint Stock Company

APPENDIX Quarter III 2021

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)

Code Item	Quarter III 2021	Quarter III 2020	Currency: VND million	
			Variance	%
10	Net revenue from sale of goods and rendering of services	1,760,351	(972,996)	-55%
11	Cost of goods sold and services rendered	915,567	(258,561)	-28%
20	Gross profit from sale of goods and rendering of services	844,784	(714,435)	-85%
21	Financial income	76,850	1,510	2%
22	Finance expenses	125,539	(36,303)	-29%
60	Net profit after tax	572,391	(548,015)	-96%

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 III 2021 decreased VND 973 billion in comparison with previous period mainly because of: (i) revenue from leasing activities and rendering of related services increased VND 880 billion; and (ii) sale of inventory properties decreased VND 87 billion due to the number of shop-houses handed over was lower than Quarter III 2020. Cost of goods sold and services rendered decreased correspondingly to the decrease of revenue.
- Finance income increased VND 1.5 billion because of the increase of interest income from deposits.
- Finance expenses decreased VND 36 billion mainly owing to the redemption of VND 2.6 trillion bond.
- Net profit after tax decreased VND 548 billion in comparison with prior period because of above mentioned reasons.