



Vincom Retail Joint Stock Company

Separate Financial Statements
for the year ended 31 December 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
Ms. Pham Thi Thu Hien	Deputy General Director <i>(from 16 March 2021)</i>
Mr. Nguyen Duy Khanh	Deputy General Director <i>(from 7 September 2021)</i>
Ms. Pham Thi Ngoc Ha	Chief Finance Officer <i>(from 7 September 2021)</i>
Ms. Tran Thu Hien	Deputy General Director <i>(until 16 March 2021)</i>
Mr. Nguyen Anh Dung	Deputy General Director <i>(until 28 October 2021)</i>

Board of Supervision

Mr. Chu Anh Dung	Head of Board of Supervision <i>(from 5 October 2021)</i>
Ms. Do Thi Quynh Trang	Head of Board of Supervision <i>(until 5 October 2021)</i>
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 financial statements of the Company for the year ended 31 December 2021.

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

- (a) the separate financial statements set out on pages 5 to 45 give a true and fair view of the unconsolidated financial position of the Company as at 31 December 2021, and of its unconsolidated results of operations and unconsolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Enterprises and the relevant statutory requirements applicable to 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 financial statements for issue.



On behalf of the Board of Management 

Pham Thi Ngoc Ha
Chief Financial Officer

Hanoi, 24 March 2022



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INDEPENDENT AUDITOR'S REPORT

To the Shareholders Vincom Retail Joint Stock Company

We have audited the accompanying separate financial statements of Vincom Retail Joint Stock Company ("the Company"), which comprise the separate balance sheet as at 31 December 2021, the separate statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Company's Board of Management on 24 March 2022, as set out on pages 5 to 45.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Company's Board of Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Auditor's Opinion

In our opinion, the separate financial statements give a true and fair view, in all material respects, of the separate financial position of Vincom Retail Joint Stock Company as at 31 December 2021, and of its separate results of operations and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Enterprises and the relevant statutory requirements applicable to financial reporting.

KPMG Limited

Vietnam

Audit Report No. 21-01-00203-22-1



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

Hanoi, 24 March 2022

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

Vincom Retail Joint Stock Company
Separate balance sheet as at 31 December 2021

Form B 01 – DN

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

	Code	Note	31/12/2021 VND million	1/1/2021 VND million
ASSETS				
Current assets				
(100 = 110 + 120 + 130 + 140 + 150)	100		4,446,116	5,137,627
Cash and cash equivalents	110	4	2,288,471	2,258,786
Cash	111		928,217	358,786
Cash equivalents	112		1,360,254	1,900,000
Short-term financial investments	120		117,755	1,825,193
Held-to-maturity investments	123	5(a)	117,755	1,825,193
Accounts receivable – short-term	130		682,679	490,873
Accounts receivable from customers – short-term	131	6	382,684	311,390
Prepayments to suppliers – short-term	132		9,665	54,336
Loans receivable – short-term	135	7(a)	295,000	58,294
Other short-term receivables	136	8	48,627	70,287
Allowance for doubtful debts	137	9	(53,297)	(3,434)
Inventories	140	10	117,408	503,342
Inventories	141		117,408	503,342
Other current assets	150		1,239,803	59,433
Short-term prepaid expenses	151	16(a)	33,851	56,717
Deductible value added tax	152		2,194	2,181
Taxes and others receivable from State Treasury	153		358	535
Other current assets	155	11	1,203,400	-

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

Vincom Retail Joint Stock Company
Separate balance sheet as at 31 December 2021 (continued)

Form B 01 – DN

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

	Code	Note	31/12/2021 VND million	1/1/2021 VND million
Long-term assets				
(200 = 210 + 220 + 230 + 240 + 250 + 260)	200		25,726,380	27,888,325
Accounts receivable – long-term	210		561	1,091,938
Loans receivable – long-term	215	7(b)	-	1,090,000
Other long-term receivables	216		561	1,938
Fixed assets	220		20,399	27,243
Tangible fixed assets	221	12	9,220	8,659
Cost	222		17,454	14,087
Accumulated depreciation	223		(8,234)	(5,428)
Intangible fixed assets	227	13	11,179	18,584
Cost	228		48,958	48,906
Accumulated amortisation	229		(37,779)	(30,322)
Investment property	230	14	4,628,689	4,544,245
Cost	231		5,468,702	5,171,305
Accumulated depreciation	232		(840,013)	(627,060)
Long-term work in progress	240		667,777	647,219
Construction in progress	242	15	667,777	647,219
Long-term financial investments	250		17,949,154	18,716,905
Investments in subsidiaries	251	5(b)	12,730,965	12,730,965
Investments in other entities	253	5(c)	5,218,189	5,985,940
Other long-term assets	260		2,459,800	2,860,775
Long-term prepaid expenses	261	16(b)	53,208	68,901
Deferred tax assets	262		2,172	2,172
Other long-term assets	268	11	2,404,420	2,789,702
TOTAL ASSETS (270 = 100 + 200)	270		30,172,496	33,025,952

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

Vincom Retail Joint Stock Company
Separate balance sheet as at 31 December 2021 (continued)

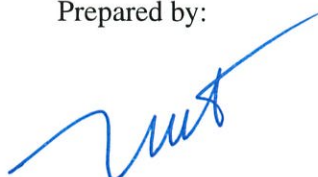
Form B 01 – DN

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

	Code	Note	31/12/2021 VND million	1/1/2021 VND million
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		4,704,097	8,014,945
Current liabilities	310		1,387,945	2,122,056
Accounts payable to suppliers – short-term	311	17	423,576	451,206
Advances from customers – short-term	312	18	241,113	439,367
Taxes and other payables to State Treasury	313	19	31,124	123,363
Payables to employees	314		-	234
Accrued expenses	315	20	382,301	697,954
Unearned revenue – short-term	318	21(a)	23,764	23,106
Other payables – short-term	319	22(a)	284,362	384,572
Provisions – short-term	321	24	1,705	2,254
Long-term liabilities	330		3,316,152	5,892,889
Unearned revenue – long-term	336	21(b)	166,088	160,360
Other payables – long-term	337	22(c)	184,072	195,895
Long-term bonds	338	23	2,965,992	5,536,634
EQUITY (400 = 410)	400		25,468,399	25,011,007
Owners' equity	410	25	25,468,399	25,011,007
Share capital	411	26	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		4,082,490	3,625,098
- Undistributed profit after tax brought forward	421a		3,625,098	2,619,993
- Net profit after tax for the current year	421b		457,392	1,005,105
TOTAL RESOURCES (440 = 300 + 400)	440		30,172,496	33,025,952

24 March 2022

Prepared by:



Pham Hoang Viet
Chief Accountant

Approved by:



Pham Thi Ngoc Ha
Chief Financial Officer

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

Vincom Retail Joint Stock Company
Separate statement of income for the year ended 31 December 2021

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

	Code	Note	2021 VND million	2020 VND million
Revenue from sales of goods and provision of services	01	28	2,274,053	3,811,236
Revenue deductions	02	28	-	-
Net revenue from sale of goods and provision of services (10 = 01 - 02)	10	28	2,274,053	3,811,236
Cost of sales	11	29	1,400,808	2,246,996
Gross profit (20 = 10 - 11)	20		873,245	1,564,240
Financial income	21	30	400,774	382,561
Financial expenses	22	31	454,269	428,253
<i>In which: Interest expenses</i>	23		454,165	428,196
Selling expenses	25	32	118,498	162,351
General and administration expenses	26	33	130,150	128,919
Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		571,102	1,227,278
Other income	31		11,504	34,800
Other expenses	32		2,760	3,608
Results of other activities (40 = 31 - 32)	40		8,744	31,192
Accounting profit before tax (50 = 30 + 40)	50		579,846	1,258,470
Current corporate income tax expense	51	35	122,454	255,537
Income tax benefit – deferred	52	35	-	(2,172)
Net profit after tax (60 = 50 - 51 - 52)	60		457,392	1,005,105

24 March 2022

Prepared by:



Pham Hoang Viet
Chief Accountant

Approved by:



Pham Thi Ngoc Ha
Chief Financial Officer

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

Vincom Retail Joint Stock Company
Separate statement of cash flows for the year ended 31 December 2021
(Indirect method)

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

	Code	Note	2021 VND million	2020 VND million
CASH FLOWS FROM OPERATING ACTIVITIES				
Accounting profit before tax	01		579,846	1,258,470
Adjustments for				
Depreciation and amortisation	02		227,783	220,815
Allowances and provisions	03		49,314	(5,034)
Profits from investing activities	05		(400,692)	(382,158)
Interest expense and bonds issuance costs	06		454,165	428,196
Operating profit before changes in working capital	08		910,416	1,520,289
Change in receivables and other assets	09		(21,921)	14,751
Change in inventories	10		385,934	453,395
Change in payables and other liabilities	11		(431,330)	82,362
Change in prepaid expenses	12		34,362	(25,810)
			877,461	2,044,987
Interest paid	14		(504,381)	(381,953)
Corporate income tax paid	15		(208,771)	(220,327)
Net cash flows from operating activities	20		164,309	1,442,707
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets and other long-term assets	21		(1,342,409)	(4,368,186)
Collections on investment deposits	21		827,573	750,000
Proceeds from disposals of fixed assets	22		207	111
Payments for granting loans and placement of term deposits	23		(2,158,396)	(2,743,193)
Receipts from collecting loans and term deposits	24		4,719,294	2,518,000
Payments for investments in other entities	25		-	(36,177)
Receipts of interest and dividends	27		419,107	577,521
Net cash flows from investing activities	30		2,465,376	(3,301,924)

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

Vincom Retail Joint Stock Company
Separate statement of cash flows for the year ended 31 December 2021
(Indirect method – continued)

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

	Code	Note	2021 VND million	2020 VND million
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings	33		-	2,920,483
Payments to settle loan principals	34		(2,600,000)	-
Net cash flows from financing activities	40		(2,600,000)	2,920,483
Net cash flows during the year (50 = 20 + 30 + 40)	50		29,685	1,061,266
Cash and cash equivalents at the beginning of the year	60		2,258,786	1,197,520
Cash and cash equivalents at the end of the year (70 = 50 + 60)	70	4	2,288,471	2,258,786

24 March 2022

Prepared by:



Pham Hoang Viet
Chief Accountant

Approved by:



Pham Thi Ngoc Ha
Chief Financial Officer

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

Vincom Retail Joint Stock Company

Notes to the separate financial statements for the year ended 31 December 2021

Form B 09 – 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 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 31 December 2021, the Company had 705 employees (1/1/2021: 695 employees).

As at 31 December 2021, the Company had 2 directly owned subsidiaries (1/1/2021: 4 directly owned subsidiaries).

(e) Important event during the year

Covid-19 pandemic

The Covid-19 pandemic is adversely impacting the whole economy and most businesses and industries. This situation may cause uncertainties and has an impact on the environment in which the Company operates. The Company’s management has continuously monitored ongoing developments and assessed the financial impact in respects of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respects of various issues as the situation has evolved, using the best information obtained up to the date of these separate financial statements.

Vincom Retail Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2021
(continued)

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

2. Basis of preparation

(a) Statement of compliance

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

The Company prepared and issued its consolidated financial statements on 24 March 2022. For a comprehensive understanding of the Company's consolidated financial position, its consolidated results of operations and its consolidated cash flows, these separate financial statements should be read in conjunction with the consolidated financial statements.

(b) Basis of measurement

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

(c) Annual accounting period

The annual accounting period of the Company is from 1 January to 31 December.

(d) Accounting and presentation currency

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

The separate 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 financial statements.

(a) Foreign currency transactions

Transactions in currencies other than VND during the year 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 annual 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.

Vincom Retail Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2021
(continued)

Form B 09 – DN

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

(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.

(ii) *Investments in subsidiaries*

For the purpose of these separate 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 which may cause the Company to lose its invested capital, unless there is evidence that the value of the investment has not been diminished. 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.

Vincom Retail Joint Stock Company

Notes to the separate financial statements for the year ended 31 December 2021

(continued)

Form B 09 – DN

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

(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 estimated cost to sell.

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.

(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 year 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.

Vincom Retail Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2021
(continued)

Form B 09 – DN

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

(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.

(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 year 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.

Vincom Retail Joint Stock Company

Notes to the separate financial statements for the year ended 31 December 2021

(continued)

Form B 09 – DN

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

(i) Selling expenses

Selling expenses comprise commission fees 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 laws and regulations, 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.

(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) 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.

Vincom Retail Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2021
(continued)

Form B 09 – DN

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

(n) 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)

Before 1 January 2021

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.

From 1 January 2021

Treasury shares are recognised only in respect of repurchased shares which are aggregated fractions of share arising when the company issues shares to pay dividends or issues shares from equity reserves in accordance with an approved issuance plan, or repurchased odd-lots of shares as requested by the shareholders. In all other cases, when shares recognized as equity are repurchased, their par value amount is recognized as a reduction to share capital, and the Company shall carry out procedures for a decrease in charter capital equivalent to the total par value of shares redeemed by the Company. The difference between the par value and the amount of the consideration paid, which includes directly attributable costs, net of tax effects, is included in share premium. For those repurchased shares that can be sold afterwards, when treasury shares are sold for reissue subsequently, cost of the reissued shares is determined on a weighted average basis. Any difference between the amount received and the cost of the shares reissued is presented within share premium.

This change in accounting policy has been applied prospectively from 1 January 2021 due to change in applicable laws and regulations on buying back shares.

(o) Taxation

Income tax on the unconsolidated profit or loss for the year 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 year, using tax rates enacted at the end of the annual accounting period, and any adjustment to tax payable in respect of previous years.

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 annual 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.

Vincom Retail Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2021
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(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.

(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 an integral part 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.

Vincom Retail Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2021
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(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 year 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.

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

Vincom Retail Joint Stock Company**Notes to the separate financial statements for the year ended 31 December 2021****(continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***4. Cash and cash equivalents**

	31/12/2021 VND million	1/1/2021 VND million
Cash in banks	928,211	358,782
Cash in transit	6	4
Cash equivalents (*)	1,360,254	1,900,000
	<hr/>	<hr/>
	2,288,471	2,258,786

- (*) Cash equivalents represented term deposits with original term to maturity of less than 3 months and earned interest at the rate of 4.0% – 7.5% per annum (1/1/2021: 2.9% – 4.0% per annum).

5. Investments**(a) Held-to-maturity investments**

	31/12/2021 VND million	1/1/2021 VND million
Held-to-maturity investments – short-term		
▪ Term deposits (*)	117,755	1,825,193

- (*) Held-to-maturity investments – short-term represented term deposits with remaining terms to maturity of less than 12 months and earned interest at the rate of 3.70% – 6.03% per annum (1/1/2021: 4.0% – 5.1% per annum).

Vincom Retail Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2021 (continued)

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(b) Investment in subsidiaries

	31/12/2021				1/1/2021			
	Quantity	% of equity owned and voting rights	Cost VND million	Fair value VND million	Quantity	% of equity owned and voting rights	Cost VND million	Fair value VND million
▪ Vincom Retail Operation Company Limited (formerly known as North Vincom Retail Limited Liability Company) (i)	(*)	100%	12,168,956	(**)	(*)	100%	6,009,956	(**)
▪ Suoi Hoa Urban Development and Investment Joint Stock Company	34,240,000	97.27%	562,009	(**)	34,240,000	97.27%	562,009	(**)
▪ South Vincom Retail Limited Liability Company (ii)		-	-	-	(*)	100%	5,779,000	(**)
▪ Ha Thanh Real Estate Development and Investment Company Limited (i)		-	-	-	(*)	100%	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 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 financial statements for the year ended 31 December 2021 and 31 December 2020.

(i) In accordance with Decision No. 01/2021/QĐ-CSH-VCR and the merger contract, 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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- (ii) In accordance with Decision No. 02/2021/QĐ-CSH-VCR and the merger contract, South Vincom Retail Limited Liability Company was merged into Vincom Retail Operation Company Limited.

Details of the subsidiaries as at 31 December 2021 are described as follows:

Name	Address	Principal activity
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 VND5,218,189 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.

Vincom Retail Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2021
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6. Accounts receivable from customers – short-term

	31/12/2021	1/1/2021
	VND million	VND million
Receivables from leasing activities and rendering of related services	254,492	189,258
Receivables from rendering management services	57,792	22,576
Receivables from sale of inventory properties	70,400	99,556
	<hr/> 382,684	<hr/> 311,390

In which:

	31/12/2021	1/1/2021
	VND million	VND million
<i>Related parties:</i>		
Vincom Retail Operation Company Limited	15,349	-
Vinfast Commercial and Services Trading Limited Liability Company	4,130	14,388
Other related parties	12,467	5,808
<i>Third parties:</i>		
Other customers	350,738	291,194
	<hr/> 382,684	<hr/> 311,390

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Notes to the separate financial statements for the year ended 31 December 2021
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7. Loans receivable

(a) Loans receivable – short-term

	Annual interest rate	31/12/2021 VND million	1/1/2021 VND million
Subsidiaries			
▪ Vincom Retail Operation Company Limited	10%	-	58,294
Other related parties			
▪ Vinfast Production and Trading Joint Stock Company	10%	295,000	-
		<hr/> 295,000	<hr/> 58,294

(b) Loan receivables – long-term

	Annual interest rate	31/12/2021 VND million	1/1/2021 VND million
Subsidiaries			
▪ South Vincom Retail Limited Liability Company	8.1% - 9.8%	-	190,000
▪ Vincom Retail Operation Company Limited	8.1% - 9.8%	-	900,000
		<hr/> -	<hr/> 1,090,000

8. Other short-term receivables

(a) Other short-term receivables comprise:

	31/12/2021 VND million	1/1/2021 VND million
Interests on bank deposits, other deposits and loans	38,596	56,929
Receivable for payment on behalf	2,068	3,796
Deposits for projects and contracts	4,783	4,783
Others	3,180	4,779
	<hr/> 48,627	<hr/> 70,287

Vincom Retail Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2021
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(b) Other short-term receivables from related parties

	31/12/2021 VND million	1/1/2021 VND million
<i>Parent company</i>		
Vingroup Joint Stock Company	40	611
<i>Subsidiaries</i>		
South Vincom Retail Limited Liability Company	-	3,567
Vincom Retail Operation Company Limited	2,810	11,728
<i>Other related parties</i>		
Thai Son Investment Construction Corporation	10,221	8,589
Green City Development JSC	5,584	-
Other related parties	9,055	3,420
	<u>27,710</u>	<u>27,915</u>

9. Allowance for doubtful debts

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

	2021 VND million	2020 VND million
Opening balance	3,434	877
Increase in allowance during the year	49,883	2,557
Written off during the year	(20)	-
	<u>53,297</u>	<u>3,434</u>
Closing balance		

10. Inventories

	31/12/2021		1/1/2021	
	Cost	Allowance	Cost	Allowance
	VND million	VND million	VND million	VND million
Completed inventory properties	98,158	-	70,933	-
Inventory properties under construction	9,521	-	422,004	-
Other inventories	9,729	-	10,405	-
	<u>117,408</u>	<u>-</u>	<u>503,342</u>	<u>-</u>

Vincom Retail Joint Stock Company**Notes to the separate financial statements for the year ended 31 December 2021****(continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC
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	31/12/2021 VND million	1/1/2021 VND million
Other current assets		
Deposits to related parties for investment purposes	1,203,400	-
Other long-term assets		
Deposits to related parties for investment purposes	2,404,420	2,789,702
	3,607,820	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

	31/12/2021 VND million	1/1/2021 VND million
<i>Parent company</i>		
Vingroup Joint Stock Company	1,584,000	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
	3,607,820	2,789,702

Vincom Retail Joint Stock Company**Notes to the separate financial statements for the year ended 31 December 2021****(continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC
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	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	-	3,866	160	4,026
Disposals	-	(613)	(46)	(659)
Closing balance	226	13,558	3,670	17,454
Accumulated depreciation				
Opening balance	225	4,315	888	5,428
Charge for the year	1	2,534	641	3,176
Disposals	-	(324)	(46)	(370)
Closing balance	226	6,525	1,483	8,234
Net book value				
Opening balance	1	5,990	2,668	8,659
Closing balance	-	7,033	2,187	9,220

Vincom Retail Joint Stock Company**Notes to the separate financial statements for the year ended 31 December 2021****(continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC
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	Software VND million
Cost	
Opening balance	48,906
Addition	52
	<hr/>
Closing balance	48,958
	<hr/>
Accumulated amortisation	
Opening balance	30,322
Charge for the year	7,457
	<hr/>
Closing balance	37,779
	<hr/>
Net book value	
Opening balance	18,584
Closing balance	11,179
	<hr/>

Vincom Retail Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2021
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14. 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	293,406	51,098	344,504
Decrease upon finalisation	(47,107)	-	(47,107)
Closing balance	4,309,028	1,159,674	5,468,702
Accumulated depreciation			
Opening balance	379,913	247,147	627,060
Charge for the year	119,658	93,295	212,953
Closing balance	499,571	340,442	840,013
Net book value			
Opening balance	3,682,816	861,429	4,544,245
Closing balance	3,809,457	819,232	4,628,689

Investment properties mainly include the shopping malls of the Company. As at 31 December 2021, the Company is in the process of determining the fair values of these investment properties.

Vincom Retail Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2021
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15. Construction in progress

	2021 VND million	2020 VND million
Opening balance	647,219	377,409
Additions	20,558	269,810
	<hr/>	<hr/>
Closing balance	667,777	647,219
	<hr/>	<hr/>

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

	31/12/2021 VND million	1/1/2021 VND million
Vincom Plaza My Tho project	294,176	284,107
Vincom Plaza Bac Lieu project	237,588	215,724
Vincom Plaza Song Cong project	111,268	110,084
Other projects	24,745	37,304
	<hr/>	<hr/>
	667,777	647,219
	<hr/>	<hr/>

16. Prepaid expenses

(a) Short-term prepaid expenses

	31/12/2021 VND million	1/1/2021 VND million
Prepaid selling expense related to sale of inventory properties not yet handed over	27,595	46,416
Prepaid provisional corporate income tax	1,875	3,952
Others	4,381	6,349
	<hr/>	<hr/>
	33,851	56,717
	<hr/>	<hr/>

(b) Long-term prepaid expenses

	31/12/2021 VND million	1/1/2021 VND million
Tools and supplies	14,468	14,782
Overhaul expenditures	29,475	34,318
Prepaid land costs	5,572	9,236
Others	3,693	10,565
	<hr/>	<hr/>
	53,208	68,901
	<hr/>	<hr/>

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Notes to the separate financial statements for the year ended 31 December 2021
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17. Accounts payable to suppliers – short-term

	Cost & amount within payment capacity	
	31/12/2021	1/1/2021
	VND million	VND million
<i>Related parties</i>		
Vinhomes Joint Stock Company	81,335	33,094
Vingroup Joint Stock Company	121,644	74,315
Vietnam Investment and Consulting Investment Joint Stock Company	34,398	9,230
Other related parties	22,239	12,270
<i>Payables to a constructor</i>	35,274	38,198
<i>Other suppliers</i>	128,686	284,099
	<hr/>	<hr/>
	423,576	451,206
	<hr/>	<hr/>

18. Advance from customers – short-term

	31/12/2021	1/1/2021
	VND million	VND million
Advance from customers under real estate sale and purchase agreements	187,547	395,196
Others	53,566	44,171
	<hr/>	<hr/>
	241,113	439,367
	<hr/>	<hr/>

Vincom Retail Joint Stock Company**Notes to the separate financial statements for the year ended 31 December 2021****(continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC
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	1/1/2021 VND million	Incurred VND million	Paid VND million	31/12/2021 VND million
Value added tax	10,834	108,334	(110,923)	8,245
Corporate income tax	110,017	120,378	(208,771)	21,624
Personal income tax	2,512	23,449	(24,706)	1,255
Land tax and land rental fee	-	13,854	(13,854)	-
Other taxes	-	194	(194)	-
	123,363	266,209	(358,448)	31,124

20. Accrued expenses – short-term

	31/12/2021 VND million	1/1/2021 VND million
Accrued loan interests	51,182	131,580
Accrued commission and brokerage fee	66,414	47,179
Accrued construction costs	208,055	392,039
Accrued salary expenses	13,804	37,441
Others	42,846	89,715
	382,301	697,954

Accrued expenses payable to related parties

	31/12/2021 VND million	1/1/2021 VND million
Other related parties	1,885	1,000

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	31/12/2021 VND million	1/1/2021 VND million
Portion of long-term unearned revenue to be realised within 12 months	23,764	23,106

(b) Unearned revenue – long-term

	31/12/2021 VND million	1/1/2021 VND million
Revenue received in advance from leasing activities and rendering of related services	189,852	183,466
Amount to be realised within 12 months	(23,764)	(23,106)
Amount to be realised after 12 months	166,088	160,360

(c) Unearned revenue from related parties

	31/12/2021 VND million	1/1/2021 VND million
Other related parties	-	13

Vincom Retail Joint Stock Company**Notes to the separate financial statements for the year ended 31 December 2021****(continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***22. Other payables****(a) Other payables – short-term**

	31/12/2021 VND million	1/1/2021 VND million
Deposits under deposit contracts and loan agreements received from customers	135,319	265,832
Deposits from tenants for leasing offices and shophouses to be refunded within the next 12 months	99,456	90,332
Maintenance fund payable	18,166	12,809
Deposits for site construction	12,207	11,205
Dividends payable	14	14
Others	19,200	4,380
	284,362	384,572

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

	31/12/2021 VND million	1/1/2021 VND million
<i>Subsidiaries</i>		
South Vincom Retail Limited Liability Company	-	18
Vincom Retail Operation Company Limited	13,489	680
<i>Other related parties</i>		
Vinhomes Joint Stock Company	4,400	1,470
Other related parties	2	661
	17,891	2,829

(c) Other payables – long-term

	31/12/2021 VND million	1/1/2021 VND million
Deposits from tenants for leasing offices and shophouses	283,528	286,227
Deposits from tenants to be refunded within the next 12 months	(99,456)	(90,332)
	184,072	195,895

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

	31/12/2021 VND million	1/1/2021 VND million
Other related parties	15,497	8,833

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23. Long-term bonds

Bond arrangers	31/12/2021 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	2,965,992	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>2,965,992</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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Provisions – short-term represented the provision for warranty for commercial area and shop-houses.

Movements of the provision during the year were as follows:

	2021 VND million	2020 VND million
Opening balance	2,254	9,845
Provision made during the year	1,632	1,888
Provision used during the year	-	(624)
Provision reversed during the year	(2,181)	(8,855)
	<hr/>	<hr/>
Closing balance	1,705	2,254
	<hr/>	<hr/>

25. 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 year	-	-	-	-	1,005,105	1,005,105
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 year	-	-	-	-	457,392	457,392
Balance at 31 December 2021	23,288,184	46,983	(1,954,258)	5,000	4,082,490	25,468,399

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26. Share capital

The Company's authorised and issued share capital are:

	31/12/2021 & 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.

27. 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:

	31/12/2021 VND million	1/1/2021 VND million
Within one year	814,931	988,519
Within two to five years	1,620,592	1,709,911
More than five years	1,879,736	1,749,765
	4,315,259	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:

	31/12/2021	1/1/2021
	VND million	VND million
Within one year	14,275	10,389
Within two to five years	57,099	41,554
More than five years	537,972	417,868
	<hr/>	<hr/>
	609,346	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 VND171,611 million as at 31 December 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 5(c) and Note 11, 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 VND88,983 million (1/1/2021: VND290,471 million), to these counterparties.

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28. 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:

	2021 VND million	2020 VND million
Total revenue	967,633	2,099,780
▪ Revenue from sale of inventory properties		
▪ Revenue from leasing activities and rendering of related services	1,106,812	1,441,940
▪ Revenue from rendering management services	195,974	260,420
▪ Revenue from other services	3,634	9,096
Net revenue	2,274,053	3,811,236

29. Cost of sales

	2021 VND million	2020 VND million
Total cost of sales	484,461	1,101,399
▪ Cost from sale of inventory properties		
▪ Cost from leasing activities and rendering of related services	745,676	878,975
▪ Cost from rendering management services	159,626	260,685
▪ Cost from other services	11,045	5,937
	1,400,808	2,246,996

30. Financial income

	2021 VND million	2020 VND million
Interest income from loans and deposits	400,774	382,561

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31. Financial expenses

	2021 VND million	2020 VND million
Interest on bonds	414,900	409,529
Amortisation of bond issuing costs	39,265	18,667
Other financial expenses	104	57
	<hr/> 454,269	<hr/> 428,253

32. Selling expenses

	2021 VND million	2020 VND million
Consulting, commission and brokerage fees	103,615	122,981
Marketing expense	10,366	22,790
Others	4,517	16,580
	<hr/> 118,498	<hr/> 162,351

33. General and administration expenses

	2021 VND million	2020 VND million
Provisions	49,883	2,557
Management fee	80,124	111,306
Others	143	15,056
	<hr/> 130,150	<hr/> 128,919

34. Production and business costs by elements

	2021 VND million	2020 VND million
Cost of developing inventory properties	99,203	651,586
Staff costs	77,525	116,984
Depreciation and amortisation	227,783	220,815
Outside services expenses	547,456	787,274
Management fee charged by parent company	243,921	241,454
Other expenses	68,310	70,340
	<hr/>	<hr/>

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35. Income tax

(a) Recognised in the separate statement of income

	2021 VND million	2020 VND million
Current tax expense		
Current year	122,454	254,335
Under provision of corporate income taxes in prior years	-	1,202
	<hr/> 122,454	<hr/> 255,537
Deferred tax benefit		
Origination of temporary differences	-	(2,172)
	<hr/> 122,454	<hr/> 253,365

(b) Reconciliation of effective tax rate

	2021 VND million	2020 VND million
Accounting profit before tax	579,846	1,258,470
Tax at the Company's tax rate	115,969	251,694
Non-deductible expenses	370	469
Change in unrecognised temporary differences	6,115	-
Under provision of corporate income taxes in prior years	-	1,202
	<hr/> 122,454	<hr/> 253,365

(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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36. Significant transactions with related parties

Terms and conditions of transactions with related parties:

During the year, 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 financial statements, the Company had the following significant transactions with related parties during the year:

	Transaction value	
	2021	2020
	VND million	VND million
Parent company		
Vingroup Joint Stock Company		
Purchase of goods and services	209,514	239,365
Deposits for investment	1,070,000	579,587
Collection of deposits for investment	543,745	-
Subsidiaries		
South Vincom Retail Limited Liability Company (from 1 January 2021 to 30 September 2021)		
Revenue from provision of services	74,825	137,562
Interest income	3,647	31,627
Lending	-	40,000
Collection of loans	190,000	350,000
Collection of deposits for purchase of shopping malls	-	750,000
Vincom Retail Operation Company Limited		
Revenue from provision of services	132,330	159,612
Interest income	28,392	107,233
Lending	229,000	648,294
Collection of loans	1,187,294	590,000
Other related companies		
Vinhomes Joint Stock Company		
Revenue from provision of services	6,912	6,454
Purchase of goods and services	151,360	156,667
Deposits for investment	-	649,806
Collection of deposits for investment	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	16,550	35,824

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	Transaction value	
	2021	2020
	VND million	VND million
Vinfast Production and Trading Joint Stock Company		
Revenue from provision of services	-	40,890
Lending	295,000	-
Interest income	5,173	-
Vinfast Trading and Service Limited Liability Company		
Revenue from provision of services	49,421	25,449
Central Park Development LLC		
Deposits for investment	-	117,768
Collection of deposits for investment	41,656	-
Thai Son Investment Construction Corporation		
Deposit for investment	192,118	930,282
Interest income from deposits	116,129	44,587
Gia Lam Urban Investment and Development Company Limited		
Deposit for investment	-	550,294
Interest income from deposits	-	5,693
Green City Development JSC		
Deposits for investment	-	295,420
Interest income from deposits	65,742	56,453
Vietnam Investment and Consulting Investment JSC		
Deposits for investment	-	711,641
Vinsmart Research and Manufacture JSC		
Interest income	-	25,698
Lending	-	878,000
Collection of loans	-	878,000
Cangio tourist City Corporation		
Interest income	16,300	16,345
Members of the Board of Directors and Board of Management		
Salary and bonus	27,845	28,438

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37. Non-cash investing and financing activities

	2021	2020
	VND million	VND million
Net off interest receivables with account payables	-	19,381
Transfer from other current assets to long-term loan receivables	-	648,294

38. Comparative information

The comparative information as at 1 January 2021 were derived from the balances and amounts reported in the Company's separate financial statements as at and for the year ended 31 December 2020.

24 March 2022

Prepared by:



Pham Hoang Viet
Chief Accountant

Approved by:



Pham Thi Ngoc Ha
Chief Financial Officer