

Vincom Retail Joint Stock Company

Consolidated financial statements

Quarter I 2022



Vincom Retail Joint Stock Company

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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 21st amended Enterprise Registration Certificate being granted on 28 October 2021.

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
Mr. Nguyen The Anh	Member
Ms. Le Mai Lan	Member
Mr. Sanjay Vinayak	Independent member
Mr. Fong, Ming Huang Ernest	Independent member

MANAGEMENT

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

Ms. Tran Mai Hoa	General Director
Ms. Pham Thi Thu Hien	Deputy General Director
Mr. Nguyen Duy Khanh	Deputy General Director
Ms. Pham Thi Ngoc Ha	Chief Financial Officer

SUPERVISORY BOARD

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

Mr. Chu Anh Dung	Head
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 No. 06/2022/GUQ-VCR dated 22 February 2022.

Vincom Retail Joint Stock Company

REPORT OF MANAGEMENT

Management of Vincom Retail Joint Stock Company ("the Company") presents its report and the consolidated financial statements of the Company and its subsidiaries for Quarter I 2022.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Company and its subsidiaries as at 31 March 2022, and of the consolidated results of its operations and its 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 consolidated financial statements.

For and on behalf of the management: 



Phạm Thị Ngọc Hà
Chief Financial Officer

Hanoi, Vietnam

27 April 2022

CONSOLIDATED BALANCE SHEET
as at 31 March 2022

Currency: VND million

Code	ASSETS	Notes	As at 31/03/2022	As at 31/12/2021
100	A. CURRENT ASSETS		7,044,190	6,826,580
110	I. Cash and cash equivalents	4	3,888,543	3,297,060
111	1. Cash		625,258	1,788,884
112	2. Cash equivalents		3,263,285	1,508,176
120	II. Short-term investments		292,484	190,424
123	1. Held-to-maturity investments	5	292,484	190,424
130	III. Current accounts receivable		1,034,464	1,487,714
131	1. Short-term trade receivables	6.1	959,915	1,166,709
132	2. Short-term advances to suppliers	6.2	36,571	42,620
135	3. Short-term loan receivables	29	-	295,000
136	4. Other short-term receivables	7	218,937	142,716
137	5. Provision for doubtful short-term receivables	6.1	(180,959)	(159,331)
140	IV. Inventories	8	554,645	582,918
141	1. Inventories		554,645	582,918
150	V. Other current assets		1,274,054	1,268,464
151	1. Short-term prepaid expenses	9	46,105	41,719
152	2. Value-added tax deductible		22,796	22,965
153	3. Tax and other receivables from the State		1,753	380
155	4. Other current assets	10	1,203,400	1,203,400
200	B. NON-CURRENT ASSETS		30,686,319	31,046,908
210	I. Long-term receivables		8,222	6,110
216	1. Other long-term receivables		8,222	6,110
220	II. Fixed assets		431,242	438,775
221	1. Tangible fixed assets	11	417,864	426,476
222	Cost		618,678	619,021
223	Accumulated depreciation		(200,814)	(192,545)
227	2. Intangible assets	12	13,378	12,299
228	Cost		57,806	54,443
229	Accumulated amortisation		(44,428)	(42,144)
230	III. Investment properties	13	25,923,481	26,268,764
231	1. Cost		33,582,041	33,609,120
232	2. Accumulated depreciation		(7,658,560)	(7,340,356)
240	IV. Long-term assets in progress		1,282,032	1,255,909
242	1. Construction in progress	14	1,282,032	1,255,909
260	V. Other long-term assets		3,041,342	3,077,350
261	1. Long-term prepaid expenses	9	377,425	395,287
262	2. Deferred tax assets		16,032	16,032
268	3. Other long-term assets	10	2,404,420	2,404,420
269	4. Goodwill	15	243,465	261,611
270	TOTAL ASSETS		37,730,509	37,873,488

CONSOLIDATED BALANCE SHEET (continued)
as at 31 March 2022

Currency: VND million

Code	RESOURCES	Notes	As at 31/03/2022	As at 31/12/2021
300	C. LIABILITIES		6,702,083	7,222,659
310	<i>I. Current liabilities</i>		2,386,407	2,890,056
311	1. Short-term trade payables	16	480,907	526,183
312	2. Short-term advances from customers	17	150,356	278,179
313	3. Statutory obligations	18	158,217	489,648
315	4. Short-term accrued expenses	19	520,348	628,864
318	5. Short-term unearned revenues	21	78,450	91,371
319	6. Short-term other payables	20	961,129	838,988
320	7. Short-term loan and debts	22.1	19,887	19,887
321	8. Short-term provisions		14,217	14,040
322	9. Bonus and welfare fund		2,896	2,896
330	<i>II. Non-current liabilities</i>		4,315,676	4,332,603
336	1. Long-term unearned revenues	21	97,125	100,106
337	2. Other long-term liabilities	20	995,227	1,018,370
338	3. Long-term loan and debts	22.2	3,147,557	3,137,924
341	4. Deferred tax liabilities		75,767	76,203
400	D. OWNERS' EQUITY		31,028,426	30,650,829
410	<i>I. Capital</i>	23	31,028,426	30,650,829
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		9,665,948	9,288,513
421a	- Undistributed earnings up to prior year		9,288,513	7,974,003
421b	- Undistributed earnings of current period		377,435	1,314,510
429	6. Non-controlling interests		34,989	34,827
440	TOTAL LIABILITIES AND OWNERS' EQUITY		37,730,509	37,873,488

Pham Hoang Viet
Chief Accountant



Pham Thi Ngoc Ha
Chief Financial Officer



27 April 2022

CONSOLIDATED INCOME STATEMENT
Quarter I 2022

Currency: VND million

Code	ITEMS	Notes	Quarter I 2022	Quarter I 2021
01	1. Revenue from sale of goods and rendering of services	24.1	1,369,460	2,226,386
02	2. Deductions	24.1	-	-
10	3. Net revenue from sale of goods and rendering of services	24.1	1,369,460	2,226,386
11	4. Cost of goods sold and services rendered	25	(758,105)	(1,058,016)
20	5. Gross profit from sale of goods and rendering of services		611,355	1,168,370
21	6. Finance income	24.2	102,854	101,589
22	7. Finance expenses	26	(89,512)	(154,138)
23	<i>In which: Interest expenses</i>		(89,512)	(153,298)
25	8. Selling expenses	27	(54,586)	(91,615)
26	9. General and administrative expenses	27	(87,799)	(64,478)
30	10. Operating profit		482,312	959,728
31	11. Other income		18,425	21,131
32	12. Other expenses		(57)	(1,048)
40	13. Other profit		18,368	20,083
50	14. Accounting profit before tax		500,680	979,811
51	15. Current corporate income tax expenses	28	(123,519)	(199,180)
52	16. Deferred tax income	28	436	506
60	17. Net profit after tax		377,597	781,137
61	18. Net profit after tax attributable to shareholders of the parent		377,435	780,935
62	19. Net profit after tax attributable to non-controlling interests		162	202

Pham Hoang Viet
Chief Accountant

Pham Thi Ngoc Ha
Chief Financial Officer

27 April 2022

CONSOLIDATED CASH FLOW STATEMENT
Quarter I 2022

Currency: VND million

Code	ITEMS	Quarter I 2022	Quarter I 2021
	I. CASH FLOWS FROM OPERATING ACTIVITIES		
01	Profit before tax	500,680	979,811
	<i>Adjustments for:</i>		
02	Depreciation of tangible fixed assets and investment properties and amortisation of intangible assets (including amortisation of goodwill)	347,891	374,875
03	Provisions	21,805	17,037
05	Profits from investing activities	(102,854)	(98,576)
06	Interest expenses and bond issue costs	89,512	153,298
08	Operating profit before changes in working capital	857,034	1,426,445
09	Changes in receivables	206,171	(482,070)
10	Changes in inventories	51,702	233,676
11	Changes in payables (other than interest, corporate income tax)	(135,889)	(438,483)
12	Changes in prepaid expenses	12,759	71,874
14	Interest paid	(86,818)	(205,582)
15	Corporate income tax paid	(101,442)	(298,836)
20	Net cash flows from operating activities	803,517	307,024
	II. CASH FLOWS FROM INVESTING ACTIVITIES		
21	Purchase, construction of fixed assets and other long-term assets	(434,963)	(381,308)
21	Collection on investment deposits	-	465,820
23	Loans to other entities and payments for purchase of debt instruments of other entities	(101,980)	(1,850,000)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities	295,000	1,386,000
27	Interest and dividends received	29,909	85,009
30	Net cash flows used in investing activities	(212,034)	(294,479)

CONSOLIDATED CASH FLOW STATEMENT (continued)
 Quarter I 2022

Currency: VND million

Code	ITEMS	Quarter I 2022	Quarter I 2021
	III. CASH FLOWS FROM FINANCING ACTIVITIES		
34	Repayment of borrowings	-	(50,000)
40	Net cash used in financing activities	-	(50,000)
50	Net increase/(decrease) in cash and cash equivalents for the period	591,483	(37,455)
60	Cash and cash equivalents at the beginning of the period	3,297,060	3,050,907
70	Cash and cash equivalents at the end of the period	3,888,543	3,013,452



Pham Hoang Viet
 Chief Accountant



Pham Thi Ngoc Ha
 Chief Financial Officer

27 April 2022

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Quarter I 2022

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 21st amended Enterprise Registration Certificate being granted on 28 October 2021.

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 31 March 2022 is 2,031 (31 December 2021: 2,009).

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 02 following subsidiaries as at 31 March 2022:

<i>No.</i>	<i>Name</i>	<i>Voting right (%)</i>	<i>Equity interest (%)</i>	<i>Registered office's address</i>	<i>Principal activities</i>
1	Vincom Retail Operation Company Limited	100.00	100.00	Symphony Tower, Chu Huy Man street, Phuc Loi ward, Long Bien district, Hanoi	Leasing and trading real estate property
2	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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I 2022**2. BASIS OF PREPARATION****2.1 Accounting standards and system**

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

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

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

2.2 Applied accounting documentation system

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

2.3 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 consolidated financial statements is million VND.

2.5 Basic of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the reporting period ended 31 March 2022.

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I 2022**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 consolidated income statement on disposal is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on an appropriate basis.

Other inventories

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I 2022**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.2 Inventories (continued)***Provision for obsolete inventories*

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

3.3 Receivables

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

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

3.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

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

3.5 Leased assets

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

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

Where the Company and its subsidiaries are the lessee

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Leased assets (continued)

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

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

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

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

Where the Company and its subsidiaries are the lessor

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

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

3.6 Intangible assets

Intangible assets are stated at cost less accumulated amortisation.

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

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

3.7 Depreciation and amortisation

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I 2022**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.8 Investment properties**

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

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

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

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

Depreciation of investment properties are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Land use rights, buildings and structures	5 - 50 years
Machinery and equipment	3 - 25 years

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 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 consolidated balance sheet upon the hand over of these properties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I 2022**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 consolidated income statement. After initial recognition, goodwill is measured at cost less any accumulated amortisation. Goodwill is amortised over 10-years on a straight-line basis. The Company conducts the periodical review for impairment of goodwill of investment in subsidiaries. If there are indicators of impairment loss incurred is higher than the annually allocated amount of goodwill on the straight-line basis, the higher amount will be recorded in the consolidated income statement.

Assets acquisitions and business combinations

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I 2022**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.11 Business combinations and goodwill (continued)***Business combinations involving entities under common control*

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

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

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

3.12 Held-to-maturity investments

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

3.13 Payables and accruals

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

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

3.14 Provisions

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

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

Provision for warranty expenses for apartments and shop-houses

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I 2022**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 consolidated income statement.

3.16 Appropriation of net profits

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

3.17 Advance from customers

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

3.18 Revenue recognition

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

Revenue from sale of inventory properties

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I 2022**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.18 Revenue recognition (continued)***Revenue from sale of inventory properties (continued)*

Revenue from sale of inventory property also includes long-term lease of real estate properties qualified for recognition of outright sales. If the lease-term is greater than 90% of the asset's useful life, the Company and its subsidiaries will recognise the revenue for the entire prepaid lease payment if all of the following conditions are met:

- ▶ Lessee is not allowed to cancel the lease contract during the lease term, and the lessor is not responsible for reimbursing the prepaid lease payments under any circumstances;
- ▶ The prepaid lease payment is not less than 90% of the total estimated lease payment collected under contract over the lease period and lessee must pay all rental within 12 months from the commencement of the lease;
- ▶ Almost all risks and rewards associated with the ownership of leased assets are transferred to the lessee; and
- ▶ Lessor must estimate the full cost of leasing activity.

Revenue from leasing of investment properties

Rental income arising from operating lease of properties is recognised in the consolidated income statement on a straight line basis over the lease terms.

Rendering of services

Revenue from entertainment services, investment properties management and brokerage and other related services is recorded based on percentage of completion when the services are rendered and the outcome of the contract is certainly determined.

Gains from capital transfer

Gains from capital transfer are determined as the excess of selling prices against the cost of investments sold. Such gains are recognised on the date of completion.

Interest

Revenue is recognised as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

Dividends

Income is recognised when the Company's and its subsidiaries' entitlement as investors to receive the dividend is established.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I 2022

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 CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I 2022

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

	<i>As at 31/03/2022</i>	<i>As at 31/12/2021</i>
Cash in banks	625,231	1,788,860
Cash in transit	27	24
Cash equivalents	3,263,285	1,508,176
TOTAL	3,888,543	3,297,060

Cash equivalents as at 31 March 2022 comprised bank deposits and investments in VND with maturity terms from 1 to 3 months and earning interest at the rates ranging from 3.3% to 6.825% per annum (as at 31 December 2021: bank deposits in VND with maturity terms from 1 to 3 months and earning interest at the rates ranging from 4.0% to 7.5% per annum).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I 2022

5. HELD-TO-MATURITY INVESTMENTS

Currency: VND million

	As at 31/03/2022	As at 31/12/2021
Short-term held-to-maturity investments (i)	292,484	190,424
TOTAL	292,484	190,424

- (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 7.0% per annum (31 December 2021: bank deposits 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), including VND 92.3 billion of maintenance fund of the handed over apartments and shop-house 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

	As at 31/03/2022	As at 31/12/2021
Receivables from leasing activities and rendering related services	758,940	897,974
Receivables from sale of inventory properties	134,816	165,558
Others	66,159	103,177
TOTAL	959,915	1,166,709
<i>In which:</i>		
Trade receivables from customers	828,345	1,043,415
Trade receivables from related parties (Note 29)	131,570	123,294
Provision for doubtful short-term receivables	(180,959)	(159,331)

6.2 Short-term advances to suppliers

Currency: VND million

	As at 31/03/2022	As at 31/12/2021
Advances to suppliers	35,308	42,620
Advances to related parties	1,263	-
TOTAL	36,571	42,620

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I 2022

7. OTHER SHORT-TERM RECEIVABLES

Currency: VND million

	<u>As at 31/03/2022</u>	<u>As at 31/12/2021</u>
Interests deposits	110,472	37,528
Receivables for business cooperation contract	69,680	69,680
Guarantee deposits for project development and contract implementation	12,727	12,727
Receivable for payment on behalf	3,801	2,956
Others	<u>22,257</u>	<u>19,825</u>
TOTAL	<u>218,937</u>	<u>142,716</u>
<i>In which:</i>		
<i>Other receivables</i>	40,106	43,315
<i>Other receivables from related parties</i> (Note 29)	178,831	99,401

8. INVENTORIES

Currency: VND million

	<u>As at 31/3/2022</u>		<u>As at 31/12/2021</u>	
	Cost	Provision	Cost	Provision
Inventory properties under construction (i)	461,939	-	461,939	-
Completed inventory properties	73,977	-	102,032	-
Others	<u>18,729</u>	-	<u>18,947</u>	-
TOTAL	<u>554,645</u>	-	<u>582,918</u>	-

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I 2022

9. PREPAID EXPENSES

Currency: VND million

	As at 31/03/2022	As at 31/12/2021
Short-term:		
Selling expenses related to sale of inventory properties not yet handed over	24,831	27,612
Provisional corporate income tax	1,223	1,645
Others	20,051	12,462
TOTAL	46,105	41,719
Long-term:		
Prepaid rental to a related party for leasing commercial areas (Note 29) (i)	235,235	237,787
Overhaul expenditures	124,345	131,130
Tools and supplies	14,038	19,262
Others	3,807	7,108
TOTAL	377,425	395,287

- (i) Ecology Development and Investment 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 Vincom Retail Operation Company Limited in accordance with the shopping mall leasing contracts.

10. OTHER ASSETS

Currency: VND million

	As at 31/03/2022	As at 31/12/2021
Short-term:		
Deposits to related parties for investment purposes (Note 29) (i)	1,203,400	1,203,400
TOTAL	1,203,400	1,203,400
Long-term:		
Deposits to related parties for investment purposes (Note 29) (i)	2,404,420	2,404,420
TOTAL	2,404,420	2,404,420

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I 2022

11. TANGIBLE FIXED ASSETS

Currency: VND million

	<i>Buildings and structures</i>	<i>Machinery and equipment</i>	<i>Office equipment</i>	<i>Others</i>	<i>Total</i>
Cost:					
Beginning balance	276,420	293,903	23,204	25,494	619,021
- Newly purchased	116	770	45	-	931
- Reclassified to investment properties	-	(1,274)	-	-	(1,274)
Ending balance	276,536	293,399	23,249	25,494	618,678
Accumulated depreciation:					
Beginning balance	24,364	141,159	14,188	12,834	192,545
- Depreciation for the period	1,029	6,162	714	653	8,558
- Reclassified to investment properties	-	(289)	-	-	(289)
Ending balance	25,393	147,032	14,902	13,487	200,814
Net carrying amount:					
Beginning balance	252,056	152,744	9,016	12,660	426,476
Ending balance	251,143	146,367	8,347	12,007	417,864

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I 2022

12. INTANGIBLE ASSETS

Currency: VND million

	<u>Computer software</u>
Cost:	
Beginning balance	54,443
- Newly purchased	3,363
Ending balance	57,806
Accumulated amortisation:	
Beginning balance	42,144
- Amortisation for the period	2,284
Ending balance	44,428
Net carrying amount:	
Beginning balance	<u>12,299</u>
Ending balance	<u>13,378</u>

13. INVESTMENT PROPERTIES

Currency: VND million

	<i>Land use rights, buildings and structures</i>	<i>Machinery and equipment</i>	<i>Total</i>
Cost:			
Beginning balance	27,510,800	6,098,320	33,609,120
Increase due to finalisation of construction contracts	(3,935)	-	(3,935)
Reclassified from tangible fixed assets	-	1,274	1,274
Reclassified to inventory properties	(23,602)	(816)	(24,418)
Ending balance	27,483,263	6,098,778	33,582,041
Accumulated depreciation:			
Beginning balance	4,304,124	3,036,232	7,340,356
Depreciation for the period	181,725	137,178	318,903
Reclassified to tangible fixed assets	-	289	289
Reclassified to inventory properties	(329)	(659)	(988)
Ending balance	4,485,520	3,173,040	7,658,560
Net carrying amount:			
Beginning balance	<u>23,206,676</u>	<u>3,062,088</u>	<u>26,268,764</u>
Ending balance	<u>22,997,743</u>	<u>2,925,738</u>	<u>25,923,481</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I 2022

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

	As at 31/03/2022	As at 31/12/2021
Vincom Plaza My Tho	306,565	294,176
Vincom Plaza Bac Lieu	258,117	237,588
Suoi Hoa Hotel Project	187,288	172,377
Vincom Plaza Dien Bien	138,587	138,435
Vincom Plaza Bien Hoa 2	135,650	135,650
Other projects	255,825	277,683
TOTAL	1,282,032	1,255,909

15. GOODWILL

Currency: VND million

	<i>Goodwill arisen from acquisition of</i>			<i>Total</i>
	<i>Vincom Center Long Bien One Member LLC (i)</i>	<i>Khanh Gia Investment Trading Services JSC (i)</i>	<i>An Phong Investment JSC (i)</i>	
Cost:				
Beginning balance	33,000	210,288	482,549	725,837
Ending balance	33,000	210,288	482,549	725,837
Accumulated amortisation:				
Beginning balance	28,570	138,845	296,811	464,226
Amortisation for the period	825	5,257	12,064	18,146
Ending balance	29,395	144,102	308,875	482,372
Net carrying amount:				
Beginning balance	4,430	71,443	185,738	261,611
Ending balance	3,605	66,186	173,674	243,465

(i) These companies were merged into Vincom Retail Operation Company Limited.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I 2022

16. SHORT-TERM TRADE PAYABLES

Currency: VND million

	<u>As at 31/03/2022</u>	<u>As at 31/12/2021</u>
Trade payables to suppliers	251,825	262,807
Trade payables to related parties (Note 29)	229,082	263,376
TOTAL	<u>480,907</u>	<u>526,183</u>

17. ADVANCE FROM CUSTOMERS

Currency: VND million

	<u>As at 31/03/2022</u>	<u>As at 31/12/2021</u>
Downpayment from customers under sale and purchase of real estate agreements	122,321	187,547
Downpayment from tenants for leasing activities and rendering related services	25,567	53,570
Others	2,468	37,062
TOTAL	<u>150,356</u>	<u>278,179</u>

18. STATUTORY OBLIGATIONS

Currency: VND million

	<u>As at 31/03/2022</u>	<u>As at 31/12/2021</u>
Payables		
Corporate income tax	95,949	74,524
Value added tax	58,603	56,149
Land use fee and land rental fee	-	355,581
Others	3,665	3,394
TOTAL	<u>158,217</u>	<u>489,648</u>

19. SHORT-TERM ACCRUED EXPENSES

Currency: VND million

	<u>As at 31/03/2022</u>	<u>As at 31/12/2021</u>
Accrued construction costs	220,830	272,951
Accrued loans and bond interests	62,161	65,008
Accrued selling expenses	61,531	66,414
Others	175,826	224,491
TOTAL	<u>520,348</u>	<u>628,864</u>
<i>In which:</i>		
Accrued expenses due to others	518,972	624,781
Accrued expenses due to related parties	1,376	4,083

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I 2022

20. OTHER PAYABLES

Currency: VND million

	As at 31/03/2022	As at 31/12/2021
Short-term:		
Deposits received under deposit and loan contracts	201,812	225,117
Deposits from tenants to be refunded within the next 12 months	456,890	423,536
Maintenance fund	92,881	91,846
Deposits for site construction	38,044	50,386
Dividend payable	2,233	2,233
Other payables	169,269	45,870
TOTAL	961,129	838,988
<i>In which:</i>		
Other short-term payables	892,018	817,958
Other short-term payables to related parties (Note 29)	69,111	21,030
Long-term:		
Deposits from tenants	1,235,949	1,225,755
Less: Deposits from tenants to be refunded within the next 12 months (Presented in Short-term)	(456,890)	(423,536)
Deposit under business cooperation contracts	180,000	180,000
Other deposits	36,168	36,151
TOTAL	995,227	1,018,370
<i>In which:</i>		
Other long-term payables	770,628	785,048
Other long-term payables to related parties (Note 29)	224,599	233,322

21. UNEARNED REVENUES

Currency: VND million

	As at 31/03/2022	As at 31/12/2021
Short-term unearned revenues	78,450	91,371
Long-term unearned revenues	97,125	100,106
TOTAL	175,575	191,477
<i>In which:</i>		
Unearned revenues received from related parties (Note 29)	30,169	44,957
Unearned revenues received from others	145,406	146,520

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I 2022

22. LOANS AND DEBTS

22.1 Short-term loans and debt

		Currency: VND million			
		As at 31/3/2022		As at 31/12/2021	
	Note	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			
		As at 31/3/2022		As at 31/12/2021	
	Note	Carrying value	Payable amount	Carrying value	Payable amount
Corporate bonds	(i)	2,975,500	2,975,500	2,965,992	2,965,992
Other long-term debts from related parties	29	172,057	172,057	171,932	171,932
TOTAL		3,147,557	3,147,557	3,137,924	3,137,924

(i) Ending balance comprises:

<i>Bond arranger</i>	<i>As at 31/03/2022 (VND million)</i>	<i>Maturity date</i>	<i>Interest rate</i>	<i>Secured assets</i>
Techcom Securities Joint Stock Company	2,975,500	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	2,975,500			

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I 2022

23. OWNERS' EQUITY

23.1 Increase and decrease in owner's equity

Currency: VND million

	<i>Shares with voting right</i>	<i>Share premium</i>	<i>Treasury shares</i>	<i>Undistributed earnings</i>	<i>Other funds belonging to owners' equity</i>	<i>Non-controlling interests</i>	<i>Total</i>
For the 3-month period ended 31 March 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	-	-	-	780,935	-	202	781,137
Ending balance	23,288,184	46,983	(1,954,258)	8,754,938	(53,420)	34,526	30,116,953
For the 3-month period ended 31 March 2022							
Beginning balance	23,288,184	46,983	(1,954,258)	9,288,513	(53,420)	34,827	30,650,829
- Net profit for the period	-	-	-	377,435	-	162	377,597
Ending balance	23,288,184	46,983	(1,954,258)	9,665,948	(53,420)	34,989	31,028,426

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I 2022

23. OWNERS' EQUITY (continued)

23.2 Shares

	As at 31/3/2022		As at 31/12/2021	
	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 2021: VND 10,000 per share).

24. REVENUE

24.1 Revenue from sale of goods and rendering of services

	Currency: VND million	
	Quarter I 2022	Quarter I 2021
Gross revenue	1,369,460	2,226,386
In which:		
Leasing activities and rendering of related services	1,246,219	1,712,301
Sale of inventory properties	84,270	452,316
Others	38,971	61,769
Deduction	-	-
Net revenue	1,369,460	2,226,386
In which:		
Revenue from sale to related parties	138,677	160,559
Revenue from sale to others	1,230,783	2,065,827

24.2 Finance income

	Currency: VND million	
	Quarter I 2022	Quarter I 2021
Interest income from loans and deposits	102,854	101,589
TOTAL	102,854	101,589

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I 2022

24. REVENUE (continued)

24.3 Revenue and expenses relating to investment properties

Currency: VND million

	<u>Quarter I 2022</u>	<u>Quarter I 2021</u>
Revenue from leasing of investment properties and rendering of related services (Note 24.1)	1,246,219	1,712,301
Direct operating costs related to investment properties generating income in the period (Note 25)	675,932	710,202

25. COST OF GOODS SOLD AND SERVICES RENDERED

Currency: VND million

	<u>Quarter I 2022</u>	<u>Quarter I 2021</u>
Cost of leasing activities and rendering of related services	675,932	710,202
Cost of inventory properties sold	51,874	265,761
Others	30,299	82,053
TOTAL	<u>758,105</u>	<u>1,058,016</u>

26. FINANCE EXPENSES

Currency: VND million

	<u>Quarter I 2022</u>	<u>Quarter I 2021</u>
Interests on loans and bond	80,004	142,962
Amortisation of bond issue costs	9,508	10,336
Others	-	840
TOTAL	<u>89,512</u>	<u>154,138</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I 2022

27. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Currency: VND million</i>	
	<u>Quarter I 2022</u>	<u>Quarter I 2021</u>
Selling expenses	54,586	91,615
Labour cost	20,955	12,899
Consulting, commission and brokerage fees	12,092	47,635
Branding and marketing cost	19,226	29,148
Depreciation and amortisation	1,730	1,733
Outsourced services	55	52
Others	528	148
General and administrative expenses	87,799	64,478
Labour cost	10,268	3,126
Depreciation and amortisation	20,262	20,002
Provision expenses	21,628	16,095
Out-sourcing services	9,812	1,583
Others	1,186	908
Management fee	24,643	22,764
TOTAL	142,385	156,093

28. CORPORATE INCOME TAX

The statutory corporate income tax ("CIT") applicable to the Company and its subsidiaries for Quarter I 2022 is 20% of taxable profit (for Quarter I 2021: 20%).

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

	<i>Currency: VND million</i>	
	<u>Quarter I 2022</u>	<u>Quarter I 2021</u>
Current corporate income tax expenses	123,519	199,180
Deferred tax income	(436)	(506)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I 2022

29. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

List of related parties that the Company had significant transactions and balances in current and previous 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
Gia Lam Urban Development and Investment LLC	Under common control
Vinfast Trading and Production JSC	Under common control
Vinfast Commercial and Services Trading LLC	Under common control
Green City Development JSC	Under common control
Millenium Trading Investment And Development LLC	Under common control

Significant transactions with related parties during the period:

	<i>Currency: VND million</i>	
	<u>Quarter I 2022</u>	<u>Quarter I 2021</u>
Receivables from leasing and rendering of related services		
Vinhomes JSC	71,626	65,548
Vinfast Commercial and Services Trading LLC	43,065	42,581
Vinpearl JSC	14,157	23,009
Millenium Trading Investment And Development LLC	4,939	5,681
Vinschool One Member LLC	53	12,225
Payables for purchase of goods and services		
Vingroup JSC	28,240	26,002
Vinhomes JSC	27,235	21,244
Ecology Development and Investment JSC	9,273	-
Vinpearl JSC	3,728	3,328
Deposit for investment purpose		
Thai Son Investment Construction Corporation	-	192,118
Gia Lam Urban Development and Investment LLC	-	131,396
Collection from deposit for investment purpose		
Vingroup JSC	-	181,992
Vinhomes JSC	-	242,172
Central Park Development LLC	-	41,656

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I 2022

29. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

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

	<i>Currency: VND million</i>	
	<u>Quarter I 2022</u>	<u>Quarter I 2021</u>
Lending		
Vinfast Trading and Production JSC	1,500,000	-
Vinpearl JSC	-	1,250,000
Collection of loan principal		
Vinfast Trading and Production JSC	1,795,000	-
Interests receivable		
Thai Son Investment Construction Corporation	29,673	25,462
Vinfast Trading and Production JSC	29,495	-
Green City Development JSC	16,210	16,210
Vinpearl JSC	-	21,918

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I 2022

29. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

Amounts due from and due to related parties:

		<i>Currency: VND million</i>	
<i>Related parties</i>	<i>Transactions</i>	<i>As at 31/3/2022</i>	<i>As at 31/12/2021</i>
Short-term trade receivable (Note 6.1)			
Vinhomes JSC	Receivables from leasing property and provision of related services	90,406	82,325
Vinfast Commercial and Services Trading LLC	Receivables from leasing property and provision of related services	17,635	21,107
Vinfast Trading and Production JSC	Receivables from leasing property and provision of related services	17,365	17,346
Other companies in the Group	Other receivables	6,164	2,516
		131,570	123,294
Short-term loan receivables			
Vinfast Trading and Production JSC	Short-term lending	-	295,000
		-	295,000
Other short-term receivables (Note 7)			
Vietnam Investment and Consulting Investment JSC	Receivable for business cooperation contract	69,680	69,680
	Other receivables	219	192
Thai Son Investment Construction Corporation	Interests receivable from deposits	39,894	10,221
Vinfast Trading and Production JSC	Interests receivable from deposits	34,667	5,173
	Other receivables	380	360
Green City Development JSC	Interests receivable from deposits	21,794	5,584
Other companies in the Group	Other receivables	12,197	8,191
		178,831	99,401
Long-term prepaid expenses (Note 9)			
Ecology Development and Investment JSC	Long-term lease prepaid	235,235	237,787
		235,235	237,787

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I 2022

29. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

Amounts due from and due to related parties: (continued)

Currency: VND million

<i>Related parties</i>	<i>Transactions</i>	<i>As at 31/3/2022</i>	<i>As at 31/12/2021</i>
<i>Other current assets (Note 10)</i>			
Thai Son Investment Construction Corporation	Deposits for business cooperation	1,203,400	1,203,400
		1,203,400	1,203,400
<i>Other long-term assets (Note 10)</i>			
Vingroup JSC	Deposits for business cooperation	1,584,000	1,584,000
Green City Development JSC	Deposits for business cooperation	657,420	657,420
Can Gio Tourist City Corporation	Deposits for business cooperation	163,000	163,000
		2,404,420	2,404,420
<i>Short-term trade payables (Note 16)</i>			
Vingroup JSC	Payables for purchase of assets, goods and services	101,718	118,663
Vinpearl JSC	Payables for purchase of assets, goods and services	82,360	82,575
Vinhomes JSC	Payables for purchase of assets, goods and services	27,143	20,947
Gia Lam Urban Development and Investment LLC	Payables for purchase of assets, goods and services	9,448	9,296
Other companies in the Group	Payables for purchase of assets, goods and services	8,413	31,895
		229,082	263,376
<i>Other short-term payables (Note 20)</i>			
Vinfast Commercial and Services Trading LLC	Deposits for leasing retail	41,697	1,168
	Other payables	5	-
Vinhomes JSC	Deposits for leasing retail	14,149	14,491
	Other payables	40	40
Vinschool One Member LLC	Deposits for leasing retail	7,263	3,391
Other companies in the Group	Other payables	5,957	1,940
		69,111	21,030

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I 2022

29. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

Amounts due from and due to related parties: (continued)

Currency: VND million

<i>Related parties</i>	<i>Transactions</i>	<i>As at 31/3/2022</i>	<i>As at 31/12/2021</i>
<i>Other long-term liabilities (Note 20)</i>			
Vinpearl JSC	Deposits for business cooperation	180,000	180,000
	Deposits for leasing retail	2,387	4,774
Vinfast Commercial and Services Trading LLC	Deposits for leasing retail	35,303	40,362
Vinschool One Member LLC	Deposits for leasing retail	2,682	3,872
Other companies in the Group	Deposits for leasing retail	4,227	4,314
		224,599	233,322
<i>Unearned revenues (Note 21)</i>			
Vingroup JSC	Unearned revenue from leasing and rendering of related services	18,773	19,311
Vinhomes JSC	Unearned revenue from leasing and rendering of related services	11,396	25,071
Other companies in the Group	Unearned revenue from leasing and rendering of related services	-	575
		30,169	44,957

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I 2022

29. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

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

Financial lease liabilities from a related party as at 31 March 2022 was as follow:

<i>Related parties</i>	<i>As at 31/3/2022</i>	<i>Interest rate</i>	<i>Maturity date</i>
	<i>VND million</i>	<i>per annum</i>	
Ecology Development and Investment JSC	191,944	From 8.58% to 14.02%	March 2045
<i>In which: Current-portion</i>	<u>(19,887)</u>		
TOTAL (i)	<u>172,057</u>		

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

Financial lease liabilities from a related party as at 31 December 2021 was as follow:

<i>Related parties</i>	<i>As at 31/12/2021</i>	<i>Interest rate</i>	<i>Maturity date</i>
	<i>VND million</i>	<i>per annum</i>	
Ecology Development and Investment JSC	191,819	From 8.58% to 14.02%	March 2045
<i>In which: Current-portion</i>	<u>(19,887)</u>		
TOTAL	<u>171,932</u>		

30. EVENTS AFTER THE BALANCE SHEET DATE

There is no matter or circumstance that has arisen since the balance sheet date that requires an adjustment or a disclosure in the consolidated financial statements of the Company and its subsidiaries.

Pham Hoang Viet
Chief Accountant



Pham Thi Ngoc Ha
Chief Financial Officer

27 April 2022

Vincom Retail Joint Stock Company

APPENDIX
Quarter I 2022

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		<i>Currency: VND million</i>			
		Quarter I 2022	Quarter I 2021	Variance	%
10	Net revenue from sale of goods and rendering of services	1,369,460	2,226,386	(856,926)	-38%
11	Cost of goods sold and services rendered	758,105	1,058,016	(299,911)	-28%
22	Finance expenses	89,512	154,138	(64,626)	-42%
25	Selling expenses	54,586	91,615	(37,029)	-40%
60	Net profit after tax	377,597	781,137	(403,540)	-52%

Explanation for variances in income statement between the two periods which were over 10%:

- Net revenue from sale of goods and rendering of services in Quarter I 2022 decreased by VND 857 billion in comparison with previous period mainly because of: (i) revenue from leasing activities and rendering of related services decreased by VND 466 billion due to rent waiver given to tenants during and discount after the social distancing periods for impacted tenants; and (ii) sale of inventory properties decreased by VND 368 billion because the number of shop-houses handed over was lower than Quarter I 2021. Cost of goods sold and services rendered decreased correspondingly to the decrease in revenue.
- Finance expenses decreased by VND 65 billion mainly owing to the early redemption of VND 2.6 trillion bond.
- Selling expenses decreased by VND 37 billion mainly owing to the decrease in sale of inventory properties.
- Net profit after tax decreased by VND 404 billion in comparison with prior period because of above mentioned reasons.