

Code **VRE**
Company name Vincom Retail Joint Stock Company
Date 09/03/2019
Subject Explanation for the semi-annual financial statements

Content:

Vincom Retail Joint Stock Company has explained the fluctuation in profit and loss in the consolidated and separate financial statements in the first six months of 2019 as follows:

1. Separate financial statements in the first six months of 2019:

*Unit: dong*s

Code	Item	From 01/01/2019 to 06/30/2019	From 01/01/2018 to 06/30/2018	Difference	%
10	Net revenue	1,676,304,567,909	750, 104,533,107	926,200,034,802	123%
11	Cost of goods sold	1,070,291,786,143	505,571,655,200	564,720, 130,943	112%
21	Financial income	2,043,235,311,937	1,046,334,728,380	996,900,583,557	95%
22	Financial expense	133,618,268,038	220,391,541,785	(86,773,273,747)	-39%
25	Selling expense	53,442,235,660	30,189,876,781	23,252,358,879	77%
26	Administrative expense	59,173,338,836	12,564,864,236	46,608,474,600	371%
60	Profit after tax	2,283,314,729,324	938,033,734,097	1,345,280,995,227	143%

- Net revenue increased by 926 billion dong, or 123%, compared to the same period of last year because: (i) revenue from real estate for rent and related services went up by 1.98 times, equivalent to 471 billion dong, mainly thanks to new trade centers;

(ii) revenue from the transfer of real estate grew by 369 billion dong compared to the same period of 2018. The cost of goods sold and services increased corresponding to the recorded revenue.

- Financial income was higher than in the same period of last year because of: (i) the increase of 1,192 billion dong in profit from subsidiaries, associated companies; (ii) the decrease of 195 billion dong in borrowing expense and deposit.
- Financial expense decreased by 87 billion dong mainly thanks to the reduction in borrowing expense (the Company paid a part of borrowings in 2018).
- Selling expense and administrative expense increased corresponding to the recorded revenue.
- Profit after tax went up 1,345 billion dong because of the causes above.

2. Consolidated financial statements in the first six months of 2019:

Unit: dong

Code	Item	From 01/01/2019 to 06/30/2019	From 01/01/2018 to 06/30/2018	Difference	%
10	Net revenue	4,266,785,555,719	3,133,804,699,868	1,132,980,855,851	36%
11	Cost of goods sold	2,335,660,862,758	1,579,855,228,388	755,805,634,370	48%
21	Financial income	157,325,757,820	333,456,180,104	(176,130,422,284)	-53%
22	Financial expense	146,007,568,223	232,006,804,105	(85,999,235,882)	-37%
25	Selling expense	140,536,601,420	93,965,674,509	46,570,926,911	50%
26	Administrative expense	242,538,838,127	130,230,142,092	112,308,696,035	86%
60	Profit after tax	1,251,478,623,663	1,161,639,775,843	89,838,847,820	8%

- Net revenue increased by 1,133 billion dong, or 36%, compared to the same period of last year because: (i) revenue from real estate for rent and related services went up by 641 billion dong, mainly thanks to new trade centers; (ii) revenue from the

transfer of real estate grew by 412 billion dongs compared to the same period of 2018. The cost of goods sold and services increased corresponding to the recorded revenue.

- Financial income was higher than in the same period of last year because of the decrease of 176 billion dongs in borrowing expense and investment activities.
- Financial expense decreased by 86 billion dongs mainly thanks to the reduction in borrowing expense (the Company paid a part of borrowings in 2018).
- Selling expense and administrative expense increased corresponding to the recorded revenue.
- Profit after tax went up 90 billion dongs, equivalent to 8% compared to the same period of last year, because of the causes above.