



Vinhomes JSC

Bridging VAS to IFRS
for the year ended 31 December 2019

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Bridging VAS to IFRS – Statement of Profit or Loss for FY2019

Figures in VND billion	VAS FY2019	Adjustments	IFRS FY2019
Sale of inventory properties	48,162	703	48,865
Rendering general contractor, construction consultancy and supervision services	708	1,949	2,657
Rendering real estate management and related services	1,483		1,483
Other revenue	160		160
Rental income			
Leasing of investment property and rendering of related services	1,114		1,114
Total revenue	51,627	2,652	54,279
Cost of inventory property	(21,500)	(717)	(22,217)
Cost of rendering general contractor, construction consultancy and supervision services	(584)	(1,962)	(2,546)
Cost of rendering real estate management and related services	(1,481)		(1,481)
Cost relating to leasing of investment property and rendering of related services	(511)	149	(362)
Others	(96)		(96)
Cost of goods & services	(24,171)	(2,531)	(26,702)
Gross profit	27,456	121	27,577
<i>In which: Gross profit from Sale of inventory properties</i>	<i>26,662</i>	<i>(14)</i>	<i>26,648</i>

Commentary on Adjustments

Under VAS, advanced payments from customers are presented at cost and no interest was accrued on these advances while under IFRS 15, interest on these advances are recognised and capitalised into inventories. This component is recorded as revenue and cost of sales with the same amount when the inventory properties are handed over.

Recognise revenue and cost of construction over time by percentage of completion in conformity with IFRS 15 instead of certified work at handover point in time under VAS.

Bridging VAS to IFRS – Statement of Profit or Loss for FY2019

Figures in VND billion	VAS FY2019	Adjustments	IFRS FY2019
Selling expenses	(2,081)	17	(2,064)
General and administrative expenses	(2,156)	253	(1,903)
Other income	186	6,450	6,636
Other expenses	(156)		(156)
Finance expenses	(2,549)	(351)	(2,900)
Finance income	9,046	(6,514)	2,532
Profit before tax	29,746	(23)	29,723
Tax expense	(5,427)	434	(4,993)
Profit after tax	24,319	411	24,730

Commentary on Adjustments

Income from BCCs and gains from disposal of equity investments presented as other income under IFRS instead of finance incomes under VAS.

Deferred tax in relation to fair value gains of business cooperation contracts recognised as financial instruments at fair value through profit or loss under IFRS 9.

Bridging VAS to IFRS – Statement of Financial Position as at 31 December 2019

Figures in VND billion	VAS 31 Dec 2019	Adjustments	IFRS 31 Dec 2019
NON-CURRENT ASSETS			
Investment property under construction	-	28,808	28,808
Construction in progress	28,213	(28,193)	20
Amounts due from related party	-	16,302	16,302
Other non-current assets	18,192	(16,827)	1,365
CURRENT ASSETS			
Amounts due from related party	-	13,573	13,573
Short-term prepayments and other receivables	31,731	(15,461)	16,270
Financial assets at fair value through profit or loss	-	9,922	9,922
NON-CURRENT LIABILITIES			
Long-term interest-bearing loans and borrowings	8,343	(957)	7,386
Long-term deferred revenue and payables to related parties	-	966	966
CURRENT LIABILITIES			
Deposits and down payment from customers	54,510	20,996	75,506
Other current liabilities	32,574	(23,971)	8,603

Commentary on Adjustments

Under VAS, investment properties under construction (IPUC) are recognised as Construction in progress while in conformity with IAS 1, investment properties under construction are recognised as a separate account. These IPUC are at projects: Vinhomes Long Beach Can Gio, Leman Golf Course & Villas Cu Chi, Vinhomes Ky Hoa, Vinhomes Smart City, Vinhomes Ocean Park, Vinhomes Grand Park and others.

Following the guidance of IAS 24, balances due from related parties are presented as a separate account that mainly comprises (i) lendings to related parties VND 7,863 billion; (ii) deposit for investment purposes for related parties VND 8,439 billion.

Following the guidance of IAS 24, balances due from related parties are presented as a separate account.

Under VAS, investments in BCCs are recognised at cost as Other receivables while under IFRS, investments in BCCs are recognised as Financial assets at fair value through profit or loss.

In conformity with IAS 24, Long-term loans and borrowings from related parties and associated loan interest are recognised as "Long-term deferred revenue and payables to related parties" (VND 748 billion, VND 219 billion respectively).

Mainly due to the presentation of deposit from customers of as "Other payables" under VAS while under IFRS, it is disclosed as "Deposits and down payment from customers".

Note: Based on Vietnamese Accounting Standards (VAS) and IFRS Audited Consolidated Financial Statements for FY2019

