



**VinaCafé Bien Hoa Joint Stock Company  
and its subsidiary**

Consolidated Interim Financial Statements  
for the six-month period ended 30 June 2021



**VinaCafé Bien Hoa Joint Stock Company**  
**Corporate Information**

**Enterprise Registration  
Certificate No.**

3600261626

29 December 2004

The Enterprise Registration Certificate has been amended several times, the most recent of which is dated 7 May 2021. The Enterprise Registration Certificate and its amendments were issued by the Department of Planning and Investment of Dong Nai Province.

**Board of Directors**

Mr. Pham Hong Son	Chairman
Ms. Nguyen Hoang Yen	Member
Mr. Truong Cong Thang	Member
Mr. Huynh Cong Hoan	Member
Ms. Ho Thuy Hanh	Member

**Board of Management**

Mr. Le Huu - Thang	Chief Executive Officer (from 14 April 2021)
Mr. Doan Quoc Hung	Chief Executive Officer (until 14 April 2021)
Mr. Nguyen Thanh Tung	Deputy Chief Executive Officer (until 1 June 2021)

**Registered Office**

Bien Hoa Industrial Zone 1  
An Binh Ward  
Bien Hoa City  
Dong Nai Province  
Vietnam

**Auditor**

KPMG Limited  
Vietnam

**VinaCafé Bien Hoa Joint Stock Company**  
**Statement of the Board of Directors and Board of Management**

**STATEMENT OF THE BOARD OF MANAGEMENT’S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

The Board of Management of VinaCafé Bien Hoa Joint Stock Company (“the Company”) presents this statement and the accompanying consolidated interim financial statements of the Company and its subsidiary (collectively referred to as “the Group”) for the six-month period ended 30 June 2021.

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

- (a) the consolidated interim financial statements set out on pages 5 to 44 give a true and fair view of the consolidated financial position of the Group as at 30 June 2021, and of their consolidated results of operations and their consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Group will not be able to pay its debts as and when they fall due.

**APPROVAL OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS BY THE BOARD OF DIRECTORS**

The Company’s Board of Directors has, on the date of this statement, authorised the accompanying consolidated interim financial statements for issue.

On behalf of the Board of Directors  
  
Phạm Hồng Sơn  
Chairman

Dong Nai Province, 18 August 2021



KPMG Limited Branch  
10<sup>th</sup> Floor, Sun Wah Tower  
115 Nguyen Hue Street, Ben Nghe Ward  
District 1, Ho Chi Minh City, Vietnam  
+84 (28) 3821 9266 | kpmg.com.vn

## INTERIM FINANCIAL INFORMATION REVIEW REPORT

### To the Shareholders VinaCafé Bien Hoa Joint Stock Company

We have reviewed the accompanying consolidated interim financial statements of VinaCafé Bien Hoa Joint Stock Company ("the Company") and its subsidiary (collectively referred to as "the Group"), which comprise the consolidated balance sheet as at 30 June 2021, the consolidated statements of income and cash flows for the six-month period then ended and the explanatory notes thereto, which were authorised for issue by the Company's Board of Directors on 18 August 2021, as set out on pages 5 to 44.

### Management's Responsibility

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

### Auditor's Responsibility

Our responsibility is to express a conclusion on these consolidated interim financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements No. 2410 – *Review of interim financial information performed by the independent auditor of the entity*.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



## Auditor's Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not give a true and fair view, in all material respects, of the consolidated financial position of VinaCafé Bien Hoa Joint Stock Company and its subsidiary as at 30 June 2021 and of their consolidated results of operations and their consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting.

### KPMG Limited's Branch in Ho Chi Minh City

Vietnam

Review Report No. 21-01-00354-21-2



Nelson Rodríguez Casihan  
Practicing Auditor Registration  
Certificate No. 2225-2018-007-1  
*Deputy General Director*

Trieu Tich Quyen  
Practicing Auditor Registration  
Certificate No. 4629-2018-007-2

Ho Chi Minh City, 18 August 2021



**VinaCafé Bien Hoa Joint Stock Company and its subsidiary**  
**Consolidated balance sheet as at 30 June 2021**

**Form B 01a – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	30/6/2021 VND	1/1/2021 VND
<b>ASSETS</b>				
<b>Current assets</b> (100 = 110 + 120 + 130 + 140 + 150)	<b>100</b>		<b>1,586,012,962,821</b>	<b>1,619,382,377,622</b>
<b>Cash and cash equivalents</b>	<b>110</b>	<b>9</b>	<b>149,023,015,181</b>	<b>201,559,823,160</b>
Cash	111		22,023,015,181	20,059,823,160
Cash equivalents	112		127,000,000,000	181,500,000,000
<b>Short-term financial investments</b>	<b>120</b>		<b>5,000,000,000</b>	<b>-</b>
Held-to-maturity investments	123	10	5,000,000,000	-
<b>Accounts receivable – short-term</b>	<b>130</b>		<b>1,137,807,235,131</b>	<b>1,172,535,183,612</b>
Accounts receivable from customers	131	11	157,190,737,824	226,823,642,968
Prepayments to suppliers	132		5,997,070,801	1,088,680,415
Other short-term receivables	136	12(a)	974,619,426,506	944,622,860,229
<b>Inventories</b>	<b>140</b>	<b>13</b>	<b>285,473,889,703</b>	<b>236,715,265,299</b>
Inventories	141		285,979,345,548	236,725,530,632
Allowance for inventories	149		(505,455,845)	(10,265,333)
<b>Other current assets</b>	<b>150</b>		<b>8,708,822,806</b>	<b>8,572,105,551</b>
Short-term prepaid expenses	151		538,947,027	452,269,144
Deductible value added tax	152		8,163,074,076	8,115,349,938
Taxes and other receivables from State Treasury	153		6,801,703	4,486,469

*The accompanying notes are an integral part of these consolidated interim financial statements*

**VinaCafé Bien Hoa Joint Stock Company and its subsidiary**  
**Consolidated balance sheet as at 30 June 2021 (continued)**

**Form B 01a – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	30/6/2021 VND	1/1/2021 VND
<b>Long-term assets</b> (200 = 210 + 220 + 240 + 260)	<b>200</b>		<b>479,316,763,620</b>	<b>512,396,964,606</b>
<b>Accounts receivable – long-term</b>	<b>210</b>		<b>5,000,000</b>	<b>5,000,000</b>
Other long-term receivables	216	12(b)	5,000,000	5,000,000
<b>Fixed assets</b>	<b>220</b>		<b>434,200,879,886</b>	<b>465,666,561,462</b>
Tangible fixed assets	221	14	433,953,458,165	465,357,284,313
Cost	222		1,098,165,174,246	1,096,484,179,026
Accumulated depreciation	223		(664,211,716,081)	(631,126,894,713)
Intangible fixed assets	227	15	247,421,721	309,277,149
Cost	228		2,180,358,879	2,180,358,879
Accumulated amortisation	229		(1,932,937,158)	(1,871,081,730)
<b>Long-term work in progress</b>	<b>240</b>		<b>2,751,164,014</b>	<b>1,611,020,720</b>
Construction in progress	242	16	2,751,164,014	1,611,020,720
<b>Other long-term assets</b>	<b>260</b>		<b>42,359,719,720</b>	<b>45,114,382,424</b>
Long-term prepaid expenses	261	17	18,455,166,380	20,747,386,756
Deferred tax assets	262	18	10,542,967,408	9,646,604,382
Goodwill	269	19	13,361,585,932	14,720,391,286
<b>TOTAL ASSETS (270 = 100 + 200)</b>	<b>270</b>		<b>2,065,329,726,441</b>	<b>2,131,779,342,228</b>

*The accompanying notes are an integral part of these consolidated interim financial statements*

**VinaCafé Bien Hoa Joint Stock Company and its subsidiary**  
**Consolidated balance sheet as at 30 June 2021 (continued)**

**Form B 01a – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	30/6/2021 VND	1/1/2021 VND
<b>RESOURCES</b>				
<b>LIABILITIES (300 = 310 + 330)</b>	<b>300</b>		<b>410,023,001,588</b>	<b>633,342,602,272</b>
<b>Current liabilities</b>	<b>310</b>		<b>405,110,859,338</b>	<b>628,116,929,272</b>
Accounts payable to suppliers	311	20	137,864,252,496	162,459,760,504
Advances from customers	312		2,842,546,066	1,019,768,792
Taxes payable to State Treasury	313	21	68,668,635,789	99,562,489,090
Payables to employees	314		5,323,010,291	-
Accrued expenses	315	22	23,550,633,896	23,075,152,579
Other short-term payables	319	23(a)	3,340,424,489	3,724,116,743
Short-term borrowings	320	24	142,489,458,853	317,243,744,106
Bonus and welfare funds	322		21,031,897,458	21,031,897,458
<b>Long-term liabilities</b>	<b>330</b>		<b>4,912,142,250</b>	<b>5,225,673,000</b>
Other long-term payables	337	23(b)	279,450,000	279,450,000
Provisions – long-term	342		4,632,692,250	4,946,223,000
<b>EQUITY (400 = 410)</b>	<b>400</b>		<b>1,655,306,724,853</b>	<b>1,498,436,739,956</b>
<b>Owners' equity</b>	<b>410</b>	<b>25</b>	<b>1,655,306,724,853</b>	<b>1,498,436,739,956</b>
Share capital	411	26	265,791,350,000	265,791,350,000
- Ordinary shares with voting rights	411a		265,791,350,000	265,791,350,000
Share premium	412	26	29,974,241,968	29,974,241,968
Investment and development fund	418		213,510,848,947	213,510,848,947
Undistributed profits after tax	421		1,144,402,281,477	1,002,800,069,975
- Undistributed profits after tax brought forward	421a		1,002,800,069,975	279,198,484,714
- Undistributed profit after tax for the current period/prior year	421b		141,602,211,502	723,601,585,261
Non-controlling interests	429		1,628,002,461	(13,639,770,934)
<b>TOTAL RESOURCES (440 = 300 + 400)</b>	<b>440</b>		<b>2,065,329,726,441</b>	<b>2,131,779,342,228</b>

18 August 2021

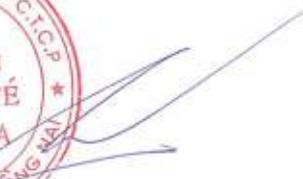
Prepared by:

  
 Nguyen Thi Ngoc Tram  
 General Accountant

Approved by:

  
 Phan Thi Thuy Hoa  
 Chief Accountant



  
 Pham Hong Son  
 Chairman

*The accompanying notes are an integral part of these consolidated interim financial statements*

**VinaCafé Bien Hoa Joint Stock Company and its subsidiary**  
**Consolidated statement of income for the six-month period ended 30 June 2021**

**Form B 02a – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	Six-month period ended	
			30/6/2021 VND	30/6/2020 VND
Revenue from sale of goods and provision of services	01	28	806,031,598,774	1,152,664,822,008
Revenue deductions	02	28	1,441,200,140	534,266,168
<b>Net revenue (10 = 01 - 02)</b>	<b>10</b>	<b>28</b>	<b>804,590,398,634</b>	<b>1,152,130,555,840</b>
Cost of sales and services	11	29	604,927,671,022	817,195,362,740
<b>Gross profit (20 = 10 - 11)</b>	<b>20</b>		<b>199,662,727,612</b>	<b>334,935,193,100</b>
Financial income	21	30	32,329,220,612	23,875,725,824
Financial expenses	22	31	3,011,490,112	15,287,930,378
<i>In which: Interest expense</i>	23		2,884,047,055	7,894,573,862
Selling expenses	25	32	8,122,472,694	3,109,382,513
General and administration expenses	26	33	22,201,799,217	13,875,840,656
<b>Net operating profit</b> {30 = 20 + (21 - 22) - (25 + 26)}	<b>30</b>		<b>198,656,186,201</b>	<b>326,537,765,377</b>
Other income	31		35,017,707	163
Other expenses	32		-	49,800
<b>Results of other activities (40 = 31 - 32)</b>	<b>40</b>		<b>35,017,707</b>	<b>(49,637)</b>
<b>Accounting profit before tax (50 = 30 + 40)</b>	<b>50</b>		<b>198,691,203,908</b>	<b>326,537,715,740</b>
Income tax expense – current	51	35	42,717,582,037	68,189,182,310
Income tax benefit – deferred	52	35	(896,363,026)	(596,602,050)
<b>Net profit after tax (60 = 50 - 51 - 52)</b> (carried forward to next page)	<b>60</b>		<b>156,869,984,897</b>	<b>258,945,135,480</b>



*The accompanying notes are an integral part of these consolidated interim financial statements*

**VinaCafé Bien Hoa Joint Stock Company and its subsidiary**  
**Consolidated statement of income for the six-month period ended 30 June 2021**  
**(continued)**

**Form B 02a – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	Six-month period ended	
			30/6/2021 VND	30/6/2020 VND
<b>Net profit after tax</b> <b>(brought forward from previous page)</b>	<b>60</b>		<b>156,869,984,897</b>	<b>258,945,135,480</b>
<b>Attributable to:</b>				
Equity holders of the Company	61		157,068,174,857	260,403,168,706
Non-controlling interests	62		(198,189,960)	(1,458,033,226)
<b>Earnings per share</b>				
Basic earnings per share	70	36	5,909	9,797

18 August 2021

Prepared by:

  
 Nguyen Thi Ngoc Tram  
 General Accountant

Approved by:

  
 Phan Thi Thuy Hoa  
 Chief Accountant

  
 Pham Hong Son  
 Chairman

  
 M.S.N. 3600261626 - C.T.C.P.  
 CÔNG TY  
 CỔ PHẦN  
 VINACAFÉ  
 BIÊN HÒA  
 TP. BIÊN HÒA - T. DŨNG HẢI

*The accompanying notes are an integral part of these consolidated interim financial statements*

**VinaCafé Bien Hoa Joint Stock Company and its subsidiary**  
**Consolidated statement of cash flows for the six-month period ended 30 June 2021**  
**(Indirect method)**

**Form B 03a – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

	Code	Six-month period ended	
		30/6/2021 VND	30/6/2020 VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Accounting profit before tax</b>	<b>01</b>	<b>198,691,203,908</b>	<b>326,537,715,740</b>
<b>Adjustments for</b>			
Depreciation and amortisation	02	34,757,507,650	34,712,943,727
Allowances and provisions	03	523,309,395	574,696,568
Exchange gains arising from revaluation of monetary items dominated in foreign currencies	04	(975,148,264)	(902,434,165)
Profits from investing activities	05	(31,790,790,768)	(22,817,109,785)
Interest expense	06	2,884,047,055	7,894,573,862
<b>Operating profit before changes in working capital</b>	<b>08</b>	<b>204,090,128,976</b>	<b>346,000,385,947</b>
Change in receivables and other assets	09	69,149,992,472	1,058,871,771,263
Change in inventories	10	(49,595,464,549)	(107,895,907,749)
Change in payables and other liabilities	11	(915,081,044)	(92,472,451,553)
Change in prepaid expenses	12	2,205,542,493	2,210,663,941
		<b>224,935,118,348</b>	<b>1,206,714,461,849</b>
Interest paid	14	(3,181,542,653)	(9,468,397,777)
Corporate income tax paid	15	(88,418,813,341)	(60,929,582,793)
<b>Net cash flows from operating activities</b>	<b>20</b>	<b>133,334,762,354</b>	<b>1,136,316,481,279</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for additions to fixed assets and other long-term assets	21	(8,667,184,845)	(9,077,543,720)
Placements of term deposits at banks and other investing activities	23	(5,000,000,000)	(920,000,000,000)
Payments for granting loans	23	-	(600,000,000,000)
Receipts from collecting of other investing activities	24	-	250,000,000,000
Receipts of interest	27	2,005,533,236	8,117,904,307
<b>Net cash flows from investing activities</b>	<b>30</b>	<b>(11,661,651,609)</b>	<b>(1,270,959,639,413)</b>

*The accompanying notes are an integral part of these consolidated interim financial statements*

**VinaCafé Bien Hoa Joint Stock Company and its subsidiary**  
**Consolidated statement of cash flows for the six-month period ended 30 June 2021**  
**(Indirect method – continued)**

**Form B 03a – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

	Code	Six-month period ended	
		30/6/2021 VND	30/6/2020 VND
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings	33	349,423,149,532	583,463,961,096
Payments to settle loan principals	34	(524,177,434,785)	(629,346,832,209)
Payments of dividends	36	(431,250,000)	-
<b>Net cash flows from financing activities</b>	<b>40</b>	<b>(175,185,535,253)</b>	<b>(45,882,871,113)</b>
<b>Net cash flows during the period</b> (50 = 20 + 30 + 40)	<b>50</b>	<b>(53,512,424,508)</b>	<b>(180,526,029,247)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>60</b>	<b>201,559,823,160</b>	<b>218,388,319,710</b>
<b>Effect of exchange rate fluctuations on cash and cash equivalents</b>	<b>61</b>	<b>975,616,529</b>	<b>901,530,034</b>
<b>Cash and cash equivalents at end of the period</b> (70 = 50 + 60 + 61)	<b>70</b>	<b>149,023,015,181</b>	<b>38,763,820,497</b>

18 August 2021

Prepared by:

  
 Nguyen Thi Ngoc Tram  
 General Accountant

Approved by:

  
 Phan Thi Thuy Hoa  
 Chief Accountant

  
 Pham Hong Son  
 Chairman

The stamp is a red circular seal. The outer ring contains the text 'M.S.D.N: 3600261626 - C.T.C.P.' at the top and 'TP. BIÊN HÒA - T. ĐỒNG NAI' at the bottom. The center of the seal contains the text 'CÔNG TY CỔ PHẦN VINACAFÉ BIÊN HÒA' in bold capital letters.

*The accompanying notes are an integral part of these consolidated interim financial statements*

**VinaCafé Bien Hoa Joint Stock Company and its subsidiary**  
**Notes to the consolidated interim financial statements for the six-month period ended**  
**30 June 2021**

**Form B 09a – DN/HN**  
*(Issued under Circular No. 202/2014/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 consolidated interim financial statements.

## **1. Reporting entity**

### **(a) Ownership structure**

VinaCafé Bien Hoa Joint Stock Company (“the Company”) is a joint stock company incorporated in Vietnam. The consolidated interim financial statements for the six-month period ended 30 June 2021 comprise the Company and its subsidiary (collectively referred to as “the Group”).

### **(b) Principal activities**

The principal activities of the Company are to manufacture and sell various kinds of coffee, instant cereal and non-alcoholic drinks in the domestic and oversea markets.

### **(c) Normal operating cycle**

The normal operating cycle of the Group is generally within 12 months.

### **(d) The Group’s structure**

As at 30 June 2021, the Company had 1 directly owned subsidiary (1/1/2021: 1 directly owned subsidiary). Detail information of the subsidiary is described as follows:

Name	Principal activities	Address	Percentage of economic interests and voting rights	
			30/6/2021	1/1/2021
Café De Nam Joint Stock Company	Beverage manufacturing and trading	Lot C I.III-3+5+7, Long Thanh Industrial Zone, Tam An Commune, Long Thanh District, Dong Nai Province, Vietnam.	97.77%	85%

The subsidiary is incorporated in Vietnam.

As at 30 June 2021, the Group had 254 employees (1/1/2021: 262 employees).

**VinaCafé Bien Hoa Joint Stock Company and its subsidiary**  
**Notes to the consolidated interim financial statements for the six-month period ended**  
**30 June 2021 (continued)**

**Form B 09a – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

## **2. Basis of preparation**

### **(a) Statement of compliance**

These consolidated interim financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting.

### **(b) Basis of measurement**

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

### **(c) Annual accounting period**

The annual accounting period of the Group is from 1 January to 31 December. These consolidated interim financial statements are prepared for the six-month period ended 30 June 2021.

### **(d) Accounting and presentation currency**

The accounting currency of the Company and its subsidiary is Vietnam Dong (“VND”), which is also the currency used for consolidated interim financial statements presentation purposes.

## **3. Significant accounting policies**

The following significant accounting policies have been adopted by the Group in the preparation of these consolidated interim financial statements.

The accounting policies that have been adopted by the Group in the preparation of these consolidated interim financial statements are consistent with those adopted in the preparation of the latest consolidated annual financial statements.

### **(a) Basis of consolidation**

#### **(i) Subsidiary**

Subsidiary is an entity controlled by the Group. The financial statements of the subsidiary are included in the consolidated interim financial statements from the date that control commences until the date that control ceases.

**VinaCafé Bien Hoa Joint Stock Company and its subsidiary**  
**Notes to the consolidated interim financial statements for the six-month period ended**  
**30 June 2021 (continued)**

**Form B 09a – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**(ii) *Non-controlling interests***

Non-controlling interests (“NCI”) are measured at their proportionate share of the acquiree’s identifiable net assets at date of acquisition.

Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as transactions with shareholders. The difference between the change in the Group’s share of net assets of the subsidiary and any consideration paid or received is recorded directly in undistributed profits after tax under equity.

**(iii) *Transactions eliminated on consolidation***

Intra-group transactions, balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated interim financial statements.

**(iv) *Business combination***

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

Cost of a business combination (cost of the acquisition) is the aggregate amount of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer in the acquisition in exchange for control of the acquiree and any costs directly attributable to the business combination. Identifiable assets acquired, identifiable liabilities and contingent liabilities assumed in a business combination are recognised at fair value at the acquisition date.

Any goodwill that arises representing the excess of the cost of the acquisition over the Group’s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree is recognised in consolidated balance sheet, then amortised through to the consolidated statement of income. When the excess is negative (gain from bargain purchase), it is recognised in the consolidated statement of income for the current period after a reassessment has been performed to ensure that the measurement of identifiable assets acquired, liabilities and contingent liabilities assumed and the cost of the business combination appropriately reflects consideration of all available information as of the acquisition date.

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**(b) Foreign currency transactions**

Transactions in currencies other than VND during the period have been translated into VND at rates approximating 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 average of the account transfer buying rates and selling rates at the end of the accounting period quoted by the commercial bank where the Company or its subsidiary most frequently conducts transactions.

All foreign exchange differences are recorded in the consolidated statement of income.

**(c) Cash and cash equivalents**

Cash comprises cash balances and call deposits. 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.

**(d) Held-to-maturity investments**

Held-to-maturity investments are those that the Board of Management of the Company or its subsidiary has the intention and ability to hold until maturity. Held-to-maturity investments include term deposits at banks. These investments are stated at costs less allowance for doubtful debts.

**(e) Accounts receivable**

Accounts receivable from customers and other receivables are stated at cost less allowance for doubtful debts.

**(f) Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all costs incurred in bringing the inventories to their present location and condition. Cost in the case of finished goods and work in progress includes raw materials, direct labour and attributable manufacturing overheads. Net realisable value is the estimated selling price of inventory items, less the estimated costs of completion and direct selling expenses.

The Group applies the perpetual method of accounting for inventories.

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**(g) 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 consolidated statement of income in the period 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.

**(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 and structures	5 – 25 years
▪ machinery and equipment	3 – 20 years
▪ office equipment	3 – 7 years
▪ motor vehicles	5 – 10 years

**(h) Intangible fixed assets**

**(i) Software**

Cost of acquiring a new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible fixed asset. Software cost is amortised on a straight-line basis over the estimated useful lives of 3 years.

**(ii) Brand name**

Cost of acquiring a brand name is capitalised and treated as an intangible fixed asset and is amortised on a straight-line basis over the estimated useful lives of 8 years.

**(i) Construction in progress**

Construction in progress represents the costs of construction, machinery and equipment which have not been fully completed or installed. No depreciation is provided for construction in progress during the period of construction and installation.



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**(j) Long-term prepaid expenses**

**(i) Prepaid land costs**

Prepaid land costs comprise prepaid land lease rentals, including those for which the Group obtained land use rights certificate but are not qualified as intangible fixed assets under prevailing regulations and other costs incurred in conjunction with securing the use of leased land. These costs are recognised in the consolidated statement of income on a straight-line basis over the remaining term of the lease of 43 years.

**(ii) Tools and supplies**

Tools and supplies include assets held for use by the Group in the normal course of business whose costs of individual items are less than VND30 million and therefore not qualified for recognition as fixed assets under prevailing regulations. Costs of tools and supplies are amortised on a straight-line basis over a period ranging from 2 years to 3 years.

**(k) Goodwill**

Goodwill arises on the acquisition of a subsidiary is measured at cost less accumulated amortisation. Cost of goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative (gain from bargain purchase), it is recognised immediately in the consolidated statement of income.

Goodwill arising on acquisition of a subsidiary is amortised on a straight-line basis over 10 years. Carrying value of goodwill arising on acquisition of a subsidiary is written down to recoverable amount as management determines that it is not fully recoverable.

**(l) Accounts payable to suppliers and other payables**

Accounts payable to suppliers and other payables are stated at their costs.

**(m) Provisions**

A provision is recognised if, as a result of a past event, the Group 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.

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***Severance allowance***

Under the Vietnamese Labour Code, when an employee who has worked for 12 months or more (“the eligible employees”) voluntarily terminates his/her labour contract, the employer is required to pay the eligible employee severance allowance calculated based on years of service and employee’s compensation at termination. Provision for severance allowance has been provided based on employees’ years of service and their average salary for the six-month period prior to the end of the accounting period. For the purpose of determining the number of years of service by an employee, the period for which the employee participated in and contributed to unemployment insurance in accordance with prevailing laws and regulations and the period for which severance allowance has been paid by the Group are excluded.

**(n) Share capital and share premium**

Ordinary shares are classified as equity. Ordinary shares are recognised at issuance price less incremental costs directly attributable to the issue of shares, net of tax effects. Such costs are recognised as a deduction from share premium. The excess of proceeds from issuance of shares over the par value of shares issued is recorded as share premium.

**(o) Taxation**

Income tax on the consolidated profit or loss for the period comprises current and deferred tax. Income tax is recognised in the consolidated 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 period using tax rates enacted at the end of the accounting period, and any adjustment to tax payable in respect of previous periods.

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 tax rates enacted or substantively enacted at the end of the 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.

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**(p) Revenue**

**(i) Sale of goods**

Revenue from sale of goods is recognised in the consolidated statement of income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue from sale of goods is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods. Revenue from sale of goods is recognised at the net amount after deducting sales discounts stated on the invoice.

**(ii) Provision of services**

Revenue from provision of services is recognised in the consolidated statement of income in proportion to the stage of completion of the transaction. The stage of completion is assessed by reference to surveys of work performed. No revenue from provision of services is recognised if there are significant uncertainties regarding recovery of the consideration due.

**(iii) Processing services**

Revenue from processing services is recognised in the consolidated statement of income when the goods have been processed and accepted by the buyer. No revenue from processing services is recognised if there are significant uncertainties regarding recovery of the consideration due.

**(iv) Rental income**

Rental income from leased property is recognised in the consolidated statement of income on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income.

**(q) Financial income and financial expenses**

**(i) Financial income**

Financial income comprises interest income from deposits at banks, interest income from loans receivable and other investments, and foreign exchange gains.

Interest income is recognised on a time proportion basis with reference to the principal outstanding and the applicable interest rate.

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**(ii) Financial expenses**

Financial expenses comprise interest expense on borrowings, foreign exchange losses and other financial activities losses.

Borrowing costs are recognised as an expense in the period 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.

**(r) Operating lease payments**

Payments made under operating leases are recognised in the consolidated statement of income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the consolidated statement of income as an integral part of the total lease expense, over the term of the lease.

**(s) Earnings per share**

The Group presents basic and diluted earnings per share (“EPS”) for its ordinary shares. Basic EPS is calculated by dividing the consolidated profit or loss attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the consolidated profit or loss attributable to the ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares.

The consolidated profit or loss attributable to the ordinary shareholders of Company is determined after deducting any amounts appropriated to bonus and welfare funds for the period.

**(t) Segment reporting**

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Group’s primary format and secondary format for segment reporting are based on business segments and geographical segments, respectively.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise cash and cash equivalents and related income, investments and related income, loans and borrowings and related expenses, the Company’s headquarters’ corporate assets, selling expenses, general and administration expenses, income tax assets and liabilities and expenses, and items that are attributable to more than one segment and cannot reasonably be allocated to a segment.



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**(u) Related parties**

Parties are considered to be related to the Group 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 Group 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.

**(v) Comparative information**

Comparative information in these consolidated interim financial statements is presented as corresponding figures. Under this method, comparative information for the prior period is included as an integral part of the current period consolidated interim financial statements and is intended to be read only in relation to the amounts and other disclosures relating to the current period. Accordingly, the comparative information included in these consolidated interim financial statements is not intended to present the Group's consolidated financial position, consolidated results of operations or consolidated cash flows for the prior period.

The comparative information as at 1 January 2021 was brought forward from the Group's consolidated financial statements as at and for the year ended 31 December 2020. The comparative information for the six-month period ended 30 June 2020 was brought forward from the Group's consolidated interim financial statements as at and for the six-month period ended 30 June 2020.

**4. Seasonality of operations**

Total revenue of the Group typically increases in the fourth quarter of each year as distributors prepare for an anticipated increase in consumer demand in the months leading up to the Tet (Lunar New Year) holidays, which occur in the first quarter of each year. Accordingly, the Group typically increases the production of coffee, cereal and non-alcoholic drinks products in the fourth quarter of each year to boost sales during the period leading to the festive season.

**5. Changes in accounting estimates**

In preparing these consolidated interim financial statements, the Board of Management of the Company or its subsidiary has made several accounting estimates. Actual results may differ from these estimates. There were no significant changes in accounting estimates compared to those made in the most recent consolidated annual financial statements or those made in the same interim period of the prior year.

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## 6. Changes in the composition of the Group

In January 2021, the Company's equity interests in Café De Nam Joint Stock Company, a subsidiary, increased from 85% to 97.77%. Please see Note 8 for further information.

There were no other significant changes in the composition of the Group since the end of the last accounting period which affect the Group's interim financial statements for the six-month period ended 30 June 2021.

## 7. Segment reporting

### (a) Business segments

The Group operates in the following main business segments:

- Coffee and non-alcoholic drinks; and
- Others.

For the six-month period ended 30 June 2021	Coffee and non- alcoholic drinks VND	Others (*) VND	Consolidation VND
Total segment revenue – net	666,143,815,625	138,446,583,009	804,590,398,634
Segment cost of sales	(525,731,389,375)	(79,196,281,647)	(604,927,671,022)
Segment gross profit	140,412,426,250	59,250,301,362	199,662,727,612
Unallocated selling expenses			(8,122,472,694)
Unallocated general and administration expenses			(22,201,799,217)
Financial income			32,329,220,612
Financial expenses			(3,011,490,112)
Net operating profit			198,656,186,201
Results of other activities			35,017,707
Income tax			(41,821,219,011)
Net profit after tax			156,869,984,897

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<b>For the six-month period ended 30 June 2020</b>	<b>Coffee and non- alcoholic drinks VND</b>	<b>Others (*) VND</b>	<b>Consolidation VND</b>
Total segment revenue – net	902,319,370,500	249,811,185,340	1,152,130,555,840
Segment cost of sales	(638,677,698,549)	(178,517,664,191)	(817,195,362,740)
Segment gross profit	263,641,671,951	71,293,521,149	334,935,193,100
Unallocated selling expenses			(3,109,382,513)
Unallocated general and administration expenses			(13,875,840,656)
Financial income			23,875,725,824
Financial expenses			(15,287,930,378)
Net operating profit			326,537,765,377
Results of other activities			(49,637)
Income tax			(67,592,580,260)
Net profit after tax			258,945,135,480

(\*) Others include cereals and other items.

Assets and liabilities cannot be segregated to different segments on a reasonable basis.

**(b) Geographical segments**

The Group mainly operates in one geographical segment which is in Vietnam.

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**8. Increase of equity interests in a subsidiary**

In January 2021, Café De Nam Joint Stock Company (“CDN”), a subsidiary, issued 17,000,000 new shares at par value which were fully subscribed by the Company. As a result of this transaction, the Company’s equity interests in CDN increased from 85% to 97.77% and a difference recorded as a decrease in undistributed profits after tax amounting to VND15,465,963,355 (Note 25).

**9. Cash and cash equivalents**

	30/6/2021 VND	1/1/2021 VND
Cash on hand	47,477,129	12,037,129
Cash at banks	21,975,538,052	20,047,786,031
Cash equivalents	127,000,000,000	181,500,000,000
	149,023,015,181	201,559,823,160

Cash equivalents represented term deposits at banks with original terms to maturity of three months or less from their transaction dates.

**10. Held-to-maturity investments – short-term**

	30/6/2021 VND	1/1/2021 VND
Term deposits at banks	5,000,000,000	-
	5,000,000,000	-

Held-to-maturity investments – short-term represented term deposits at banks with remaining terms to maturity of twelve months or less from the end of the accounting period.



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**11. Accounts receivable from customers**

	<b>30/6/2021</b>	<b>1/1/2021</b>
	<b>VND</b>	<b>VND</b>
Receivable from related parties	143,789,401,250	206,961,247,368
Receivable from third parties	13,401,336,574	19,862,395,600
	<hr/>	<hr/>
	157,190,737,824	226,823,642,968
	<hr/>	<hr/>

Please see Note 37 for detailed balances with the related parties. The trade related amounts due from related parties were unsecured, interest free and are receivable within 90 days from invoice date.

**12. Other receivables**

**(a) Other short-term receivables**

	<b>30/6/2021</b>	<b>1/1/2021</b>
	<b>VND</b>	<b>VND</b>
Short-term deposits for other investments (*)	920,000,000,000	920,000,000,000
Accrued interest receivable from other investments (*)	53,419,315,065	23,765,068,492
Accrued interest receivable from deposits at banks	223,898,630	92,887,671
Short-term deposits	303,400,000	167,000,000
Others	672,812,811	597,904,066
	<hr/>	<hr/>
	974,619,426,506	944,622,860,229
	<hr/>	<hr/>

(\*) As at 30 June 2021, these balances represented the amounts deposited to third parties under business cooperation contracts. According to these contracts, the third parties committed to pay the Group a minimum rate of return on the deposit amounts of 6.5% per annum (1/1/2021: 6.5% per annum).

**(b) Other long-term receivables**

	<b>30/6/2021</b>	<b>1/1/2021</b>
	<b>VND</b>	<b>VND</b>
Long-term deposits	5,000,000	5,000,000
	<hr/>	<hr/>

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**13. Inventories**

	<b>30/6/2021</b>		<b>1/1/2021</b>	
	<b>Cost VND</b>	<b>Allowance VND</b>	<b>Cost VND</b>	<b>Allowance VND</b>
Goods in transit	-	-	5,717,017,500	-
Raw materials	214,009,004,302	(505,455,845)	188,584,317,770	(10,265,333)
Tools and supplies	8,883,932,359	-	8,090,616,853	-
Finished goods	60,829,109,086	-	33,662,323,452	-
Merchandise inventories	575,474,265	-	671,255,057	-
Goods on consignment	1,681,825,536	-	-	-
	<b>285,979,345,548</b>	<b>(505,455,845)</b>	<b>236,725,530,632</b>	<b>(10,265,333)</b>

Movements of the allowance for inventories during the period were as follows:

	<b>Six-month period ended</b>	
	<b>30/6/2021 VND</b>	<b>30/6/2020 VND</b>
Opening balance	10,265,333	990,481,625
Increase in allowance during the period	836,840,145	381,965,818
Allowance utilised during the period	(341,649,633)	(1,320,384,036)
Closing balance	<b>505,455,845</b>	<b>52,063,407</b>

Included in inventories of the Group as at 30 June 2021 were VND505 million (1/1/2021: VND10 million) of slow-moving inventories.

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14. Tangible fixed assets

	Buildings and structures VND	Machinery and equipment VND	Office equipment VND	Motor vehicles VND	Total VND
<b>Cost</b>					
Opening balance	203,568,960,136	882,144,692,375	6,284,570,844	4,485,955,671	1,096,484,179,026
Transfer from construction in progress	-	1,933,020,720	-	-	1,933,020,720
Disposals	-	(252,025,500)	-	-	(252,025,500)
Closing balance	203,568,960,136	883,825,687,595	6,284,570,844	4,485,955,671	1,098,165,174,246
<b>Accumulated depreciation</b>					
Opening balance	83,945,300,057	539,356,284,539	3,888,812,528	3,936,497,589	631,126,894,713
Charge for the period	4,941,705,402	28,054,295,452	265,766,406	75,079,608	33,336,846,868
Disposals	-	(252,025,500)	-	-	(252,025,500)
Closing balance	88,887,005,459	567,158,554,491	4,154,578,934	4,011,577,197	664,211,716,081
<b>Net book value</b>					
Opening balance	119,623,660,079	342,788,407,836	2,395,758,316	549,458,082	465,357,284,313
Closing balance	114,681,954,677	316,667,133,104	2,129,991,910	474,378,474	433,953,458,165

Included in tangible fixed assets were assets costing VND282,755 million which were fully depreciated as of 30 June 2021 (1/1/2021: VND278,826 million), but which are still in active use.



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Major constructions in progress were as follows:

	<b>30/6/2021</b> <b>VND</b>	<b>1/1/2021</b> <b>VND</b>
Machinery and equipment	2,443,664,014	1,611,020,720
Others	307,500,000	-
	<hr/> 2,751,164,014	<hr/> 1,611,020,720

**17. Long-term prepaid expenses**

	<b>Prepaid</b> <b>land costs</b> <b>VND</b>	<b>Tools and</b> <b>supplies</b> <b>VND</b>	<b>Total</b> <b>VND</b>
Opening balance	13,694,793,389	7,052,593,367	20,747,386,756
Additions during the period	-	192,500,000	192,500,000
Amortisation for the period	(201,394,020)	(2,283,326,356)	(2,484,720,376)
	<hr/> 13,493,399,369	<hr/> 4,961,767,011	<hr/> 18,455,166,380

**18. Deferred tax assets**

Deferred tax assets were recognised in respect of the following items:

	<b>30/6/2021</b> <b>VND</b>	<b>1/1/2021</b> <b>VND</b>
Allowance for diminution in value of long-term financial investments	7,000,000,000	7,000,000,000
Unrealised profits	28,575,376	10,876,299
Accruals and provisions	3,514,392,032	2,635,728,083
	<hr/> 10,542,967,408	<hr/> 9,646,604,382

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**19. Goodwill**

	<b>VND</b>
<b>Cost</b>	
Opening and closing balances	27,176,107,031
	27,176,107,031
<b>Accumulated amortisation</b>	
Opening balance	12,455,715,745
Charge for the period	1,358,805,354
	13,814,521,099
Closing balance	13,814,521,099
	13,814,521,099
<b>Net book value</b>	
Opening balance	14,720,391,286
Closing balance	13,361,585,932
	13,361,585,932

**20. Accounts payable to suppliers**

	<b>30/6/2021</b>	<b>1/1/2021</b>
	<b>Cost/Amount</b>	<b>Cost/Amount</b>
	<b>within payment</b>	<b>within payment</b>
	<b>capacity</b>	<b>capacity</b>
	<b>VND</b>	<b>VND</b>
Payable to third parties	121,999,075,540	128,737,377,390
Payable to related parties	15,865,176,956	33,722,383,114
	137,864,252,496	162,459,760,504

Please see Note 37 for detailed balances with the related parties. The trade related amounts due to related parties were unsecured, interest free and are payable within 90 days from invoice date.

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21. Taxes payable to State Treasury

	1/1/2021 VND	Incurred VND	Paid VND	Deducted/ Refunded VND	Reclassified VND	30/6/2021 VND
Corporate income tax	88,606,067,705	42,717,582,037	(88,418,813,341)	-	-	42,904,836,401
Value added tax	10,785,071,719	75,875,729,446	(17,323,243,371)	(44,233,917,921)	-	25,103,639,873
Personal income tax	171,349,666	5,806,959,449	(5,110,935,091)	(209,529,743)	2,315,234	660,159,515
Import-export tax	-	18,979,244	(18,979,244)	-	-	-
Other taxes	-	3,053,216,363	(3,053,216,363)	-	-	-
	99,562,489,090	127,472,466,539	(113,925,187,410)	(44,443,447,664)	2,315,234	68,668,635,789

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**22. Accrued expenses**

	<b>30/6/2021</b>	<b>1/1/2021</b>
	<b>VND</b>	<b>VND</b>
Bonus and 13 <sup>th</sup> month salary	7,329,740,770	13,101,097,327
Accrued processing fees	5,312,388,395	5,679,173,340
Purchases not yet received invoices	2,412,989,809	311,862,500
Logistic expenses	1,026,461,105	551,483,712
Accrued interest expense	512,673,950	810,169,548
Construction in progress	356,305,000	1,263,500,000
Others	6,600,074,867	1,357,866,152
	<hr/>	<hr/>
	23,550,633,896	23,075,152,579
	<hr/>	<hr/>

**23. Other payables**

**(a) Other short-term payables**

	<b>30/6/2021</b>	<b>1/1/2021</b>
	<b>VND</b>	<b>VND</b>
Dividends payable	2,032,090,000	2,463,340,000
Short-term deposits received	381,882,500	381,882,500
Social insurance, health insurance, unemployment insurance and trade union fees	236,640,235	202,588,375
Others	689,811,754	676,305,868
	<hr/>	<hr/>
	3,340,424,489	3,724,116,743
	<hr/>	<hr/>

**(b) Other long-term payables**

	<b>30/6/2021</b>	<b>1/1/2021</b>
	<b>VND</b>	<b>VND</b>
Long-term deposits received	279,450,000	279,450,000
	<hr/>	<hr/>



**VinaCafé Bien Hoa Joint Stock Company and its subsidiary**  
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**24. Short-term borrowings**

	1/1/2021 Carrying amount/Amount within repayment capacity VND	Movements during the period		30/6/2021 Carrying amount/Amount within repayment capacity VND
		Addition VND	Decrease VND	
Short-term borrowings	317,243,744,106	349,423,149,532	(524,177,434,785)	142,489,458,853

Terms and conditions of outstanding short-term borrowings were as follows:

	Currency	Annual interest rate	30/6/2021 VND	1/1/2021 VND
Unsecured bank loans	VND	2.2% - 2.7%	142,489,458,853	317,243,744,106

As at 30 June 2021 and 1 January 2021, the Group did not have any overdue borrowings including principal and interest.

VinaCafé Bien Hoa Joint Stock Company and its subsidiary

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25. Changes in owners' equity

	Share capital VND	Share premium VND	Investment and development fund (*) VND	Undistributed profits after tax VND	Non-controlling interests ("NCP") VND	Total VND
<b>Balance as at 1 January 2020</b>	265,791,350,000	29,974,241,968	213,510,848,947	943,676,859,714	(10,882,327,491)	1,442,070,973,138
Net profit for the period	-	-	-	260,403,168,706	(1,458,033,226)	258,945,135,480
<b>Balance as at 30 June 2020</b>	265,791,350,000	29,974,241,968	213,510,848,947	1,204,080,028,420	(12,340,360,717)	1,701,016,108,618
<b>Balance as at 1 January 2021</b>	265,791,350,000	29,974,241,968	213,510,848,947	1,002,800,069,975	(13,639,770,934)	1,498,436,739,956
Net profit for the period	-	-	-	157,068,174,857	(198,189,960)	156,869,984,897
Increase of equity interests in a subsidiary (Note 8)	-	-	-	(15,465,963,355)	15,465,963,355	-
<b>Balance as at 30 June 2021</b>	265,791,350,000	29,974,241,968	213,510,848,947	1,144,402,281,477	1,628,002,461	1,655,306,724,853

(\*) Investment and development fund was appropriated from profit after tax in accordance with the resolution of Annual General Meeting of Shareholders. This fund was established for the purpose of future business expansion.

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## 26. Share capital and share premium

The Company's authorised and issued share capital were as follows:

	30/6/2021		1/1/2021	
	Number of shares	VND	Number of shares	VND
<b>Authorised and issued share capital</b>				
Ordinary shares	26,579,135	265,791,350,000	26,579,135	265,791,350,000
<b>Shares in circulation</b>				
Ordinary shares	26,579,135	265,791,350,000	26,579,135	265,791,350,000
<b>Share premium</b>		29,974,241,968		29,974,241,968

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.

Share premium represents the excess of the proceeds on issuance of shares over their par value.

There were no movements of share capital during the period.

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**27. Off balance sheet items**

**(a) Lease commitments**

The future minimum lease payments under non-cancellable operating leases were as follows:

	<b>30/6/2021</b>	<b>1/1/2021</b>
	<b>VND</b>	<b>VND</b>
Within 1 year	3,132,888,000	4,944,792,000
Within 2 to 5 years	477,400,000	3,726,000
	<hr/>	<hr/>
	<b>3,610,288,000</b>	<b>4,948,518,000</b>

**(b) Foreign currency**

	<b>30/6/2021</b>		<b>1/1/2021</b>	
	<b>Original currency</b>	<b>VND equivalent</b>	<b>Original currency</b>	<b>VND equivalent</b>
USD	167,570	3,839,862,884	303,667	6,979,786,225
	<hr/>		<hr/>	

**(c) Capital expenditure commitments**

The Group had the following outstanding capital commitments approved but not provided for in the consolidated balance sheet:

	<b>30/6/2021</b>	<b>1/1/2021</b>
	<b>VND</b>	<b>VND</b>
Approved and contracted	3,135,868,007	7,370,127,180
Approved but not contracted	2,874,081,525	685,532,100
	<hr/>	<hr/>
	<b>6,009,949,532</b>	<b>8,055,659,280</b>



**VinaCafé Bien Hoa Joint Stock Company and its subsidiary**  
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**28. Revenue from sale of goods and provision of services**

Total revenue represented the gross value of goods sold and services rendered exclusive of value added tax.

Net revenue comprised:

	<b>Six-month period ended</b>	
	<b>30/6/2021</b>	<b>30/6/2020</b>
	<b>VND</b>	<b>VND</b>
Total revenue		
▪ Sale of goods and provision of services	798,541,362,773	1,150,104,067,092
▪ Other sales	7,490,236,001	2,560,754,916
	<hr/>	<hr/>
	806,031,598,774	1,152,664,822,008
Less revenue deductions		
▪ Sale returns	1,366,487,173	534,266,168
▪ Sale discounts	74,712,967	-
	<hr/>	<hr/>
	1,441,200,140	534,266,168
Net revenue	<hr/>	<hr/>
	804,590,398,634	1,152,130,555,840

**29. Cost of sales and services**

	<b>Six-month period ended</b>	
	<b>30/6/2021</b>	<b>30/6/2020</b>
	<b>VND</b>	<b>VND</b>
Total cost of sales		
▪ Goods sold and services rendered	589,885,171,394	806,556,847,800
▪ Other cost of sales	14,205,659,483	10,256,549,122
▪ Allowance for inventories	836,840,145	381,965,818
	<hr/>	<hr/>
	604,927,671,022	817,195,362,740

**VinaCafé Bien Hoa Joint Stock Company and its subsidiary**  
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**30. Financial income**

	<b>Six-month period ended</b>	
	<b>30/6/2021</b>	<b>30/6/2020</b>
	<b>VND</b>	<b>VND</b>
Interest income from deposits at banks and other investments	31,790,790,768	8,071,904,306
Interest income from loans provided to a related party	-	14,745,205,479
Foreign exchange gains	538,429,844	1,058,616,039
	32,329,220,612	23,875,725,824

**31. Financial expenses**

	<b>Six-month period ended</b>	
	<b>30/6/2021</b>	<b>30/6/2020</b>
	<b>VND</b>	<b>VND</b>
Interest expense	2,884,047,055	7,894,573,862
Foreign exchange losses	127,443,057	104,328,786
Others	-	7,289,027,730
	3,011,490,112	15,287,930,378

**32. Selling expenses**

	<b>Six-month period ended</b>	
	<b>30/6/2021</b>	<b>30/6/2020</b>
	<b>VND</b>	<b>VND</b>
Advertising, promotion and sale support expenses	5,023,796,502	104,357,508
Logistic expenses	1,506,823,398	1,049,431,335
Staff costs	327,251,785	823,589,034
Others	1,264,601,009	1,132,004,636
	8,122,472,694	3,109,382,513

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**33. General and administration expenses**

	<b>Six-month period ended</b>	
	<b>30/6/2021</b>	<b>30/6/2020</b>
	<b>VND</b>	<b>VND</b>
Staff costs	16,296,645,648	5,460,292,519
Amortisation of goodwill	1,358,805,354	1,358,805,354
Depreciation and amortisation of fixed assets	289,289,886	297,289,884
Research and development expenses	80,930,385	134,965,279
Management fee	-	1,786,170,000
Others	4,176,127,944	4,838,317,620
	<hr/>	<hr/>
	22,201,799,217	13,875,840,656
	<hr/>	<hr/>

**34. Production and business costs by elements**

	<b>Six-month period ended</b>	
	<b>30/6/2021</b>	<b>30/6/2020</b>
	<b>VND</b>	<b>VND</b>
Raw material costs included in production costs	488,103,347,212	672,327,737,033
Labour and staff costs	52,290,434,296	45,404,179,673
Depreciation and amortisation	34,757,507,650	34,712,943,727
Outside services	40,209,537,910	60,023,218,879
Others	19,891,115,865	21,712,506,597
	<hr/>	<hr/>

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**35. Income tax**

**(a) Recognised in the consolidated statement of income**

	<b>Six-month period ended</b>	
	<b>30/6/2021</b>	<b>30/6/2020</b>
	<b>VND</b>	<b>VND</b>
<b>Current tax expense</b>		
Current period	42,717,582,037	68,189,182,310
<b>Deferred tax benefit</b>		
Origination and reversal of temporary differences	(896,363,026)	(596,602,050)
	<hr/>	<hr/>
Income tax expense	41,821,219,011	67,592,580,260
	<hr/>	<hr/>

**(b) Reconciliation of effective tax rate**

	<b>Six-month period ended</b>	
	<b>30/6/2021</b>	<b>30/6/2020</b>
	<b>VND</b>	<b>VND</b>
Accounting profit before tax	198,691,203,908	326,537,715,740
	<hr/>	<hr/>
Tax at the Company's tax rate	39,738,240,782	65,307,543,148
Effect of amortisation of goodwill	271,761,069	271,761,069
Non-deductible expenses	1,611,343,962	1,891,490,735
Unrecognised deferred tax assets (*)	199,873,198	121,785,308
	<hr/>	<hr/>
	41,821,219,011	67,592,580,260
	<hr/>	<hr/>

- (\*) Deferred tax assets have not been recognised in respect of temporary differences and tax losses of a subsidiary because it is not probable that future taxable profit will be available against which the subsidiary can utilise the benefits therefrom. The tax losses of a subsidiary are subject to tax review and have not been finalised.

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**(c) Applicable tax rates**

The Company and its subsidiary have obligations to pay corporate income tax to the government at usual income tax rate of 20%.

**(d) Tax contingencies**

The taxation laws and their application in Vietnam are subject to interpretation and change over time as well as from one tax office to another. The final tax position may be subject to review and investigation by a number of authorities, who are enabled by law to impose severe fines, penalties and interest charges. These facts may create tax risks in Vietnam that are substantially more significant than in other countries. Management believes that it has adequately provided for tax liabilities based on its interpretation of tax legislation, including transfer pricing requirements and computation of corporate income tax. However, the relevant authorities may have different interpretations and the effects could be significant.

**36. Earnings per share**

**(a) Basic earnings per share**

The calculation of basic earnings per share for the six-month period ended 30 June 2021 was based on the profit attributable to ordinary shareholders of the Company after deducting the amounts appropriated to bonus and welfare funds for the period of VND157,068,174,857 (for the six-month period ended 30 June 2020: VND260,403,168,706) and a weighted average number of ordinary shares outstanding of 26,579,135 (for the six-month period ended 30 June 2020: 26,579,135), calculated as follows:

**(i) Net profit attributable to ordinary shareholders**

	<b>Six-month period ended</b>	
	<b>30/6/2021</b>	<b>30/6/2020</b>
	<b>VND</b>	<b>VND</b>
Net profit attributable to ordinary shareholders after deducting the amounts appropriated to bonus and welfare funds	157,068,174,857	260,403,168,706

**(ii) Weighted average number of ordinary shares**

	<b>Six-month period ended</b>	
	<b>30/6/2021</b>	<b>30/6/2020</b>
Weighted average number of ordinary shares	26,579,135	26,579,135

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**(iii) Basic earnings per share**

	<b>Six-month period ended</b>	
	<b>30/6/2021</b>	<b>30/6/2020</b>
	<b>VND</b>	<b>VND</b>
Basic earnings per share	5,909	9,797

**(b) Diluted earnings per share**

As at 30 June 2021 and 1 January 2021, the Company did not have potential ordinary shares. Therefore, the presentation of diluted earnings per share is not applicable.

**37. Significant transactions and balances with related parties**

During the period and as at the period/year end, the Group had the following transactions and balances with its related parties:

	<b>Transaction value</b>		<b>Receivables/ (Payables) as at</b>	
	<b>Six-month period ended</b>	<b>Six-month period ended</b>	<b>30/6/2021</b>	<b>1/1/2021</b>
	<b>30/6/2021</b>	<b>30/6/2020</b>	<b>30/6/2021</b>	<b>1/1/2021</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
<b><i>Parent of the parent company</i></b>				
<b>Masan Consumer Corporation</b>				
Sale of goods	713,146,479,771	991,290,203,801	130,061,308,159	190,431,486,780
Sale of services	-	99,126,300,000	-	10,801,005,600
Purchase of goods	26,405,395,494	45,824,333,854	-	-
<b><i>Other related parties</i></b>				
<b>Masan Industrial One Member Company Limited</b>				
Sale of goods	419,742,507	322,349,040	11,899,371	6,999,300
Purchase of goods	74,901,340	1,362,409,940	(77,016,605)	(3,251,498,113)
Purchase of services	8,169,350,482	17,221,639,736	(7,707,100,099)	(8,026,013,092)
Management fee	-	1,786,170,000	-	(3,957,870,398)
Loans provided	-	600,000,000,000	-	-
Interest income from loans receivable	-	14,745,205,479	-	-

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	<b>Transaction value</b>		<b>Receivables/ (Payables) as at</b>	
	<b>Six-month period ended 30/6/2021</b>	<b>30/6/2020</b>	<b>30/6/2021</b>	<b>1/1/2021</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
<b>Vinh Hao Mineral Water Corporation</b>				
Sale of goods	58,917,276	-	-	-
Purchase of goods	14,859,495,430	31,319,347,982	(1,208,127,012)	(13,503,776,971)
Purchase of services	11,671,934,400	21,745,675,584	(8,204,153,760)	(5,526,180,000)
<b>Masan MB One Member Company Limited</b>				
Sale of goods and services	11,321,426,380	8,835,137,040	3,849,506,637	1,227,113,448
Purchase of goods	-	5,898,662,106	-	-
<b>Masan HG One Member Company Limited</b>				
Sale of goods and services	16,152,877,850	491,979,501	9,866,687,083	4,494,642,240
<b>Masan HD One Member Company Limited</b>				
Sale of goods	4,153,625	1,980,000	-	-
<b>Masan Brewery Distribution One Member Company Limited</b>				
Purchase of goods	43,420,909	6,259,091	-	-
<b>Viet Tien Food Technology One Member Company Limited</b>				
Purchase of goods	-	-	-	(9,460,000)
<b>NET Detergent Joint Stock Company</b>				
Purchase of goods	-	8,770,908	-	-
<b>Key management personnel</b>				
Remunerations (*)	5,743,284,373	4,017,734,450	-	-

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As at 30 June 2021 and 1 January 2021, the Group had current and term deposit accounts at Vietnam Technological and Commercial Joint Stock Bank, a related party, at normal commercial terms.

- (\*) No board fees were paid to members of the Board of Directors of the Company for the six-month period ended 30 June 2021 (for the six-month period ended 30 June 2020: VND1,019,090,909).

### **38. Post balance sheet events**

There have been no significant events occurred after the balance sheet date which would require adjustments or disclosures to be made in these consolidated interim financial statements.

18 August 2021

Prepared by:

  
Nguyen Thi Ngoc Tram  
General Accountant

Approved by:

  
Phan Thi Thuy Hoa  
Chief Accountant

  
Pham Hong Son  
Chairman



