

**VinaCafé Bien Hoa Joint Stock Company**

Separate Financial Statements  
for the three-month period ended  
31 March 2019



## VinaCafé Bien Hoa Joint Stock Company Corporate Information

### Business Registration Certificate No.

3600261626

29 December 2004

The Company's business registration certificate has been amended several times, the most recent of which is dated 19 April 2019. The business registration certificate and its amendments were issued by the Planning and Investment Department of Dong Nai Province.

### Board of Directors

Pham Quang Vu	Chairman
Nguyen Hoang Yen	Member
Truong Cong Thang	Member
Pham Dinh Toai	Member
Pham Hong Son	Member
Nguyen Nam Hai	Member

### Board of Management

Doan Quoc Hung	Chief Executive Officer (from 16 April 2019) Deputy Chief Executive Officer (until 15 April 2019)
Nguyen Tan Ky	Chief Executive Officer (until 15 April 2019)
Nguyen Thanh Tung	Deputy Chief Executive Officer

### Registered Office

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

**VinaCafé Bien Hoa Joint Stock Company**  
**Separate balance sheet as at 31 March 2019**

**Form B 01a – DN**  
*(Issued under Circular No. 200/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	31/3/2019 VND	1/1/2019 VND
<b>ASSETS</b>				
<b>Current assets</b> <b>(100 = 110 + 130 + 140 + 150)</b>	<b>100</b>		<b>1,500,601,423,252</b>	<b>1,557,658,160,844</b>
<b>Cash and cash equivalents</b>	<b>110</b>	<b>4</b>	<b>86,055,738,987</b>	<b>194,188,479,024</b>
Cash	111		6,365,738,987	14,188,479,024
Cash equivalents	112		79,690,000,000	180,000,000,000
<b>Accounts receivable – short-term</b>	<b>130</b>		<b>1,118,246,319,016</b>	<b>1,093,962,373,634</b>
Accounts receivable from customers	131		1,108,934,226,052	1,091,304,307,050
Prepayments to suppliers	132		3,116,631,589	1,548,557,594
Other receivables – short-term	136	6(a)	6,195,461,375	1,109,508,990
<b>Inventories</b>	<b>140</b>	<b>7</b>	<b>295,183,480,086</b>	<b>268,880,032,644</b>
Inventories	141		295,989,694,444	270,174,052,435
Allowance for inventories	149		(806,214,358)	(1,294,019,791)
<b>Other current assets</b>	<b>150</b>		<b>1,115,885,163</b>	<b>627,275,542</b>
Short-term prepaid expenses	151		1,115,885,163	627,275,542

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

**VinaCafé Bien Hoa Joint Stock Company**  
**Separate balance sheet as at 31 March 2019 (continued)**

**Form B 01a – DN**  
*(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	31/3/2019 VND	1/1/2019 VND
<b>Long-term assets</b> <b>(200 = 210 + 220 + 240 + 250 + 260)</b>	<b>200</b>		<b>699,436,771,264</b>	<b>712,604,316,731</b>
<b>Accounts receivable – long-term</b>	<b>210</b>		<b>142,748,908,215</b>	<b>137,798,908,217</b>
Loans receivable – long-term	215	8	123,000,000,000	120,000,000,000
Other long-term receivables	216	6(b)	19,748,908,215	17,798,908,217
<b>Fixed assets</b>	<b>220</b>		<b>508,368,558,816</b>	<b>522,964,256,809</b>
Tangible fixed assets	221	9	507,597,411,983	522,407,557,948
Cost	222		999,759,210,841	997,017,794,336
Accumulated depreciation	223		(492,161,798,858)	(474,610,236,388)
Intangible fixed assets	227	10	771,146,833	556,698,861
Cost	228		2,140,168,429	1,880,358,879
Accumulated amortisation	229		(1,369,021,596)	(1,323,660,018)
<b>Long-term work in progress</b>	<b>240</b>		<b>1,922,450,561</b>	<b>4,330,935,678</b>
Construction in progress	242	11	1,922,450,561	4,330,935,678
<b>Long-term financial investments</b>	<b>250</b>		<b>20,470,606,651</b>	<b>20,470,606,651</b>
Investments in subsidiaries	251	5	35,000,000,000	35,000,000,000
Allowance for diminution in the value of long-term financial investments	254		(14,529,393,349)	(14,529,393,349)
<b>Other long-term assets</b>	<b>260</b>		<b>25,926,247,021</b>	<b>27,039,609,376</b>
Long-term prepaid expenses	261	12	20,937,552,907	21,361,144,605
Deferred tax assets	262		4,988,694,114	5,678,464,771
<b>TOTAL ASSETS (270 = 100 + 200)</b>	<b>270</b>		<b>2,200,038,194,516</b>	<b>2,270,262,477,575</b>

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

**VinaCafé Bien Hoa Joint Stock Company**  
**Separate balance sheet as at 31 March 2019 (continued)**

**Form B 01a – DN**  
*(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	31/3/2019 VND	1/1/2019 VND
<b>RESOURCES</b>				
<b>LIABILITIES (300 = 310 + 330)</b>	<b>300</b>		<b>632,019,262,503</b>	<b>812,711,964,623</b>
<b>Current liabilities</b>	<b>310</b>		<b>626,757,755,753</b>	<b>806,212,272,662</b>
Accounts payable to suppliers	311		109,938,056,820	351,014,503,661
Advances from customers	312		8,714,111,228	7,436,439,795
Taxes payable to State Treasury	313	13	49,636,422,281	42,855,942,055
Employees payables	314		4,144,248,572	-
Accrued expenses	315	14	16,594,247,248	37,824,268,883
Other short-term payables	319	15(a)	5,507,091,614	3,401,855,478
Short-term borrowings	320	16	411,191,680,532	342,647,365,332
Bonus and welfare funds	322		21,031,897,458	21,031,897,458
<b>Long-term liabilities</b>	<b>330</b>		<b>5,261,506,750</b>	<b>6,499,691,961</b>
Other long-term payables	337	15(b)	249,450,000	95,089,961
Provisions long-term	342		5,012,056,750	6,404,602,000
<b>EQUITY (400 = 410)</b>	<b>400</b>		<b>1,568,018,932,013</b>	<b>1,457,550,512,952</b>
<b>Owners' equity</b>	<b>410</b>	<b>17</b>	<b>1,568,018,932,013</b>	<b>1,457,550,512,952</b>
Share capital	411	18	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		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		1,058,742,491,098	948,274,072,037
- Undistributed profits after tax brought forward	421a		948,274,072,037	300,772,002,070
- Undistributed profit after tax for the current period	421b		110,468,419,061	647,502,069,967
<b>TOTAL RESOURCES (440 = 300 + 400)</b>	<b>440</b>		<b>2,200,038,194,516</b>	<b>2,270,262,477,575</b>

23 April 2019

Prepared by:

  
Nguyen Thi Ngoc Tram  
General Accountant

Approved by:

  
Phan Thi Thuy Hoa  
Chief Accountant

  
Doan Quoc Hung  
Chief Executive Officer



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

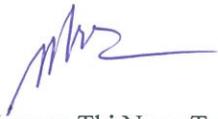
VinaCafé Bien Hoa Joint Stock Company  
Separate statement of income for the three-month period ended 31 March 2019

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

	Code	Note	Quarter I		Year to date	
			2019	2018	2019	2018
			VND	VND	VND	VND
Revenue from sales of goods	01	19	482,958,816,017	736,224,481,419	482,958,816,017	736,224,481,419
Revenue deductions	02	19	468,988,054	9,627,906,555	468,988,054	9,627,906,555
Net revenue (10 = 01 - 02)	10	20	482,489,827,963	726,596,574,864	482,489,827,963	726,596,574,864
Cost of sales	11	21	337,725,529,070	527,546,519,821	337,725,529,070	527,546,519,821
Gross profit (20 = 10 - 11)	20		144,764,298,893	199,050,055,043	144,764,298,893	199,050,055,043
Financial income	21	22	4,716,819,161	15,289,920,556	4,716,819,161	15,289,920,556
Financial expense	22	23	7,278,130,157	4,353,124,514	7,278,130,157	4,353,124,514
<i>In which: Interest expenses</i>	23		6,901,779,447	4,324,658,712	6,901,779,447	4,324,658,712
Selling expenses	25		3,790,054,262	21,440,326,589	3,790,054,262	21,440,326,589
General and administration expenses	26		5,359,634,059	9,159,140,849	5,359,634,059	9,159,140,849
Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		133,053,299,576	179,387,383,647	133,053,299,576	179,387,383,647
Other income	31		9,393,943	5,956,426	9,393,943	5,956,426
Other expenses	32		4,470	608,876,554	4,470	608,876,554
Results of other activities (40 = 31 - 32)	40		9,389,473	(602,920,128)	9,389,473	(602,920,128)
Accounting profit (loss) before tax (50 = 30 + 40)	50		133,062,689,049	178,784,463,519	133,062,689,049	178,784,463,519
Income tax expense – current	51		21,904,499,331	11,651,934,305	21,904,499,331	11,651,934,305
Income tax expense – deferred	52		689,770,657	18,318,410,435	689,770,657	18,318,410,435
Net profit after tax (60 = 50 - 51 - 52)	60		110,468,419,061	148,814,118,779	110,468,419,061	148,814,118,779

23 April 2018

Prepared by:

  
Nguyen Thi Ngoc Tram  
General Accountant

Approved by:

  
Phan Thi Thuy Hoa  
Chief Accountant

  
Doan Quoc Hung  
Chief Executive Officer



The accompanying notes are an integral part of these financial statements

**VinaCafé Bien Hoa Joint Stock Company**  
**Separate statement of cash flows for the three-month period ended 31 March 2019**  
**(Indirect method)**

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

	Code	Three-month period ended	
		31/3/2019	31/3/2018
		VND	VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Accounting profit before tax</b>	<b>01</b>	<b>133,062,689,049</b>	<b>178,784,463,519</b>
<b>Adjustments for</b>			
Depreciation and amortisation	02	18,038,439,193	18,157,713,236
Allowances and provisions	03	(1,392,545,250)	(2,473,989)
Exchange gains arising from revaluation of monetary items dominated in foreign currencies	04	(210,326,584)	(139,231,946)
Profit from investing activities	05	(4,238,466,866)	(15,064,880,294)
Interest expense	06	6,901,779,447	4,324,658,712
<b>Operating profit before changes in working capital</b>	<b>08</b>	<b>152,161,568,989</b>	<b>186,060,249,238</b>
Change in receivables and other assets	09	(22,874,929,053)	(173,218,782,159)
Change in inventories	10	(26,303,447,442)	(36,999,454,173)
Change in payables and other liabilities	11	(252,490,650,961)	(206,155,731,610)
Change in prepaid expenses	12	604,982,077	3,421,597,944
		<b>(148,902,476,390)</b>	<b>(226,892,120,760)</b>
Interest paid	14	(6,858,014,220)	(4,297,752,458)
Income tax paid	15	(17,446,789,431)	(10,863,333,075)
<b>Net cash flows from operating activities</b>	<b>20</b>	<b>(173,207,280,041)</b>	<b>(242,053,206,293)</b>

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**VinaCafé Bien Hoa Joint Stock Company**  
**Separate statement of cash flows for the three-month period ended 31 March 2019**  
**(Indirect method - continued)**

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

	Code	Three-month period ended	
		31/3/2019 VND	31/3/2018 VND
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for additions to fixed assets	21	(3,461,416,404)	270,335,400
Proceeds from disposals of fixed assets	22	131,515,158	-
Payment for granting loans	23	(3,000,000,000)	(2,000,000,000)
Payment for other investment	23	-	(100,000,000,000)
Receipts of interest	27	2,650,426,902	16,271,610,506
<b>Net cash flows from investing activities</b>	<b>30</b>	<b>(3,679,474,344)</b>	<b>(85,458,054,094)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings	33	411,191,680,532	353,788,126,813
Payments to settle loan principals	34	(342,647,365,332)	(407,161,644,368)
Payments of dividend	36	-	(1,752,243,359,200)
<b>Net cash flows from financing activities</b>	<b>40</b>	<b>68,544,315,200</b>	<b>(1,805,616,876,755)</b>
<b>Net cash flows during the period (50 = 20 + 30 + 40)</b>	<b>50</b>	<b>(108,342,439,185)</b>	<b>(2,133,128,137,142)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>60</b>	<b>194,188,479,024</b>	<b>2,492,489,365,182</b>
<b>Effect of exchange rate fluctuations on cash and cash equivalents</b>	<b>61</b>	<b>209,699,148</b>	<b>133,107,972</b>
<b>Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61)</b>	<b>70</b>	<b>86,055,738,987</b>	<b>359,494,336,012</b>

23 April 2019

Prepared by:

  
 Nguyen Thi Ngoc Tram  
 General Accountant

Approved by:

  
 Phan Thi Thuy Hoa  
 Chief Accountant

  
 Doan Quoc Hung  
 Chief Executive Officer



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

**VinaCafé Bien Hoa Joint Stock Company**  
**Notes to the separate financial statements for the three-month period ended 31 March 2019**

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

These notes form an integral part of and should be read in conjunction with the accompanying separate financial statements.

**1. Reporting entity**

**(a) Ownership structure**

VinaCafé Bien Hoa Joint Stock Company (“the Company”) is a joint stock company incorporated in Vietnam.

**(b) Principals activities**

The principal activities of the Company are to manufacture and sell various kinds of coffees, instant cereals and non-alcoholic drinks in the domestic and export markets.

**(c) Normal operating cycle**

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

**(d) Company structure**

As at 31 March 2019, the Company has 1 subsidiary (1/1/2019: 1 subsidiary) as listed at Notes 5(b).

As at 31 March 2019, the Company had 313 employees (1/1/2019: 318 employees).

**2. Basis of preparation**

**(a) Statement of compliance**

The separate financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting. For a comprehensive understanding of the Company’s consolidated financial position, its consolidated results of operations and its consolidated cash flows, these financial statements should be read in conjunction with the consolidated financial statements.

**(b) Basis of measurement**

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

**(c) Annual accounting period**

The annual accounting period of the Company is from 1 January to 31 December. These interim financial statements are prepared for the three-month period ended 31 March 2019

**(d) Accounting and presentation currency**

The Company’s accounting currency is Vietnam Dong (“VND”) which is also the currency used for separate financial statements presentation purpose.

**VinaCafé Bien Hoa Joint Stock Company**  
**Notes to the separate financial statements for the three-month period ended 31 March 2019 (continued)**

**Form B 09a – DN**  
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**(e) Corresponding figures**

The corresponding figures as at 1 January 2019 were brought forward from the audited figures as at 31 December 2018.

**3. Summary of significant accounting policies**

The following significant accounting policies have been adopted by the Company in the preparation of these separate financial statements.

**(a) Foreign currency transactions**

Transactions in currencies other than VND during the period have been translated into VND at rates approximating actual rate 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 accounting period quoted by the commercial bank where the Company most frequently conduct transactions.

All foreign exchange differences are recorded in the separate statements of income.

**(b) 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 amount of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

**(c) Investments**

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

Held-to-maturity investments are those that the Boards of Management of the Company and its subsidiary have the intention and ability to hold until maturity. Held-to-maturity investments include term deposits at banks and other investment. These investments are stated at cost less allowance for doubtful debts.

**(ii) Investments in subsidiaries**

For the purpose of these separate financial statements, investments in subsidiaries are initially recognised at cost which includes purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, these investments are stated at cost less allowance for diminution in value. An allowance is made for diminution in investment value if the investee has suffered a loss, except where such a loss was anticipated by the Company's Board of Management before making the investment. The allowance is reversed if the investee subsequently made a profit that offsets the previous loss for which the allowance had been made. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

**VinaCafé Bien Hoa Joint Stock Company**  
**Notes to the separate financial statements for the three-month period ended 31 March**  
**2019 (continued)**

**Form B 09a – DN**  
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**(d) Trade and other receivables**

Trade and other receivables are stated at cost less allowance for doubtful debts.

**(e) 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 selling expenses.

The Company applies the perpetual method of accounting for inventories.

**(f) Tangible fixed assets**

**(i) Cost**

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition for its intended use. Expenditure incurred after tangible fixed assets have been put into operation, such as repair and maintenance and overhaul cost, is charged to the statement of income in the year in which the cost is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

**(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

**(g) Intangible fixed assets**

**(i) Software**

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

**VinaCafé Bien Hoa Joint Stock Company**  
**Notes to the separate financial statements for the three-month period ended 31 March**  
**2019 (continued)**

**Form B 09a – DN**  
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**(ii) Brand name**

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

**(h) Construction in progress**

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

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

**(i) Prepaid land costs**

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

**(ii) Tools and supplies**

Tools and supplies include assets held for use by the Company 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. Cost of tools and supplies are amortised on a straight-line basis over a period ranging from 2 to 3 years.

**(j) Trade and other payables**

Trade and other payables are stated at their cost.

**(k) Provisions**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

***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 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 Company are excluded.

**VinaCafé Bien Hoa Joint Stock Company**  
**Notes to the separate financial statements for the three-month period ended 31 March 2019 (continued)**

**Form B 09a – DN**  
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**(l) Share capital and share premium**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares, net of tax effects, 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.

**(m) Taxation**

Income tax on the separate profit or separate loss for the period comprises current and deferred tax. Income tax is recognised in the separate statement of income except to the extent that it relates to items recognised directly to 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 separate balance sheet date, 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 amount of assets and liabilities using tax rates enacted or substantively enacted at 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.

**(n) Revenue**

**(i) Sales of goods**

Revenue from sales of goods is recognised in the separate statement of income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue from sales of goods is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods. Revenue from sales 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 separate statement of income in proportion to the stage of completion of the transaction at the balance sheet date. 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) Rental income**

Rental income from leased property is recognised in the separate 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.

**VinaCafé Bien Hoa Joint Stock Company**  
**Notes to the separate financial statements for the three-month period ended 31 March**  
**2019 (continued)**

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

**(i) Financial income**

Financial income comprises interest income from deposits, foreign exchange gains and interest income from other financial investments.

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

**(ii) Financial expenses**

Financial expenses comprise interest expenses on borrowings, allowance for diminution in value of long-term financial investments and foreign exchange losses.

Borrowing costs are recognised as an expense in the year in which they are incurred, except where the borrowing costs relate to borrowings in respect of the construction of qualifying assets, in which case the borrowing costs incurred during the period of construction are capitalised as part of the cost of the assets concerned.

**(p) Operating lease payments**

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

**(q) 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.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

**4. Cash and cash equivalents**

	<b>31/3/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Cash on hand	51,743,060	60,832,637
Cash in banks	6,313,995,927	14,127,646,387
Cash equivalents	79,690,000,000	180,000,000,000
	<hr/>	<hr/>
	86,055,738,987	194,188,479,024
	<hr/>	<hr/>

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

**VinaCafé Bien Hoa Joint Stock Company****Notes to the separate financial statements for the three-month period ended 31 March 2019 (continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)***5. Long-term investment****Investment in a subsidiary**

	% of equity owned and voting rights	31/3/2019			% of equity owned and voting rights	1/1/2019		
		Cost VND	Fair value VND	Allowance for diminution in value VND		Cost VND	Fair value VND	Allowance for diminution in value VND
Café De Nam Joint Stock Company (“CDN”)	85%	35,000,000,000	(*)	(14,529,393,349)	85%	35,000,000,000	(*)	(14,529,393,349)

(\*) The Company has not determined the fair value of this investment for disclosure in the separate financial statements because there is currently no guidance on determination of fair value using valuation techniques under Vietnamese Accounting Standards or Vietnamese Accounting System for enterprises. The fair value of the equity investment may differ from its carrying amount.

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**6. Other receivables**

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

	<b>31/3/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Accrued interest receivable	264,837,808	636,191,781
Short-term deposits	362,000,000	402,000,000
Other receivables	5,568,623,567	71,317,209
	<hr/>	<hr/>
	6,195,461,375	1,109,508,990
	<hr/>	<hr/>

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

	<b>31/3/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Accrued interest receivable from a subsidiary	19,743,908,215	17,793,908,217
Long-term deposits	5,000,000	5,000,000
	<hr/>	<hr/>
	19,748,908,215	17,798,908,217
	<hr/>	<hr/>

**7. Inventories**

	<b>31/3/2019</b>		<b>1/1/2019</b>	
	<b>Cost</b>	<b>Allowance</b>	<b>Cost</b>	<b>Allowance</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
Goods in transit	-	-	4,650,644,930	-
Raw materials	202,416,576,165	(2,691,651)	218,320,446,476	(490,497,084)
Tools and supplies	8,135,688,339	(803,522,707)	8,002,377,993	(803,522,707)
Finished goods	79,922,644,837	-	38,557,632,086	-
Merchandise inventories	201,177,371	-	642,950,950	-
Goods on consignment	5,313,607,732	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	295,989,694,444	(806,214,358)	270,174,052,435	(1,294,019,791)
	<hr/>	<hr/>	<hr/>	<hr/>

**VinaCafé Bien Hoa Joint Stock Company**  
**Notes to the separate financial statements for the three-month period ended 31 March 2019 (continued)**

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

	<b>Three-month period ended</b>	
	<b>31/3/2019</b>	<b>31/3/2018</b>
	<b>VND</b>	<b>VND</b>
Opening balance	1,294,019,791	1,899,355,887
Allowance utilised during the period	(487,805,433)	(1,476,827,440)
Written back	-	(2,473,989)
Closing balance	806,214,358	420,054,458

Included in inventories as at 31 March 2019 was VND806 million (1/1/2019: VND1,294 million) of slow-moving inventories.

**8. Receivables on long-term lending loans**

	<b>31/3/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Long-term loans receivable from CDN, a subsidiary	123,000,000,000	120,000,000,000

The long-term loans receivable of the Company was unsecured, bore fixed interest rate at 6.5% per annum as at 31 March 2019 and matures after 24-month since 31 December 2019. The interest is receivable on the maturity of the loan agreement.

**VinaCafé Bien Hoa Joint Stock Company**

**Notes to the separate financial statements for the three-month period ended 31 March 2019 (continued)**

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**9. Tangible fixed assets**

	<b>Buildings and structures VND</b>	<b>Machinery and equipment VND</b>	<b>Office equipment VND</b>	<b>Motor vehicles VND</b>	<b>Total VND</b>
<b>Cost</b>					
Opening balance	203,621,464,636	785,547,119,831	3,451,722,634	4,397,487,235	997,017,794,336
Additions during the year	-	65,500,000	-	-	65,500,000
Transfers from construction in progress	-	453,706,500	2,785,846,369	-	3,239,552,869
Disposals	-	(563,636,364)	-	-	(563,636,364)
Closing balance	203,621,464,636	785,502,689,967	6,237,569,003	4,397,487,235	999,759,210,841
<b>Accumulated depreciation</b>					
Opening balance	63,239,819,651	404,829,918,144	2,992,787,878	3,547,710,715	474,610,236,388
Charge for the period	2,755,965,075	15,103,099,921	96,472,815	37,539,804	17,993,077,615
Disposals	-	(441,515,145)	-	-	(441,515,145)
Closing balance	65,995,784,726	419,491,502,920	3,089,260,693	3,585,250,519	492,161,798,858
<b>Net book value</b>					
Opening balance	140,381,644,985	380,717,201,687	458,934,756	849,776,520	522,407,557,948
Closing balance	137,625,679,910	366,011,187,047	3,148,308,310	812,236,716	507,597,411,983

Included in the cost of tangible fixed assets were assets costing VND172,076 million which were fully depreciated as of 31 March 2019 (1/1/2019: VND171,785 million), but are still in active use.

**VinaCafé Bien Hoa Joint Stock Company**  
**Notes to the separate financial statements for the three-month period ended 31 March 2019 (continued)**

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**10. Intangible fixed assets**

	Software VND	Brand name VND	Total VND
<b>Cost</b>			
Opening balance	1,004,073,640	876,285,239	1,880,358,879
Transfers from construction in progress	259,809,550	-	259,809,550
Closing balances	1,263,883,190	876,285,239	2,140,168,429
<b>Accumulated amortisation</b>			
Opening balance	1,004,073,640	319,586,378	1,323,660,018
Charge for the period	14,433,864	30,927,714	45,361,578
Closing balance	1,018,507,504	350,514,092	1,369,021,596
<b>Net book value</b>			
Opening balance	-	556,698,861	556,698,861
Closing balance	245,375,686	525,771,147	771,146,833

Included in the cost of intangible fixed assets were assets costing VND1,004 million which were fully depreciated as of 31 March 2019 (1 January 2019: VND1,004 million), but are still in active use.

**11. Construction in progress**

Three-month period ended	31/3/2019 VND
Opening balance	4,330,935,678
Additions during the period	1,760,877,302
Transfers to tangible fixed assets	(3,239,552,869)
Transfers to intangible fixed assets	(259,809,550)
Transfers to long-term prepaid expenses	(670,000,000)
Closing balance	1,922,450,561

During the three-month period ended 31 March 2019, there was no borrowing cost capitalised into construction in progress of the Company.

**VinaCafé Bien Hoa Joint Stock Company**  
**Notes to the separate financial statements for the three-month period ended 31 March**  
**2019 (continued)**

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**12. Long-term prepaid expenses**

	<b>Prepaid land costs</b>	<b>Tools and</b>	<b>Total</b>
	<b>VND</b>	<b>supplies</b>	<b>VND</b>
		<b>VND</b>	<b>VND</b>
Opening balance	14,500,369,469	6,860,775,136	21,361,144,605
Transfer from construction in progress	-	670,000,000	670,000,000
Amortisation for the period	(100,697,010)	(992,894,688)	(1,093,591,698)
Closing balance	14,399,672,459	6,537,880,448	20,937,552,907

**13. Taxes payable to State Treasury**

	<b>31/3/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Corporate income tax	41,328,600,525	36,870,890,625
Value added tax	8,041,957,782	5,778,028,469
Personal income tax	265,863,974	207,022,961
	49,636,422,281	42,855,942,055

**14. Accrued expenses**

	<b>31/3/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Bonus and 13 <sup>th</sup> month salary	5,378,612,562	16,356,553,025
Purchases not yet received invoices	3,767,086,437	8,252,754,279
Accrued interest expenses	1,775,165,487	1,731,400,260
Construction in progress	1,074,885,000	929,553,800
Others	4,598,497,762	10,554,007,519
	16,594,247,248	37,824,268,883

**VinaCafé Bien Hoa Joint Stock Company**  
**Notes to the separate financial statements for the three-month period ended 31 March 2019 (continued)**

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**15. Other payables**

**(a) Other payables – short-term**

	<b>31/3/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Dividend payables	1,625,790,800	1,652,178,000
Social insurance, health insurance, unemployment insurance and trade union fees	320,189,385	238,386,405
Short-term deposits received	1,092,484,551	1,217,744,908
Others	2,468,626,878	293,546,165
	<hr/>	<hr/>
	5,507,091,614	3,401,855,478
	<hr/>	<hr/>

**(b) Other payables – long-term**

	<b>31/3/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Long-term deposits received	249,450,000	95,089,961
	<hr/>	<hr/>

**16. Short-term Borrowings**

	<b>31/3/2019</b>		<b>1/1/2019</b>	
	<b>Carrying amount VND</b>	<b>Amount within repayment capacity VND</b>	<b>Carrying amount VND</b>	<b>Amount within repayment capacity VND</b>
Short-term borrowings	411,191,680,532	411,191,680,532	342,647,365,332	342,647,365,332
	<hr/>			

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

	<b>Currency</b>	<b>Annual interest rate</b>	<b>31/3/2019 VND</b>	<b>1/1/2019 VND</b>
Unsecured bank loans	VND	5.6% - 6.1%	411,191,680,532	342,647,365,332
	<hr/>			

As at 31 March 2019, the Company does not have any overdue borrowings including principal and interest.

**VinaCafé Bien Hoa Joint Stock Company**

**Notes to the separate financial statements for the three-month period ended 31 March 2019 (continued)**

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**17. Changes in owners' equity**

	<b>Share capital VND</b>	<b>Share premium VND</b>	<b>Investment and development fund (*) VND</b>	<b>Undistributed profits after tax VND</b>	<b>Total owners' equity VND</b>
<b>Balance as at 1 January 2018</b>	265,791,350,000	29,974,241,968	213,510,848,947	300,772,002,070	810,048,442,985
Net profit for the period	-	-	-	148,814,118,779	148,814,118,779
<b>Balance as at 31 March 2018</b>	265,791,350,000	29,974,241,968	213,510,848,947	449,586,120,849	958,862,561,764
<b>Balance as at 1 January 2019</b>	265,791,350,000	29,974,241,968	213,510,848,947	948,274,072,037	1,457,550,512,952
Net profit for the period	-	-	-	110,468,419,061	110,468,419,061
<b>Balance as at 31 March 2019</b>	265,791,350,000	29,974,241,968	213,510,848,947	1,058,742,491,098	1,568,018,932,013

(\*) Investment and development fund was appropriated from undistributed profits 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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**18. Share capital and Share premium**

The Company's authorised and issued share capitals are:

	31/3/2019		1/1/2019	
	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 dividends 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.

There were no movements in share capital during the period.

**19. Off balance sheet items**

**Foreign currency**

	31/3/2019		1/1/2019	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	15,241	352,825,446	392,617	9,085,157,380

**VinaCafé Bien Hoa Joint Stock Company**  
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**20. Revenue from sales of goods**

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

Net revenue comprised:

	<b>Three-month period ended</b>	
	<b>31/3/2019</b>	<b>31/3/2018</b>
	<b>VND</b>	<b>VND</b>
Total revenue	482,958,816,017	736,224,481,419
Less revenue deductions		
▪ Sales discounts	-	3,966,131,135
▪ Sales returns	468,988,054	5,661,775,420
	<hr/> 468,988,054	<hr/> 9,627,906,555
Net revenue	<hr/> 482,489,827,963	<hr/> 726,596,574,864

**21. Cost of sales**

	<b>Three-month period ended</b>	
	<b>31/3/2019</b>	<b>31/3/2018</b>
	<b>VND</b>	<b>VND</b>
Total cost of sales		
▪ Goods sold	337,725,529,070	527,548,993,810
▪ Allowance for inventories	-	(2,473,989)
	<hr/> 337,725,529,070	<hr/> 527,546,519,821

**VinaCafé Bien Hoa Joint Stock Company**  
**Notes to the separate financial statements for the three-month period ended 31 March 2019 (continued)**

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**22. Financial income**

	<b>Three-month period ended</b>	
	<b>31/3/2019</b>	<b>31/3/2018</b>
	<b>VND</b>	<b>VND</b>
Interest income from deposits and other investments	2,279,072,929	13,192,644,129
Interest income from loans to a subsidiary	1,949,999,998	1,872,236,165
Foreign exchange gains	487,746,234	225,040,262
	4,716,819,161	15,289,920,556

**23. Financial expenses**

	<b>Three-month period ended</b>	
	<b>31/3/2019</b>	<b>31/3/2018</b>
	<b>VND</b>	<b>VND</b>
Interest expense	6,901,779,447	4,324,658,712
Foreign exchange losses	376,350,710	28,465,802
	7,278,130,157	4,353,124,514

**24. Significant transactions with related parties**

During the period and as at the period end, the Company has the following transactions and balances with related parties:

	<b>Transaction value</b>		<b>Receivables/(payables)</b>	
	<b>Three-month period ended</b>		<b>as at</b>	
	<b>31/3/2019</b>	<b>31/3/2018</b>	<b>31/3/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
<b>Parent of the parent company</b>				
<b>Masan Consumer Corporation</b>				
Sales of goods	439,923,268,038	468,688,505,300	1,099,987,448,831	1,070,218,150,205
Purchases of goods	12,276,965,704	13,406,386,466	-	-

**VinaCafé Bien Hoa Joint Stock Company**  
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	<b>Transaction value</b>		<b>Receivables/(payables)</b>	
	<b>Three-month period ended</b>		<b>as at</b>	
	<b>31/3/2019</b>	<b>31/3/2018</b>	<b>31/3/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
<b>Related parties</b>				
<b>Masan Industrial One Member Company Limited</b>				
Sales of goods and services	406,079,924	77,821,858	-	-
Purchases of goods	219,665,366	75,422,150	(241,709,248)	(383,094,650)
Purchase of service	5,120,725,623	907,128,000	(11,649,283,405)	(10,005,161,483)
Management fee	360,000,000	360,000,000	(360,000,000)	(1,584,000,000)
<b>Vinh Hao Mineral Water Corporation</b>				
Sales of goods	20,042,719,830	36,471,500	-	-
Purchases of goods	11,329,005,546	39,775,246,208	(7,420,877,711)	(28,134,478,637)
Purchase of service	-	23,788,209,264	-	(34,246,994,866)
<b>Masan MB One Member Company Limited</b>				
Sales of goods	211,177,867	-	232,295,654	2,240,000
<b>Subsidiary</b>				
<b>Café De Nam Joint stock Company</b>				
(Sales return)/sales of goods	(23,243,000)	528,181,688	789,087,865	1,324,237,106
Sales of services	213,624,000	213,624,000	1,082,753,394	273,624,619
(Goods return)/purchases of goods	(7,470,584)	1,990,954,705	8,217,642	-
Loans receivable	3,000,000,000	2,000,000,000	123,000,000,000	120,000,000,000
Interest income from loans	1,949,999,998	1,872,356,165	19,743,908,215	17,793,908,217
<b>Key management personnel</b>				
Remunerations	2,522,599,271	1,203,495,968	-	-

## 25. Explanation for fluctuation in net profit after tax

Net profit after tax for quarter 1 of 2019 decreased by VND38.3 billion, equivalent to 26% when comparing with the same period in previous year. This is driven by:

- Net revenue in quarter 1 of 2019 reached VND482.5 billion, decreased by 34% as compared to the same period in previous year. The Company will continue to growth and maintain its driven position in the category of instance coffee with power brand such as Vinacafé and Wake-up.
- Decreased net financial activities by VND13.5 billion, as compared to the same period last year, primarily from lower cash balance.

**VinaCafé Bien Hoa Joint Stock Company**  
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23 April 2019

Prepared by:



Nguyen Thi Ngoc Tram  
*General Accountant*

Approved by:



Phan Thi Thuy Hoa  
*Chief Accountant*



Doan Quoc Hung  
*Chief Executive Officer*