

VinaCafé Bien Hoa Joint Stock Company

Separate Financial Statements
for the year ended 31 December 2017

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 5 May 2016. 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 (from 24 August 2017)
Pham Dinh Toai	Member
Pham Hong Son	Member
Le Trung Thanh	Member (untill 24 August 2017)
Nguyen Nam Hai	Member

Board of Management

Nguyen Tan Ky	Chief Executive Officer
Nguyen Thanh Tung	Deputy Chief Executive Officer
Doan Quoc Hung	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 December 2017

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

	Code	Note	31/12/2017 VND	1/1/2017 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		2,816,028,884,393	2,301,453,842,958
Cash and cash equivalents	110	4	2,492,489,365,182	1,610,438,753,970
Cash	111		8,589,365,182	5,038,753,970
Cash equivalents	112		2,483,900,000,000	1,605,400,000,000
Short-term financial investments	120	5(a)	-	445,000,000,000
Held-to-maturity investments	123		-	445,000,000,000
Accounts receivable – short-term	130		45,842,556,287	53,080,410,777
Accounts receivable from customers	131		38,963,032,829	47,311,508,637
Prepayments to suppliers	132		948,955,498	284,092,400
Other short-term receivables	136	6(a)	5,930,567,960	6,285,424,425
Allowance for doubtful debts	137		-	(800,614,685)
Inventories	140	7	272,364,700,795	187,616,263,632
Inventories	141		274,264,056,682	190,503,114,348
Allowance for inventories	149		(1,899,355,887)	(2,886,850,716)
Other current assets	150		5,332,262,129	5,318,414,579
Short-term prepaid expenses	151		3,863,046,417	5,318,414,579
Taxes receivables from State Treasury	153		1,469,215,712	-

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

VinaCafé Bien Hoa Joint Stock Company
Separate balance sheet as at 31 December 2017 (continued)

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

	Code	Note	31/12/2017 VND	1/1/2017 VND
Long-term assets (200 = 210 + 220 + 240 + 250 + 260)	200		806,886,354,941	847,692,598,331
Accounts receivable – long-term	210		126,276,944,931	101,913,612,201
Loans receivable – long-term	215	8	116,000,000,000	98,000,000,000
Other long-term receivables	216	6(b)	10,276,944,931	3,913,612,201
Fixed assets	220		586,858,584,969	658,591,496,693
Tangible fixed assets	221	9	586,178,175,252	657,787,376,120
<i>Cost</i>	222		987,721,829,524	988,717,247,905
<i>Accumulated depreciation</i>	223		(401,543,654,272)	(330,929,871,785)
Intangible fixed assets	227	10	680,409,717	804,120,573
<i>Cost</i>	228		1,880,358,879	1,880,358,879
<i>Accumulated amortisation</i>	229		(1,199,949,162)	(1,076,238,306)
Long-term work in progress	240		7,114,658,178	3,373,536,764
Construction in progress	242	11	7,114,658,178	3,373,536,764
Long-term financial investments	250		35,000,000,000	35,000,000,000
Investment in a subsidiarie	251	5(b)	35,000,000,000	35,000,000,000
Other long-term assets	260		51,636,166,863	48,813,952,673
Long-term prepaid expenses	261	12	20,052,096,496	20,094,105,441
Deferred tax assets	262		31,584,070,367	28,719,847,232
TOTAL ASSETS (270 = 100 + 200)	270		3,622,915,239,334	3,149,146,441,289

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

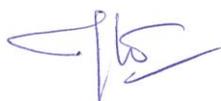
VinaCafé Bien Hoa Joint Stock Company
Separate balance sheet as at 31 December 2017 (continued)

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

	Code	Note	31/12/2017 VND	1/1/2017 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		2,812,866,796,349	976,775,277,196
Current liabilities	310		2,806,781,839,880	974,917,068,519
Accounts payable to suppliers	311		391,547,224,196	334,772,064,929
Advances from customers	312		17,118,507,057	6,600,908,908
Taxes payable to State Treasury	313	13	26,615,622,062	68,969,408,877
Accrued expenses	315	14	187,458,801,596	201,548,229,028
Other short-term payables	319	15(a)	1,755,848,143,143	1,614,634,876
Short-term borrowings	320	16	407,161,644,368	340,379,924,443
Bonus and welfare funds	322	17	21,031,897,458	21,031,897,458
Long-term liabilities	330		6,084,956,469	1,858,208,677
Other long-term payables	337	15(b)	1,011,020,719	1,858,208,677
Provisions long-term	342		5,073,935,750	-
EQUITY (400 = 410)	400		810,048,442,985	2,172,371,164,093
Owners' equity	410	18	810,048,442,985	2,172,371,164,093
Share capital	411	19	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		300,772,002,070	1,663,094,723,178
- Undistributed profits after tax brought forward	421a		-	1,259,419,681,720
- Undistributed profits after tax for the current year	421b		300,772,002,070	403,675,041,458
TOTAL RESOURCES (440 = 300 + 400)	440		3,622,915,239,334	3,149,146,441,289

30 January 2018

Prepared by:



Hong Do Nguyen Thao
General Accountant

Approved by:



Phan Thi Thuy Hoa
Chief Accountant



Nguyen Tan Ky
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 year ended 31 December 2017

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

	Code	Note	Quarter IV		Year to date	
			2017	2016	2017	2016
			VND	VND	VND	VND
Revenue from sales of goods	01	21	1,224,242,023,185	1,307,417,132,734	3,340,943,744,090	3,391,881,860,579
Revenue deductions	02	21	27,457,780,573	13,494,684,421	91,379,739,219	84,163,946,546
Net revenue (10 = 01 - 02)	10	21	1,196,784,242,612	1,293,922,448,313	3,249,564,004,871	3,307,717,914,033
Cost of sales	11	22	740,389,722,794	789,252,962,618	2,025,237,980,285	2,110,313,469,649
Gross profit (20 = 10 - 11)	20		456,394,519,818	504,669,485,695	1,224,326,024,586	1,197,404,444,384
Financial income	21	23	31,159,838,274	21,401,784,551	98,813,652,158	74,895,177,462
Financial expenses	22	24	4,618,944,577	3,225,384,860	11,673,302,206	12,886,087,344
<i>In which: Interest expenses</i>	23		<i>4,600,126,401</i>	<i>2,889,251,463</i>	<i>11,417,754,176</i>	<i>12,475,029,387</i>
Selling expenses	25		186,800,031,880	211,459,918,495	719,564,368,482	695,447,773,351
General and administration expenses	26		29,998,118,057	28,932,881,949	116,456,238,873	84,561,177,882
Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		266,137,263,578	282,453,084,942	475,445,767,183	479,404,583,269
Other income	31		12,987,982	400,494,964	359,698,118	419,297,095
Other expenses	32		162,892,650	70,984,999	171,319,726	618,862,739
Results of other activities (40 = 31 - 32)	40		(149,904,668)	329,509,965	188,378,392	(199,565,644)
Accounting loss before tax (50 = 30 + 40)	50		265,987,358,910	282,782,594,907	475,634,145,575	479,205,017,625
Income tax expense – current	51		48,580,694,436	47,844,234,897	86,598,179,818	80,950,428,823
Income tax expense/(benefit) – deferred	52		349,227,752	(2,563,597,768)	(2,864,223,135)	(6,349,204,656)
Net profit after tax (60 = 50 - 51 - 52)	60		217,057,436,722	237,501,957,778	391,900,188,892	404,603,793,458

30 January 2018

Prepared by:



Hong Do Nguyen Thao
General Accountant

Approved by:



Phan Thi Thuy Hoa
Chief Accountant



Nguyen Tan Ky
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 year ended 31 December 2017
(Indirect method)

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

	Code	2017 VND	2016 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounting profit before tax	01	475,634,145,575	479,205,017,625
Adjustments for			
Depreciation and amortisation	02	76,151,881,392	63,307,747,414
Allowances and provisions	03	9,428,164,448	13,970,525,864
Exchange gains arising from revaluation of monetary items dominated in foreign currencies	04	(44,376,301)	(48,940,406)
Profit from investing activities	05	(98,316,859,303)	(71,305,443,495)
Interest expense	06	11,417,754,176	12,475,029,387
Operating profit before changes in working capital	08	474,270,709,987	497,603,936,389
Change in receivables and other assets	09	5,156,035,800	4,285,581,898
Change in inventories	10	(89,102,665,861)	89,897,670,269
Change in payables and other liabilities	11	16,228,217,188	114,977,708,598
Change in prepaid expenses	12	6,268,674,178	1,891,915,482
		412,820,971,292	708,656,812,636
Interest paid	14	(10,402,886,165)	(12,420,427,579)
Income tax paid	15	(94,522,860,729)	(60,113,655,544)
Other payments for operating activities	17	-	(928,752,000)
Net cash flows from operating activities	20	307,895,224,398	635,193,977,513

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

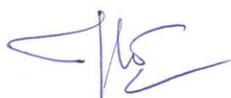
VinaCafé Bien Hoa Joint Stock Company
Separate statement of cash flows for the year ended 31 December 2017
(Indirect method - continued)

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

	Code	2017 VND	2016 VND
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets	21	(14,051,783,601)	(20,754,049,949)
Proceeds from disposals of fixed assets	22	1,817,912,687	375,833,250
Payments for loan and other investment	23	(1,418,000,000,000)	(98,000,000,000)
Withdrawal of loan and other investment	24	1,400,000,000,000	-
Placement of term deposits at banks	23	(1,178,000,000,000)	(8,810,800,000,000)
Withdrawal of term deposits at banks	24	1,623,000,000,000	8,365,800,000,000
Payments for investments in a subsidiary	25	-	(35,000,000,000)
Receipts of interest	27	92,526,612,312	64,879,173,534
Net cash flows from investing activities	30	507,292,741,398	(533,499,043,165)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	33	1,292,951,910,366	1,283,284,091,120
Payments to settle loan principals	34	(1,226,170,190,441)	(1,200,000,293,937)
Net cash flows from financing activities	40	66,781,719,925	83,283,797,183
Net cash flows during the year (50 = 20 + 30 + 40)	50	881,969,685,721	184,978,731,531
Cash and cash equivalents at the beginning of the year	60	1,610,438,753,970	1,425,460,022,439
Effect of exchange rate fluctuations on cash and cash equivalents	61	80,925,491	-
Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61) (Note 4)	70	2,492,489,365,182	1,610,438,753,970

30 January 2018

Prepared by:



Hong Do Nguyen Thao
General Accountant

Approved by:




Phan Thi Thuy Hoa
Chief Accountant

Nguyen Tan Ky
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 year ended 31 December 2017

Form B 09 – 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 December 2017, the Company has 1 subsidiary (1/1/2017: 1 subsidiary) as listed at Notes 5(b).

As at 31 December 2017, the Company had 336 employees (1/1/2017: 386 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. The Company prepares and issues its consolidated financial statements separately. For a comprehensive understanding of the Company’s consolidated financial position, its consolidated results of operations and its consolidated cash flows, these separate 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.

(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 year ended 31 December 2017
(continued)

Form B 09 – DN
*(Issued under Circular No. 200/2014/TT-BTC
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(e) Corresponding figures

The corresponding figures as at 1 January 2017 were brought forward from the audited figures as at 31 December 2016.

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 year 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 the 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 Company's Board of Management has the intention and ability to hold until maturity. Held-to-maturity investments include term deposits at banks. These investments are stated at cost less allowance for doubtful debts.

(ii) Investments in subsidiary

For the purpose of these separate financial statements, investment in subsidiary are initially recognised at cost which includes purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, the investment is 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 year ended 31 December 2017
(continued)

Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC
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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 year ended 31 December 2017
(continued)

Form B 09 – DN
*(Issued under Circular No. 200/2014/TT-BTC
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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.

(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.

VinaCafé Bien Hoa Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2017
(continued)

Form B 09 – DN
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(m) Taxation

Income tax on the separate profit or separate loss for the year 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 year, using tax rates enacted at the separate balance sheet date, and any adjustment to tax payable in respect of previous years.

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 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.

(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 year ended 31 December 2017
(continued)

Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC
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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 loans and other financial investment.

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 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 statement of income as an integral part of the total lease expense.

(q) Related parties

Parties are considered to be related to the Company 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 Company 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

	31/12/2017	1/1/2017
	VND	VND
Cash on hand	106,401,725	66,338,875
Cash in banks	8,482,963,457	4,972,415,095
Cash equivalents	2,483,900,000,000	1,605,400,000,000
Cash and cash equivalents in the separate statement of cash flows	2,492,489,365,182	1,610,438,753,970

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 year ended 31 December 2017 (continued)

Form B 09 – DN

(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

5. Investments

(a) Held-to-maturity investments

	31/12/2017	1/1/2017
	VND	VND
Held-to-maturity investments – short-term		- 445,000,000,000

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.

(b) Investment in a subsidiary

	31/12/2017		1/1/2017	
	Number of	% of equity	Number of	% of equity
	shares	owned and	shares	owned and
		voting rights		voting rights
		Cost		Cost
		VND		VND
CDN Production Trading Corporation (“CDN”)	2,524,500	85%	2,524,500	85%
		35,000,000,000		35,000,000,000

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6. Other receivables

(a) Other short-term receivables comprised:

	31/12/2017	1/1/2017
	VND	VND
Accrued interest receivable	4,334,283,333	5,589,586,111
Short-term deposits	1,132,677,200	641,340,000
Other receivables	463,607,427	54,498,314
	<hr/>	<hr/>
	5,930,567,960	6,285,424,425
	<hr/>	<hr/>

(b) Other long-term receivables comprised:

	31/12/2017	1/1/2017
	VND	VND
Accrued interest receivable from a subsidiary	10,077,784,931	3,126,275,001
Long-term deposits	199,160,000	787,337,200
	<hr/>	<hr/>
	10,276,944,931	3,913,612,201
	<hr/>	<hr/>

7. Inventories

	31/12/2017		1/1/2017	
	Cost	Allowance	Cost	Allowance
	VND	VND	VND	VND
Goods in transit	21,040,427,795	-	7,328,414,698	-
Raw materials	152,337,473,917	(128,614,804)	72,704,256,296	(1,903,120,199)
Tools and supplies	7,819,180,031	-	9,303,833,294	-
Finished goods	91,648,001,434	(1,770,408,875)	96,803,696,914	(983,730,517)
Merchandise inventories	1,418,973,505	(332,208)	4,362,913,146	-
	<hr/>	<hr/>	<hr/>	<hr/>
	274,264,056,682	(1,899,355,887)	190,503,114,348	(2,886,850,716)
	<hr/>	<hr/>	<hr/>	<hr/>

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

	2017	2016
	VND	VND
Opening balance	2,886,850,716	6,617,541,636
Increase in allowance during the year	4,389,184,746	14,485,944,784
Allowance utilised during the year	(5,341,723,527)	(17,749,249,428)
Written back	(34,956,048)	(467,386,276)
	<hr/>	<hr/>
Closing balance	1,899,355,887	2,886,850,716
	<hr/>	<hr/>

Included in inventories at 31 December 2017 was VND1.899 million (1/1/2017: VND2,887 million) of slow-moving inventories.

8. Loans receivable - long-term

	31/12/2017	1/1/2017
	VND	VND
Long-term loans receivable from CDN, a subsidiary	116,000,000,000	98,000,000,000
	<hr/>	<hr/>

The long-term loans receivable of the Company was unsecured, bore fixed interest rate at 6.5% per annum as at 31 December 2017 and matures in 2019. The interest is receivable on the maturity of the loan agreement.

9. Tangible fixed assets

	Buildings and structures VND	Machinery and equipment VND	Office equipment VND	Motor vehicles VND	Total VND
Cost					
Opening balance	203,621,464,636	777,698,264,702	2,948,954,634	4,448,563,933	988,717,247,905
Additions during the year	-	-	73,400,000	-	73,400,000
Transfers from construction in progress	-	5,553,893,964	60,568,000	454,980,552	6,069,442,516
Disposals	-	(6,632,203,647)	-	(506,057,250)	(7,138,260,897)
Closing balance	203,621,464,636	776,619,955,019	3,082,922,634	4,397,487,235	987,721,829,524
Accumulated depreciation					
Opening balance	39,451,334,717	285,647,658,671	2,516,667,965	3,314,210,432	330,929,871,785
Charge for the year	12,661,769,169	62,645,152,941	338,933,459	382,314,967	76,028,170,536
Disposals	-	(4,908,330,799)	-	(506,057,250)	(5,414,388,049)
Closing balance	52,113,103,886	343,384,480,813	2,855,601,424	3,190,468,149	401,543,654,272
Net book value					
Opening balance	164,170,129,919	492,050,606,031	432,286,669	1,134,353,501	657,787,376,120
Closing balance	151,508,360,750	433,235,474,206	227,321,210	1,207,019,086	586,178,175,252

Included in the cost of tangible fixed assets were assets costing VND162,397 million which were fully depreciated as of 31 December 2017 (1/1/2017: VND VND141,939 million), but are still in active use.

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10. Intangible fixed assets

	Software VND	Brand name VND	Total VND
Cost			
Opening and closing balances	1,004,073,640	876,285,239	1,880,358,879
Accumulated amortisation			
Opening balance	1,004,073,640	72,164,666	1,076,238,306
Charge for the year	-	123,710,856	123,710,856
Closing balance	1,004,073,640	195,875,522	1,199,949,162
Net book value			
Opening balance	-	804,120,573	804,120,573
Closing balance	-	680,409,717	680,409,717

Included in the cost of intangible fixed assets were assets costing VND1,004 million which were fully depreciated as of 31 December 2017 (1/1/2017: VND1,004 million), but are still in active use.

11. Construction in progress

For the year ended	31/12/2017 VND
Opening balance	3,373,536,764
Additions during the year	14,581,861,001
Transfers to tangible fixed assets	(6,069,442,516)
Transfers to long-term prepaid expenses	(4,771,297,071)
Closing balance	7,114,658,178

During the year, there was no borrowing cost capitalised into construction in progress of the Company (the year ended 31 December 2016: VND2,686 million)

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12. Long-term prepaid expenses

	Prepaid land costs VND	Tools and supplies VND	Total VND
Opening balance	15,305,945,549	4,788,159,892	20,094,105,441
Additions	-	428,570,552	428,570,552
Transfers from construction in progress	-	4,771,297,071	4,771,297,071
Disposals	-	(17,471,531)	(17,471,531)
Amortisation for the year	(402,788,040)	(4,821,616,997)	(5,224,405,037)
Closing balance	14,903,157,509	5,148,938,987	20,052,096,496

13. Taxes payable to State Treasury

	31/12/2017 VND	1/1/2017 VND
Value added tax	-	34,424,926,330
Corporate income tax	26,513,040,845	34,437,721,756
Personal income tax	102,581,217	106,760,791
	26,615,622,062	68,969,408,877

14. Accrued expenses

	31/12/2017 VND	1/1/2017 VND
Advertisement and promotion expenses	129,727,486,841	156,351,979,598
Logistics expenses	15,199,962,019	12,011,662,043
Sales discounts	20,875,377,191	7,739,728,317
Research and development expenses	4,318,011,343	4,831,004,249
Bonus and 13 th month salary	7,866,413,900	8,418,492,041
Purchases not yet received invoices	855,494,621	4,721,876,617
Exhibition expenses	1,886,733,817	947,931,934
Accrued interest expenses	1,426,301,966	411,433,955
Construction in progress	658,000,000	-
Others	4,645,019,898	6,114,120,274
	187,458,801,596	201,548,229,028

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15. Other payables

(a) Other short-term payables

	31/12/2017	1/1/2017
	VND	VND
Dividend payables	1,754,222,910,000	-
Short-term deposits received	1,093,187,218	1,115,638,268
Social insurance, health insurance, unemployment insurance and trade union fees	212,109,190	199,032,290
Others	319,936,735	299,964,318
	<hr/>	
	1,755,848,143,143	1,614,634,876
	<hr/>	

(b) Other long-term payables

	31/12/2017	1/1/2017
	VND	VND
Long-term deposits received	1,011,020,719	1,858,208,677
	<hr/>	

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16. Short-term Borrowings

	31/12/2017		1/1/2017	
	Carrying amount VND	Amount within repayment capacity VND	Carrying amount VND	Amount within repayment capacity VND
Short-term borrowings	407,161,644,368	407,161,644,368	340,379,924,443	340,379,924,443

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

	Currency	Annual interest rate	31/12/2017 VND	1/1/2017 VND
Unsecured bank loans	VND	3.4% - 4.8%	407,161,644,368	340,379,924,443

As at 31 December 2017, the Company does not have any overdue borrowings including principal and interest.

17. Bonus and welfare funds

This fund is established by appropriating from undistributed profits after tax as approved by shareholders at the Annual General Meeting of Shareholders of the Company. This fund is used to pay bonus and welfare to the Company's employees in accordance with the Company's bonus and welfare policies. Movements of bonus and welfare fund during the year were as follows:

	2017 VND	2016 VND
Opening and closing balances	21,031,897,458	21,031,897,458

There was no bonus and welfare funds appropriated from profit after tax at the Annual General Meetings of the Company's shareholders on 15 April 2017 and 20 April 2016

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18. Changes in owners' equity

	Share capital VND	Share premium VND	Investment and development fund (*) VND	Undistributed profits after tax VND	Total owners' equity VND
Balance at 1 January 2016	265,791,350,000	29,974,241,968	213,510,848,947	1,259,419,681,720	1,768,696,122,635
Net profit for the year	-	-	-	404,603,793,458	404,603,793,458
Board management fee	-	-	-	(928,752,000)	(928,752,000)
Balance at 1 January 2017	265,791,350,000	29,974,241,968	213,510,848,947	1,663,094,723,178	2,172,371,164,093
Net profit for the year	-	-	-	391,900,188,892	391,900,188,892
Dividends	-	-	-	(1,754,222,910,000)	(1,754,222,910,000)
Balance at 31 December 2017	265,791,350,000	29,974,241,968	213,510,848,947	300,772,002,070	810,048,442,985

(*) 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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19. Share capital

The Company's authorised and issued share capitals are:

	31/12/2017		1/1/2017	
	Number of shares	VND	Number of shares	VND
Authorised and issued share capital				
Ordinary shares	26,579,135	265,791,350,000	26,579,135	265,791,350,000
Shares in circulation				
Ordinary shares	26,579,135	265,791,350,000	26,579,135	265,791,350,000

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.

There were no movements in share capital during the year.

20. Off balance sheet items

Foreign currency

	31/12/2017		1/1/2017	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	56,025	1,269,529,446	161,941	3,679,293,840

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21. Revenue from sales of goods

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

Net revenue comprised:

	2017 VND	2016 VND
Total revenue	3,340,943,744,090	3,391,881,860,579
Less revenue deductions		
▪ Sales discounts	50,514,661,505	59,100,480,565
▪ Sales returns	40,865,077,714	25,063,465,981
	<hr/> 91,379,739,219	<hr/> 84,163,946,546
Net revenue	<hr/> 3,249,564,004,871	<hr/> 3,307,717,914,033

22. Cost of sales

	2017 VND	2016 VND
Total cost of sales		
▪ Goods sold	2,020,883,751,587	2,096,294,911,141
▪ Allowance for inventories	4,354,228,698	14,018,558,508
	<hr/> 2,025,237,980,285	<hr/> 2,110,313,469,649

23. Financial income

	2017 VND	2016 VND
Interest income from deposits	72,279,072,091	67,819,051,312
Interest income from financial activities	25,943,747,373	3,126,275,001
Foreign exchange gains	590,832,694	1,440,430,259
Realised gains from derivative financial instruments	-	2,509,420,890
	<hr/> 98,813,652,158	<hr/> 74,895,177,462

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24. Financial expenses

	2017	2016
	VND	VND
Interest expense	11,417,754,176	12,475,029,387
Foreign exchange losses	255,548,030	411,057,957
	11,673,302,206	12,886,087,344
	11,673,302,206	12,886,087,344

25. Significant transactions with related parties

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

	Transaction value		Receivables/(payables) as at	
	2017	2016	31/12/2017	0/01/2017
	VND	VND	VND	VND
Parent of the parent company				
Masan Consumer Corporation				
Sales of goods	411,007,822	1,163,846,614	-	-
Purchases of goods	50,224,165,565	52,845,750,553	(3,870,083,455)	(6,078,604,247)
Management service charge	159,438,082,170	151,605,481,211	(87,828,531,406)	(105,559,512,066)
Parent company				
Masan Beverage One Member Company Limited				
Dividends declared	1,200,921,084,000		- (1,200,921,084,000)	-
Related parties				
Masan Industrial One Member Company Limited				
Sales of goods	397,001,288	195,880,144	-	-
Purchases of goods>Returns	432,371,661	(40,267,500)	(167,505,036)	(2,002,149,996)
Purchase of service	14,683,244,151	3,628,512,000	(7,850,547,520)	-
Management service charge	2,150,993,748	1,440,000,000	(2,366,093,123)	-
Purchase of fixed assets	118,094,403	31,882,155	-	-
Vinh Hao Mineral Water Corporation				
Sales of goods	1,213,067,402	2,752,739,338	-	-
Purchases of goods	151,529,434,461	150,422,632,359	(21,383,786,010)	(17,639,556,739)
Purchase of service	88,482,480,192	90,376,154,736	(18,016,844,285)	(20,992,292,640)

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	Transaction value		Receivables/(payables) as at	
	2017 VND	2016 VND	31/12/2017 VND	0/01/2017 VND
Subsidiary				
CDN Production Trading Corporation				
Sales of goods	267,419,904	180,154,004	-	173,791,147
Service rendered	604,789,654	-	351,953,419	-
Sales of fixed assets	1,676,020,000	-	1,564,705,111	-
Purchases of goods/returns	5,460,906,912	14,668,646,937	(519,650,191)	(982,973,503)
Loans receivable	18,000,000,000	98,000,000,000	116,000,000,000	98,000,000,000
Interest income from loans	6,951,509,930	3,126,275,001	10,077,784,931	3,126,275,001
Purchase of fixed assets	464,980,552	-	-	-
Key management personnel				
Remunerations	1,623,309,867	2,058,256,000	-	-

26. Explanation for fluctuation in net profit after tax

Net profit after tax for the quarter 4 of 2017 decreased by VND20 billion, equivalent to 9% when comparing with the same period in previous year. This is mainly due to:

- Net sales decreased by VND97 billion, equivalent to 8%

Whilst the key areas contributing to the net profit after tax includes:

- Selling expenses decreased by VND25 billion, equivalent to 12%
- The results of financial activities increased by VND8 billion, equivalent to 46% come from optimizing cash flow.

30 January 2018

Prepared by:



Hong Do Nguyen Thao
General Accountant

Approved by:



Phan Thi Thuy Hoa
Chief Accountant



Nguyen Tan Ky
Chief Executive Officer