

**VinaCafé Bien Hoa Joint Stock Company**

Separate Financial Statements  
for the six-month period ended  
30 June 2019



## VinaCafé Bien Hoa Joint Stock Company Corporate Information

### Enterprise Registration Certificate No.

3600261626

29 December 2004

The Company's Enterprise Registration certificate has been amended several times, the most recent of which is dated 19 April 2019. The Enterprise 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 30 June 2019**

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

	Code	Note	30/6/2019 VND	1/1/2019 VND
<b>ASSETS</b>				
<b>Current assets</b> (100 = 110 + 130 + 140 + 150)	<b>100</b>		<b>1,571,949,697,404</b>	<b>1,557,658,160,844</b>
<b>Cash and cash equivalents</b>	<b>110</b>	<b>4</b>	<b>184,617,899,923</b>	<b>194,188,479,024</b>
Cash	111		14,774,148,759	14,188,479,024
Cash equivalents	112		169,843,751,164	180,000,000,000
<b>Accounts receivable – short-term</b>	<b>130</b>		<b>1,079,923,257,679</b>	<b>1,093,962,373,634</b>
Accounts receivable from customers	131		1,070,946,099,900	1,091,304,307,050
Prepayments to suppliers	132		1,744,589,278	1,548,557,594
Other receivables – short-term	136	6(a)	7,232,568,501	1,109,508,990
<b>Inventories</b>	<b>140</b>	<b>7</b>	<b>306,025,565,251</b>	<b>268,880,032,644</b>
Inventories	141		307,589,192,043	270,174,052,435
Allowance for inventories	149		(1,563,626,792)	(1,294,019,791)
<b>Other current assets</b>	<b>150</b>		<b>1,382,974,551</b>	<b>627,275,542</b>
Short-term prepaid expenses	151		1,382,974,551	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 30 June 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	30/6/2019 VND	1/1/2019 VND
<b>Long-term assets</b> <b>(200 = 210 + 220 + 240 + 250 + 260)</b>	<b>200</b>		<b>681,927,130,817</b>	<b>712,604,316,731</b>
<b>Accounts receivable – long-term</b>	<b>210</b>		<b>146,755,716,435</b>	<b>137,798,908,217</b>
Loans receivable – long-term	215	8	125,000,000,000	120,000,000,000
Other long-term receivables	216	6(b)	21,755,716,435	17,798,908,217
<b>Fixed assets</b>	<b>220</b>		<b>490,331,888,441</b>	<b>522,964,256,809</b>
Tangible fixed assets	221	9	489,837,045,008	522,407,557,948
<i>Cost</i>	222		999,739,768,841	997,017,794,336
<i>Accumulated depreciation</i>	223		(509,902,723,833)	(474,610,236,388)
Intangible fixed assets	227	10	494,843,433	556,698,861
<i>Cost</i>	228		1,880,358,879	1,880,358,879
<i>Accumulated amortisation</i>	229		(1,385,515,446)	(1,323,660,018)
<b>Long-term work in progress</b>	<b>240</b>		<b>4,235,887,092</b>	<b>4,330,935,678</b>
Construction in progress	242	11	4,235,887,092	4,330,935,678
<b>Long-term financial investments</b>	<b>250</b>	<b>5</b>	<b>11,651,843,627</b>	<b>20,470,606,651</b>
Investments in subsidiaries	251		35,000,000,000	35,000,000,000
Allowance for diminution in the value of long-term financial investments	254		(23,348,156,373)	(14,529,393,349)
<b>Other long-term assets</b>	<b>260</b>		<b>28,951,795,222</b>	<b>27,039,609,376</b>
Long-term prepaid expenses	261	12	21,743,118,333	21,361,144,605
Deferred tax assets	262		7,208,676,889	5,678,464,771
<b>TOTAL ASSETS (270 = 100 + 200)</b>	<b>270</b>		<b>2,253,876,828,221</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 30 June 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	30/6/2019 VND	1/1/2019 VND
<b>RESOURCES</b>				
<b>LIABILITIES (300 = 310 + 330)</b>	<b>300</b>		<b>532,006,695,606</b>	<b>812,711,964,623</b>
<b>Current liabilities</b>	<b>310</b>		<b>526,964,099,606</b>	<b>806,212,272,662</b>
Accounts payable to suppliers	311		201,430,940,076	351,014,503,661
Advances from customers	312		1,463,590,926	7,436,439,795
Taxes payable to State Treasury	313	13	53,746,531,733	42,855,942,055
Payables to employees	314		4,001,609,074	-
Accrued expenses	315	14	23,603,587,780	37,824,268,883
Other short-term payables	319	15(a)	4,812,247,476	3,401,855,478
Short-term borrowings	320	16	216,873,695,083	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>5,042,596,000</b>	<b>6,499,691,961</b>
Other long-term payables	337	15(b)	45,450,000	95,089,961
Provisions long-term	342		4,997,146,000	6,404,602,000
<b>EQUITY (400 = 410)</b>	<b>400</b>		<b>1,721,870,132,615</b>	<b>1,457,550,512,952</b>
<b>Owners' equity</b>	<b>410</b>	<b>17</b>	<b>1,721,870,132,615</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		1,212,593,691,700	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/prior year	421b		264,319,619,663	647,502,069,967
<b>TOTAL RESOURCES (440 = 300 + 400)</b>	<b>440</b>		<b>2,253,876,828,221</b>	<b>2,270,262,477,575</b>

30 July 2019

Prepared by:

  
Nguyen Thi Ngoc Tram  
General Accountant

  
Phan Thi Thuy Hoa  
Chief Accountant

Approved by:

  
Huyñh Viet Thang  
Authorised Representative

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

**VinaCafé Bien Hoa Joint Stock Company**  
**Separate statement of income for the six-month period ended 30 June 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 II		Year to date	
			2019	2018	2019	2018
			VND	VND	VND	VND
Revenue from sales of goods	01	20	759,710,793,918	743,932,806,132	1,242,669,609,935	1,480,157,287,551
Revenue deductions	02	20	366,459,470	5,979,341,576	835,447,524	15,607,248,131
<b>Net revenue (10 = 01 - 02)</b>	<b>10</b>	<b>20</b>	<b>759,344,334,448</b>	<b>737,953,464,556</b>	<b>1,241,834,162,411</b>	<b>1,464,550,039,420</b>
Cost of sales	11	21	548,971,183,415	544,709,304,794	886,696,712,485	1,072,255,824,615
<b>Gross profit (20 = 10 - 11)</b>	<b>20</b>		<b>210,373,151,033</b>	<b>193,244,159,762</b>	<b>355,137,449,926</b>	<b>392,294,214,805</b>
Financial income	21	22	3,810,424,598	7,726,445,153	8,527,243,759	23,016,365,709
Financial expense	22	23	13,088,464,016	9,878,799,821	20,366,594,173	14,231,924,335
<i>In which: Interest expenses</i>	23		<i>4,203,013,342</i>	<i>3,403,019,978</i>	<i>11,104,792,789</i>	<i>7,727,678,690</i>
Selling expenses	25		4,062,176,803	2,738,282,128	7,852,231,065	24,178,608,717
General and administration expenses	26		11,352,073,541	6,378,294,995	16,711,707,600	15,537,435,844
<b>Net operating profit</b> <b>{30 = 20 + (21 - 22) - (25 + 26)}</b>	<b>30</b>		<b>185,680,861,271</b>	<b>181,975,227,971</b>	<b>318,734,160,847</b>	<b>361,362,611,618</b>
Other income	31		50,000	5,002,898	50,004	10,959,324
Other expenses	32		36,656,093	13,002	27,266,624	608,889,556
<b>Results of other activities</b> <b>(40 = 31 - 32)</b>	<b>40</b>		<b>(36,606,093)</b>	<b>4,989,896</b>	<b>(27,216,620)</b>	<b>(597,930,232)</b>
<b>Accounting profit before tax</b> <b>(50 = 30 + 40)</b>	<b>50</b>		<b>185,644,255,178</b>	<b>181,980,217,867</b>	<b>318,706,944,227</b>	<b>360,764,681,386</b>
Income tax expense – current	51		34,013,037,351	25,379,299,380	55,917,536,682	37,031,233,685
Income tax (benefit) expense – deferred	52		(2,219,982,775)	6,779,410,229	(1,530,212,118)	25,097,820,664
<b>Net profit after tax</b> <b>(60 = 50 - 51 - 52)</b>	<b>60</b>		<b>153,851,200,602</b>	<b>149,821,508,258</b>	<b>264,319,619,663</b>	<b>298,635,627,037</b>

30 July 2019

Prepared by:



Nguyen Thi Ngoc Tram  
General Accountant

Approved by:





Phan Thi Thuy Hoa  
Chief Accountant

Huynh Viet Thang  
Authorised Representative

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

**VinaCafé Bien Hoa Joint Stock Company**  
**Separate statement of cash flows for the six-month period ended 30 June 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	Six-month period ended	
		30/6/2019	30/6/2018
		VND	VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Accounting profit before tax</b>	<b>01</b>	<b>318,706,944,227</b>	<b>360,764,681,386</b>
<b>Adjustments for</b>			
Depreciation and amortisation	02	36,053,294,180	36,408,987,729
Allowances and provisions	03	9,603,750,063	6,829,797,870
Exchange gains arising from revaluation of monetary items dominated in foreign currencies	04	(240,102,676)	(242,722,060)
Profit from investing activities	05	(7,887,831,045)	(22,624,189,045)
Interest expense	06	11,104,792,789	7,727,678,690
<b>Operating profit before changes in working capital</b>	<b>08</b>	<b>367,340,847,538</b>	<b>388,864,234,570</b>
Change in receivables and other assets	09	12,714,510,555	(213,209,791,558)
Change in inventories	10	(39,337,975,646)	(20,495,166,931)
Change in payables and other liabilities	11	(157,353,198,427)	(285,941,617,924)
Change in prepaid expenses	12	1,507,721,813	4,346,690,363
		<b>184,871,905,833</b>	<b>(126,435,651,480)</b>
Interest paid	14	(12,115,539,238)	(8,266,053,530)
Income tax paid	15	(49,970,388,896)	(22,028,450,990)
<b>Net cash flows from operating activities</b>	<b>20</b>	<b>122,785,977,699</b>	<b>(156,730,156,000)</b>

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**VinaCafé Bien Hoa Joint Stock Company**  
**Separate statement of cash flows for the six-month period ended 30 June 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	Six-month period ended	
		30/6/2019 VND	30/6/2018 VND
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for additions to fixed assets	21	(5,996,815,246)	(5,925,005,606)
Proceeds from disposals of fixed assets	22	131,515,158	-
Payment for granting loans	23	(5,000,000,000)	(3,000,000,000)
Payment for other investment	23	-	(100,000,000,000)
Receipts of interest	27	4,173,570,427	20,058,486,229
<b>Net cash flows from investing activities</b>	<b>30</b>	<b>(6,691,729,661)</b>	<b>(88,866,519,377)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings	33	670,460,139,045	709,371,412,653
Payments to settle loan principals	34	(796,233,809,294)	(760,949,771,181)
Payments of dividend	36	(170,742,000)	(1,752,597,119,200)
<b>Net cash flows from financing activities</b>	<b>40</b>	<b>(125,944,412,249)</b>	<b>(1,804,175,477,728)</b>
<b>Net cash flows during the period (50 = 20 + 30 + 40)</b>	<b>50</b>	<b>(9,850,164,211)</b>	<b>(2,049,772,153,105)</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>279,585,110</b>	<b>267,428,834</b>
<b>Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61)</b>	<b>70</b>	<b>184,617,899,923</b>	<b>442,984,640,911</b>

30 July 2019

Prepared by:

  
 Nguyen Thi Ngoc Tram  
 General Accountant

Approved by:

  
 Phan Thi Thuy Hoa  
 Chief Accountant

  
 Huynh Viet Thang  
 Authorised Representative

  
 M.S.D.N: 3600261626 - C.T.C.P  
 CÔNG TY  
 CỔ PHẦN  
 VINACAFÉ  
 BIÊN HOÀ  
 TP. BIÊN HOÀ - T. ĐỒNG NAI

*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 six-month period ended 30 June 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 30 June 2019, the Company has 1 subsidiary (1/1/2019: 1 subsidiary) as listed at Notes 5.

As at 30 June 2019, the Company had 310 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 six-month period ended 30 June 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 six-month period ended 30 June 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 six-month period ended 30 June 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 six-month period ended 30 June 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 six-month period ended 30 June 2019**  
**(continued)**

**Form B 09a – DN**  
*(Issued under Circular No. 200/2014/TT-BTC  
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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 six-month period ended 30 June 2019**  
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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>30/6/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Cash on hand	90,261,951	60,832,637
Cash in banks	14,683,886,808	14,127,646,387
Cash equivalents	169,843,751,164	180,000,000,000
	<hr/>	<hr/>
	184,617,899,923	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 six-month period ended 30 June 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**

		<b>30/6/2019</b>			<b>01/1/2019</b>	
	<b>% of equity owned and voting rights</b>	<b>Cost</b>	<b>Allowance for diminution in value</b>	<b>% of equity owned and voting rights</b>	<b>Cost</b>	<b>Allowance for diminution in value</b>
		<b>VND</b>	<b>VND</b>		<b>VND</b>	<b>VND</b>
Café De Nam Joint Stock Company("CDN")	85%	35,000,000,000	(23,348,156,373)	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>30/6/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Accrued interest receivable	416,256,080	636,191,781
Short-term deposits	775,163,860	402,000,000
Other non-trade receivable	6,041,148,561	71,317,209
	<hr/>	<hr/>
	7,232,568,501	1,109,508,990
	<hr/>	<hr/>

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

	<b>30/6/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Accrued interest receivable from a subsidiary	21,750,716,435	17,793,908,217
Long-term deposits	5,000,000	5,000,000
	<hr/>	<hr/>
	21,755,716,435	17,798,908,217
	<hr/>	<hr/>

**7. Inventories**

	<b>30/6/2019</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	1,782,445,600	-	4,650,644,930	-
Raw materials	211,335,453,529	(760,104,085)	218,320,446,476	(490,497,084)
Tools and supplies	7,971,601,494	(803,522,707)	8,002,377,993	(803,522,707)
Finished goods	85,513,958,282	-	38,557,632,086	-
Merchandise inventories	125,505,145	-	642,950,950	-
Goods on consignment	860,227,993	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	307,589,192,043	(1,563,626,792)	270,174,052,435	(1,294,019,791)
	<hr/>	<hr/>	<hr/>	<hr/>

**VinaCafé Bien Hoa Joint Stock Company**  
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Movements in the allowance for inventories during the period were as follows:

	<b>Six-month period ended</b>	
	<b>30/6/2019</b>	<b>30/6/2018</b>
	<b>VND</b>	<b>VND</b>
Opening balance	1,294,019,791	1,899,355,887
Increase in allowance during the period	2,192,443,039	610,940,041
Allowance utilised during the period	(1,922,836,038)	(2,424,076,036)
	<hr/>	<hr/>
Closing balance	1,563,626,792	86,219,892
	<hr/>	<hr/>

Included in inventories as at 30 June 2019 was VND1,564 million (1/1/2019: VND1,294 million) of slow-moving inventories.

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

	<b>30/6/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Long-term loans receivable from CDN, a subsidiary	125,000,000,000	120,000,000,000
	<hr/>	<hr/>

The long-term loans receivable of the Company was unsecured, bore fixed interest rate at 6.5% per annum as at 30 June 2019 and matures after 24-month since 31 December 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
<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	-	723,706,500	2,785,846,369	-	3,509,552,869
Disposals	-	(563,636,364)	-	-	(563,636,364)
Written off	(230,442,000)	(59,000,000)	-	-	(289,442,000)
Closing balance	203,391,022,636	785,713,689,967	6,237,569,003	4,397,487,235	999,739,768,841
<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	5,503,210,314	30,187,038,362	226,110,468	75,079,608	35,991,438,752
Disposals	-	(441,515,145)	-	-	(441,515,145)
Written off	(198,436,162)	(59,000,000)	-	-	(257,436,162)
Closing balance	68,544,593,803	434,516,441,361	3,218,898,346	3,622,790,323	509,902,723,833
<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	134,846,428,833	351,197,248,606	3,018,670,657	774,696,912	489,837,045,008

Included in the cost of tangible fixed assets were assets costing VND177,366 million which were fully depreciated as of 30 June 2019 (1/1/2019: VND171,785 million), but are still in active use.

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**10. Intangible fixed assets**

	<b>Software VND</b>	<b>Brand name VND</b>	<b>Total VND</b>
<b>Cost</b>			
Opening and closing balance	1,004,073,640	876,285,239	1,880,358,879
<b>Accumulated amortisation</b>			
Opening balance	1,004,073,640	319,586,378	1,323,660,018
Charge for the period	-	61,855,428	61,855,428
Closing balance	1,004,073,640	381,441,806	1,385,515,446
<b>Net book value</b>			
Opening balance	-	556,698,861	556,698,861
Closing balance	-	494,843,433	494,843,433

Included in the cost of intangible fixed assets were assets costing VND1,004 million which were fully depreciated as of 30 June 2019 (1 January 2019: VND1,004 million), but are still in active use.

**11. Construction in progress**

<b>Six-month period ended</b>	<b>30/6/2019 VND</b>
Opening balance	4,330,935,678
Additions during the period	6,059,898,833
Transfers to tangible fixed assets	(3,509,552,869)
Transfers to long-term prepaid expenses	(2,645,394,550)
Closing balance	4,235,887,092

During the six-month period ended 30 June 2019, there was no borrowing cost capitalised into construction in progress of the Company.

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**12. Long-term prepaid expenses**

	<b>Prepaid land costs</b> <b>VND</b>	<b>Tools and supplies</b> <b>VND</b>	<b>Total</b> <b>VND</b>
Opening balance	14,500,369,469	6,860,775,136	21,361,144,605
Transfer from construction in progress	-	2,645,394,550	2,645,394,550
Amortisation for the period	(201,394,020)	(2,062,026,802)	(2,263,420,822)
Closing balance	14,298,975,449	7,444,142,884	21,743,118,333

**13. Taxes payable to State Treasury**

	<b>30/6/2019</b> <b>VND</b>	<b>1/1/2019</b> <b>VND</b>
Corporate income tax	42,818,038,411	36,870,890,625
Value added tax	10,182,276,154	5,778,028,469
Personal income tax	746,217,168	207,022,961
	53,746,531,733	42,855,942,055

**14. Accrued expenses**

	<b>30/6/2019</b> <b>VND</b>	<b>1/1/2019</b> <b>VND</b>
Bonus and 13 <sup>th</sup> month salary	9,298,894,518	16,356,553,025
Purchases not yet received invoices	6,702,660,814	8,252,754,279
Advertisement and promotion expenses	2,256,664,720	-
Accrued interest expenses	720,653,811	1,731,400,260
Logistics expense	301,437,214	-
Construction in progress	-	929,553,800
Others	4,323,276,703	10,554,007,519
	23,603,587,780	37,824,268,883

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**15. Other payables**

**(a) Other payables – short-term**

	<b>30/6/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Dividend payables	1,481,436,000	1,652,178,000
Social insurance, health insurance, unemployment insurance and trade union fees	230,894,845	238,386,405
Short-term deposits received	707,802,465	1,217,744,908
Others	2,392,114,166	293,546,165
	<hr/>	<hr/>
	4,812,247,476	3,401,855,478
	<hr/>	<hr/>

**(b) Other payables – long-term**

	<b>30/6/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Long-term deposits received	45,450,000	95,089,961
	<hr/>	<hr/>

**16. Short-term Borrowings**

	<b>30/6/2019</b>		<b>1/1/2019</b>	
	<b>Carrying amount</b>	<b>Amount within</b>	<b>Carrying amount</b>	<b>Amount within</b>
	<b>VND</b>	<b>repayment capacity</b>	<b>VND</b>	<b>repayment capacity</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
Short-term borrowings	216,873,695,083	216,873,695,083	342,647,365,332	342,647,365,332
	<hr/>	<hr/>	<hr/>	<hr/>

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

	<b>Currency</b>	<b>Annual interest rate</b>	<b>30/6/2019</b>	<b>1/1/2019</b>
			<b>VND</b>	<b>VND</b>
Unsecured bank loans	VND	5.3% - 6.1%	216,873,695,083	342,647,365,332
			<hr/>	<hr/>

As at 30 June 2019, the Company does not have any overdue borrowings including principal and interest.

**VinaCafé Bien Hoa Joint Stock Company**

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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	-	-	-	298,635,627,037	298,635,627,037
<b>Balance as at 30 June 2018</b>	265,791,350,000	29,974,241,968	213,510,848,947	599,407,629,107	1,108,684,070,022
<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	-	-	-	264,319,619,663	264,319,619,663
<b>Balance as at 30 June 2019</b>	265,791,350,000	29,974,241,968	213,510,848,947	1,212,593,691,700	1,721,870,132,615

(\*) 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:

	30/6/2019		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

	30/6/2019		1/1/2019	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	245,464	5,702,133,598	392,617	9,085,157,380

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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>Six-month period ended</b>	
	<b>30/6/2019</b>	<b>30/6/2018</b>
	<b>VND</b>	<b>VND</b>
Total revenue	1,242,669,609,935	1,480,157,287,551
Less revenue deductions		
▪ Sales returns	835,447,524	11,641,116,996
▪ Sales discounts	-	3,966,131,135
	835,447,524	15,607,248,131
Net revenue	1,241,834,162,411	1,464,550,039,420

**21. Cost of sales**

	<b>Six-month period ended</b>	
	<b>30/6/2019</b>	<b>30/6/2018</b>
	<b>VND</b>	<b>VND</b>
Total cost of sales		
▪ Goods sold	884,504,269,446	1,071,644,884,574
▪ Allowance for inventories	2,192,443,039	610,940,041
	886,696,712,485	1,072,255,824,615

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**22. Financial income**

	<b>Six-month period ended</b>	
	<b>30/6/2019</b>	<b>30/6/2018</b>
	<b>VND</b>	<b>VND</b>
Interest income from deposits	3,953,634,726	18,835,490,414
Interest income from loans to a subsidiary	3,956,808,218	3,788,698,631
Foreign exchange gains	616,800,815	392,176,664
	<hr/>	<hr/>
	8,527,243,759	23,016,365,709
	<hr/>	<hr/>

**23. Financial expenses**

	<b>Six-month period ended</b>	
	<b>30/6/2019</b>	<b>30/6/2018</b>
	<b>VND</b>	<b>VND</b>
Interest expense	11,104,792,789	7,727,678,690
Allowance for diminution in value of long-term financial investment	8,818,763,024	6,463,554,368
Foreign exchange losses	443,038,360	40,691,277
	<hr/>	<hr/>
	20,366,594,173	14,231,924,335
	<hr/>	<hr/>

**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>Six-month period ended</b>		<b>as at</b>	
	<b>30/6/2019</b>	<b>30/6/2018</b>	<b>30/6/2019</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	1,130,233,746,067	1,138,634,423,887	1,039,377,892,440	1,070,218,150,205
Sales of services	11,506,236,000	-	12,656,859,600	-
Purchases of goods	29,978,502,525	28,303,748,062	-	-

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	Transaction value		Receivables/(payables)	
	Six-month period ended 30/6/2019 VND	30/6/2018 VND	as at 30/6/2019 VND	1/1/2019 VND
<b>Related parties</b>				
<b>Masan Industrial One Member Company Limited</b>				
Sales of goods and services	527,290,710	77,821,858	-	-
Sales of fixed asset	131,515,158	-	-	-
Purchases of goods	285,157,636	100,658,666	(204,542,361)	(383,094,650)
Purchase of service	14,477,129,262	9,022,891,382	(11,952,625,506)	(10,005,161,483)
Management fee	480,000,000	720,000,000	(528,000,000)	(1,584,000,000)
<b>Vinh Hao Mineral Water Corporation</b>				
Sales of goods and services	20,042,719,830	36,471,500	-	-
Purchases of goods	60,594,575,067	74,851,396,367	(30,071,139,419)	(28,134,478,637)
Purchase of service	23,709,431,088	46,318,707,504	(26,080,374,197)	(34,246,994,866)
<b>Masan MB One Member Company Limited</b>				
Sales of goods and services	3,460,743,709	26,782,300	3,599,140,206	2,240,000
<b>Subsidiary</b>				
<b>Café De Nam Joint stock Company</b>				
(Sales return)/sales of goods	(4,115,595)	600,500	21,040,146	814,655,165
Sales of services	427,248,000	427,248,000	234,986,400	847,766,994
Sales of fixed assets	-	542,319,088	-	-
(Goods return)/purchases of goods	(7,048,069)	2,072,473,499	-	-
Loans receivable	5,000,000,000	3,000,000,000	125,000,000,000	120,000,000,000
Interest income from loans	3,956,808,218	3,788,698,631	21,750,716,435	17,793,908,217
<b>Key management personnel</b>				
Remunerations	4,115,886,023	2,369,933,936	-	-

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30 July 2019

Prepared by:



Nguyen Thi Ngoc Tram  
*General Accountant*

Approved by:



Phan Thi Thuy Hoa  
*Chief Accountant*



Huynh Viet Thang  
*Authorised Representative*

