

VinaCafé Bien Hoa Joint Stock Company

Separate Financial Statements
for the year ended 31 December 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 31 December 2019

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

	Code	Note	31/12/2019 VND	1/1/2019 VND
ASSETS				
Current assets (100 = 110 + 130 + 140 + 150)	100		1,635,728,210,740	1,557,658,160,844
Cash and cash equivalents	110	4	217,859,292,317	194,188,479,024
Cash	111		50,859,292,317	14,188,479,024
Cash equivalents	112		167,000,000,000	180,000,000,000
Accounts receivable – short-term	130		1,213,245,660,872	1,093,962,373,634
Accounts receivable from customers	131		1,207,936,039,891	1,091,304,307,050
Prepayments to suppliers	132		2,281,018,986	1,548,557,594
Other short-term receivables	136	6(a)	3,028,601,995	1,109,508,990
Inventories	140	7	203,851,048,072	268,880,032,644
Inventories	141		204,841,529,697	270,174,052,435
Allowance for inventories	149		(990,481,625)	(1,294,019,791)
Other current assets	150		772,209,479	627,275,542
Short-term prepaid expenses	151		772,209,479	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 December 2019 (continued)

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

	Code	Note	31/12/2019 VND	1/1/2019 VND
Long-term assets (200 = 210 + 220 + 240 + 250 + 260)	200		636,764,742,506	712,604,316,731
Accounts receivable – long-term	210		150,851,606,845	137,798,908,217
Loans receivable – long-term	215	8	125,000,000,000	120,000,000,000
Other long-term receivables	216	6(b)	25,851,606,845	17,798,908,217
Fixed assets	220		460,780,053,457	522,964,256,809
Tangible fixed assets	221	9	460,347,065,452	522,407,557,948
Cost	222		1,004,453,262,618	997,017,794,336
Accumulated depreciation	223		(544,106,197,166)	(474,610,236,388)
Intangible fixed assets	227	10	432,988,005	556,698,861
Cost	228		1,880,358,879	1,880,358,879
Accumulated amortisation	229		(1,447,370,874)	(1,323,660,018)
Long-term work in progress	240		1,699,576,081	4,330,935,678
Construction in progress	242	11	1,699,576,081	4,330,935,678
Long-term financial investments	250	5	-	20,470,606,651
Investments in subsidiaries	251		35,000,000,000	35,000,000,000
Allowance for diminution in the value of long-term financial investments	254		(35,000,000,000)	(14,529,393,349)
Other long-term assets	260		23,433,506,123	27,039,609,376
Long-term prepaid expenses	261	12	20,521,378,623	21,361,144,605
Deferred tax assets	262		2,912,127,500	5,678,464,771
TOTAL ASSETS (270 = 100 + 200)	270		2,272,492,953,246	2,270,262,477,575

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 2019 (continued)

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

	Code	Note	31/12/2019 VND	1/1/2019 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		782,417,628,889	812,711,964,623
Current liabilities	310		777,301,551,639	806,212,272,662
Accounts payable to suppliers	311		295,196,793,342	351,014,503,661
Advances from customers	312		1,433,428,343	7,436,439,795
Taxes payable to State Treasury	313	13	82,148,445,732	42,855,942,055
Accrued expenses	315	14	27,259,470,167	37,824,268,883
Other short-term payables	319	15(a)	4,824,875,761	3,401,855,478
Short-term borrowings	320	16	345,406,640,836	342,647,365,332
Bonus and welfare funds	322		21,031,897,458	21,031,897,458
Long-term liabilities	330		5,116,077,250	6,499,691,961
Other long-term payables	337	15(b)	279,450,000	95,089,961
Provisions long-term	342		4,836,627,250	6,404,602,000
EQUITY (400 = 410)	400		1,490,075,324,357	1,457,550,512,952
Owners' equity	410	17	1,490,075,324,357	1,457,550,512,952
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	18	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		980,798,883,442	948,274,072,037
- Undistributed profits after tax brought forward	421a		310,374,832,037	300,772,002,070
- Undistributed profit after tax for the current year/prior year	421b		670,424,051,405	647,502,069,967
TOTAL RESOURCES	440		2,272,492,953,246	2,270,262,477,575
(440 = 300 + 400)				

22 January 2020

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 as at 31 December 2019 (continued)

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

	Code	Note	Quarter IV		Year to date	
			2019	2018	2019	2018
			VND	VND	VND	VND
Revenue from sales of goods	01	20	1,086,191,329,339	1,166,860,886,636	3,096,599,928,551	3,451,841,005,095
Revenue deductions	02	20	128,159,187	855,528,190	5,491,764,404	19,817,740,644
Net revenue (10 = 01 - 02)	10	20	1,086,063,170,152	1,166,005,358,446	3,091,108,164,147	3,432,023,264,451
Cost of sales	11	21	770,492,780,315	882,927,747,159	2,218,176,391,330	2,583,201,643,077
Gross profit (20 = 10 - 11)	20		315,570,389,837	283,077,611,287	872,931,772,817	848,821,621,374
Financial income	21	22	4,371,611,817	8,477,436,123	18,541,359,875	40,761,453,633
Financial expenses	22	23	16,687,205,863	13,756,333,120	41,093,826,120	32,922,536,049
<i>In which: Interest expenses</i>	23		4,513,675,361	5,591,420,897	19,262,766,855	18,078,537,177
Selling expenses	25		4,595,319,282	6,698,580,859	14,009,556,085	31,063,331,018
General and administration expenses	26		11,268,035,339	18,196,965,567	35,550,263,157	41,176,476,291
Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		287,391,441,170	252,903,167,864	800,819,487,330	784,420,731,649
Other income	31		-	27,437,931	13,773,434	71,579,755
Other expenses	32		6,827,896,962	6,972,596	6,856,963,623	615,862,285
Results of other activities (40 = 31 - 32)	40		(6,815,973,569)	20,465,335	(6,843,190,189)	(544,282,530)
Accounting profit before tax (50 = 30 + 40) (Carried forward to next page)	50		280,563,544,208	252,923,633,199	793,976,297,141	783,876,449,119

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 2019 (continued)

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

	Code	Note	Quarter IV		Year to date	
			2019	2018	2019	2018
			VND	VND	VND	VND
Accounting profit before tax (brought forward from previous page)	50		280,563,544,208	252,923,633,199	793,976,297,141	783,876,449,119
Income tax expense – current	51		28,668,706,526	47,376,691,911	120,785,908,465	110,468,773,556
Income tax benefit/(expense) – deferred	52		6,693,938,624	(2,104,157,762)	2,766,337,271	25,905,605,596
Net profit after tax (60 = 50 - 51 - 52)	60		245,200,899,058	207,651,099,050	670,424,051,405	647,502,069,967

22 January 2020

Prepared by:



Nguyen Thi Ngoc Tram
 General Accountant



Phan Thi Thuy Hoa
 Chief Accountant

Approved by:



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 year ended 31 December 2019
(Indirect method)

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

	Code	2019 VND	2018 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounting profit before tax	01	793,976,297,141	783,876,449,119
Adjustments for			
Depreciation and amortisation	02	70,475,646,501	73,190,292,972
Allowances and provisions	03	21,595,823,796	20,243,924,504
Exchange (gains)/losses arising from revaluation of monetary items dominated in foreign currencies	04	(565,943,443)	45,468,280
Profit from investing activities	05	(16,445,572,569)	(39,823,101,735)
Interest expense	06	19,262,766,855	18,078,537,177
Operating profit before changes in working capital	08	888,299,018,281	855,611,570,317
Change in receivables and other assets	09	(119,979,929,140)	(1,049,152,045,800)
Change in inventories	10	62,335,792,677	(899,196,754)
Change in payables and other liabilities	11	(61,127,484,733)	(195,475,586,482)
Change in prepaid expenses	12	4,540,908,935	7,077,845,250
		774,068,306,020	(382,837,413,469)
Interest paid	14	(18,658,104,293)	(17,773,438,883)
Corporate income tax paid	15	(91,140,550,982)	(100,110,923,776)
Net cash flows from operating activities	20	664,269,650,745	(500,721,776,128)

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 2019
(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	2019 VND	2018 VND
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets	21	(10,278,478,034)	(12,394,298,383)
Proceeds from disposals of fixed assets	22	176,453,572	-
Payment for granting loans	23	(5,000,000,000)	(4,000,000,000)
Proceeds from other investment	23	-	(100,000,000,000)
Payment for other investment	24	-	100,000,000,000
Receipts of interests	27	8,845,426,063	35,805,070,001
Net cash flows from investing activities	30	(6,256,598,399)	19,410,771,618
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	33	1,359,631,943,583	1,685,424,184,115
Payments to settle loan principals	34	(1,356,872,668,079)	(1,749,938,463,151)
Payments of dividend	36	(637,666,728,000)	(1,752,597,119,200)
Net cash flows from financing activities	40	(634,907,452,496)	(1,817,111,398,236)
Net cash flows during the year (50 = 20 + 30 + 40)	50	23,105,599,850	(2,298,422,402,746)
Cash and cash equivalents at the beginning of the year	60	194,188,479,024	2,492,489,365,182
Effect of exchange rate fluctuations on cash and cash equivalents	61	565,213,443	121,516,588
Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61) (Note 4)	70	217,859,292,317	194,188,479,024

22 January 2020

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 year ended 31 December 2019

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 these 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) Principal 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 oversea markets.

(c) Normal operating cycle

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

(d) Company structure

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

As at 31 December 2019, the Company had 281 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 separate financial statements are prepared for the year ended 31 December 2019

(d) Accounting and presentation currency

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

VinaCafé Bien Hoa Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2019
(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 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 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 accounting period quoted by the commercial bank where the Company most frequently conduct transactions.

All foreign exchange differences are recorded in the separate statement 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 year ended 31 December 2019
(continued)

Form B 09 – 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.

(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.

VinaCafé Bien Hoa Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2019
(continued)

Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC
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(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 years to 3 years.

(j) Trade and other payables

Trade and other payables are stated at their costs.

(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 annual accounting period. For the purpose of determining the number of years of service by an employee, the year 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 year ended 31 December 2019
(continued)

Form B 09 – 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 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 end of the annual accounting period, 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 annual 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 2019
(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 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, foreign exchange losses, and other financial activities 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

	31/12/2019	1/1/2019
	VND	VND
Cash on hand	65,403,819	60,832,637
Cash at banks	50,793,888,498	14,127,646,387
Cash equivalents	167,000,000,000	180,000,000,000
Cash and cash equivalents in the separate statement of cash flows	217,859,292,317	194,188,479,024

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 2019 (continued)

Form B 09 – 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

		31/12/2019			1/1/2019	
	% of equity owned and voting rights	Cost	Allowance for diminution in value	% of equity owned and voting rights	Cost	Allowance for diminution in value
		VND	VND		VND	VND
Café De Nam Joint Stock Company(“CDN”)	85%	35,000,000,000	(35,000,000,000)	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.

VinaCafé Bien Hoa Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2019
(continued)

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

6. Other receivables

(a) Other short-term receivables

	31/12/2019	1/1/2019
	VND	VND
Accrued interest receivables	185,342,466	636,191,781
Short-term deposits	2,337,656,100	402,000,000
Other non-trade receivables	505,603,429	71,317,209
	<hr/>	<hr/>
	3,028,601,995	1,109,508,990

(b) Other long-term receivables

	31/12/2019	1/1/2019
	VND	VND
Accrued interest receivable from a subsidiary	25,846,606,845	17,793,908,217
Long-term deposits	5,000,000	5,000,000
	<hr/>	<hr/>
	25,851,606,845	17,798,908,217

7. Inventories

	31/12/2019		1/1/2019	
	Cost	Allowance	Cost	Allowance
	VND	VND	VND	VND
Goods in transit	3,392,741,499	-	4,650,644,930	-
Raw materials	147,754,994,919	(225,704,420)	218,320,446,476	(490,497,084)
Tools and supplies	8,906,182,488	(764,777,205)	8,002,377,993	(803,522,707)
Finished goods	44,642,777,739	-	38,557,632,086	-
Merchandise inventories	144,833,052	-	642,950,950	-
	<hr/>	<hr/>	<hr/>	<hr/>
	204,841,529,697	(990,481,625)	270,174,052,435	(1,294,019,791)

VinaCafé Bien Hoa Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2019
(continued)

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

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

	2019	2018
	VND	VND
Opening balance	1,294,019,791	1,899,355,887
Increase in allowance during the year	2,731,937,397	4,383,864,905
Allowance utilised during the year	(2,996,730,061)	(4,989,201,001)
Written back	(38,745,502)	-
	<hr/>	<hr/>
Closing balance	990,481,625	1,294,019,791
	<hr/>	<hr/>

Included in inventories as at 31 December 2019 was VND990 million (1/1/2019: VND1,294 million) of slow-moving inventories.

8. Receivables on long-term lending loans

	31/12/2019	1/1/2019
	VND	VND
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 31 December 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	Motor vehicles VND	Office equipment VND	Total VND
Cost					
Opening balance	203,621,464,636	785,547,119,831	4,397,487,235	3,451,722,634	997,017,794,336
Additions during the year	-	65,500,000	-	-	65,500,000
Transfers from construction in progress	-	5,618,253,159	-	2,785,846,369	8,404,099,528
Disposals	-	(597,560,114)	-	-	(597,560,114)
Written off	(230,442,000)	(206,129,132)	-	-	(436,571,132)
Closing balance	203,391,022,636	790,427,183,744	4,397,487,235	6,237,569,003	1,004,453,262,618
Accumulated depreciation					
Opening balance	63,239,819,651	404,829,918,144	3,547,710,715	2,992,787,878	474,610,236,388
Charge for the year	10,790,599,508	58,926,414,466	150,159,219	484,762,452	70,351,935,645
Disposals	-	(451,409,573)	-	-	(451,409,573)
Written off	(198,436,162)	(206,129,132)	-	-	(404,565,294)
Closing balance	73,831,982,997	463,098,793,905	3,697,869,934	3,477,550,330	544,106,197,166
Net book value					
Opening balance	140,381,644,985	380,717,201,687	849,776,520	458,934,756	522,407,557,948
Closing balance	129,559,039,639	327,328,389,839	699,617,301	2,760,018,673	460,347,065,452

Included in the cost of tangible fixed assets were assets costing VND272,352 million which were fully depreciated as of 31 December 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 year ended 31 December 2019 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***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	319,586,378	1,323,660,018
Charge for the year	-	123,710,856	123,710,856
Closing balance	1,004,073,640	443,297,234	1,447,370,874
Net book value			
Opening balance	-	556,698,861	556,698,861
Closing balance	-	432,988,005	432,988,005

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

11. Construction in progress

For the year ended	31/12/2019 VND
Opening balance	4,330,935,678
Additions during the year	9,618,816,821
Transfers to tangible fixed assets	(8,404,099,528)
Transfers to long-term prepaid expenses	(3,846,076,890)
Closing balance	1,699,576,081

During the year ended 31 December 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 year ended 31 December 2019 (continued)

Form B 09 – DN

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

12. Long-term prepaid expenses

	Prepaid land costs VND	Tools and supplies VND	Total VND
Opening balance	14,500,369,469	6,860,775,136	21,361,144,605
Transfers from construction in progress	-	3,846,076,890	3,846,076,890
Amortisation for the year	(402,788,040)	(4,283,054,832)	(4,685,842,872)
Closing balance	14,097,581,429	6,423,797,194	20,521,378,623

13. Taxes payable to State Treasury

	31/12/2019 VND	1/1/2019 VND
Corporate income tax	66,516,248,108	36,870,890,625
Value added tax	15,484,919,988	5,778,028,469
Personal income tax	147,277,636	207,022,961
	82,148,445,732	42,855,942,055

14. Accrued expenses

	31/12/2019 VND	1/1/2019 VND
Bonus and 13 th month salary	11,801,070,165	16,356,553,025
Advertisement and promotion expenses	4,490,134,598	-
Purchases not yet received invoices	4,106,896,652	8,252,754,279
Accrued interest expenses	2,336,062,822	1,731,400,260
Logistics expense	1,057,947,193	-
Construction in progress	89,600,000	929,553,800
Others	3,377,758,737	10,554,007,519
	27,259,470,167	37,824,268,883

VinaCafé Bien Hoa Joint Stock Company

Notes to the separate financial statements for the year ended 31 December 2019 (continued)

Form B 09 – DN

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

15. Other payables

(a) Other short-term payables

	31/12/2019 VND	1/1/2019 VND
Dividend payables	1,884,690,000	1,652,178,000
Short-term deposits received	289,442,500	1,217,744,908
Social insurance, health insurance, unemployment insurance and trade union fees	217,655,601	238,386,405
Others	2,433,087,660	293,546,165
	4,824,875,761	3,401,855,478

(b) Other long-term payables

	31/12/2019 VND	1/1/2019 VND
Long-term deposits received	279,450,000	95,089,961

16. Short-term borrowings

	31/12/2019		1/1/2019	
	Carrying amount VND	Amount within repayment capacity VND	Carrying amount VND	Amount within repayment capacity VND
Short-term borrowings	345,406,640,836	345,406,640,836	342,647,365,332	342,647,365,332

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

	Currency	Annual interest rate	31/12/2019 VND	1/1/2019 VND
Unsecured bank loans	VND	5.35% - 5.40%	345,406,640,836	342,647,365,332

As at 31 December 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 year ended 31 December 2019 (continued)

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

17. 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 as at 1 January 2018	265,791,350,000	29,974,241,968	213,510,848,947	300,772,002,070	810,048,442,985
Net profit for the year	-	-	-	647,502,069,967	647,502,069,967
Balance as at 31 December 2018	265,791,350,000	29,974,241,968	213,510,848,947	948,274,072,037	1,457,550,512,952
Balance as at 1 January 2019	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 year	-	-	-	670,424,051,405	670,424,051,405
Dividend	-	-	-	(637,899,240,000)	(637,899,240,000)
Balance as at 31 December 2019	265,791,350,000	29,974,241,968	213,510,848,947	980,798,883,442	1,490,075,324,357

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.

VinaCafé Bien Hoa Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2019 (continued)

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

18. Share capital and share premium

The Company's authorised and issued share capitals are:

	31/12/2019		1/1/2019	
	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
Share premium	-	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 year.

19. Off balance sheet item

Foreign currency

	31/12/2019		1/1/2019	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	1,638,521	37,866,230,016	392,617	9,085,157,380

VinaCafé Bien Hoa Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2019 (continued)

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

20. Revenue from sales of goods

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

Net revenue comprised:

	2019 VND	2018 VND
Total revenue	3,096,599,928,551	3,451,841,005,095
Less revenue deductions		
▪ Sales returns	5,491,764,404	2,280,157,248
▪ Sales discounts	-	17,537,583,396
	<hr/> 5,491,764,404	<hr/> 19,817,740,644
Net revenue	<hr/> 3,091,108,164,147	<hr/> 3,432,023,264,451

21. Cost of sales

	2019 VND	2018 VND
Total cost of sales		
▪ Goods sold	2,215,483,199,435	2,578,817,778,172
▪ Allowance for inventories	2,693,191,895	4,383,864,905
	<hr/> 2,218,176,391,330	<hr/> 2,583,201,643,077

22. Financial income

	2019 VND	2018 VND
Interest income from deposits and other investment	8,394,576,748	32,106,978,449
Interest income from loans to a subsidiary	8,052,698,628	7,716,123,286
Foreign exchange gains	1,055,262,099	751,804,147
Others	1,038,822,400	186,547,751
	<hr/> 18,541,359,875	<hr/> 40,761,453,633

VinaCafé Bien Hoa Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2019 (continued)

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

23. Financial expenses

	2019	2018
	VND	VND
Interest expense	19,262,766,855	18,078,537,177
Allowance for diminution in value of long-term financial investment	20,470,606,651	14,529,393,349
Foreign exchange losses	566,767,814	314,605,523
Others	793,684,800	-
	<u>41,093,826,120</u>	<u>32,922,536,049</u>

24. 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)	
	2019	2018	as at	
	VND	VND	31/12/2019	1/1/2019
			VND	VND
Parent of parent company				
Masan Consumer Corporation				
Sales of goods	2,707,135,064,147	2,959,106,972,554	1,054,136,253,023	1,070,218,150,205
Sales of services	128,438,345,000	-	123,797,050,300	-
Purchases of goods	109,864,662,462	74,467,360,692	-	-
Parent company				
Masan Beverage One Member Company Limited				
Dividend declared	628,275,240,000	-	-	-
Related parties				
Masan Industrial One Member Company Limited				
Sales of goods	1,107,924,270	548,878,609	-	-
Sales of fixed asset	155,544,481	-	-	-
Purchases of goods	618,910,612	584,980,796	(182,793,171)	(383,094,650)
Purchase of service	28,714,697,366	23,787,314,567	(9,378,428,200)	(10,005,161,483)
Management fee	480,000,000	1,440,000,000	-	(1,584,000,000)

VinaCafé Bien Hoa Joint Stock Company

Notes to the separate financial statements for the year ended 31 December 2019 (continued)

Form B 09 – DN

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

	Transaction value		Receivables/(payables) as at	
	2019 VND	2018 VND	31/12/2019 VND	1/1/2019 VND
Vinh Hao Mineral Water Corporation				
Sales of goods and services	20,042,719,830	36,471,500	-	-
Purchases of goods	135,225,318,819	195,937,259,989	(54,170,470,455)	(28,134,478,637)
Purchases of service	74,163,238,704	98,671,200,000	(25,595,033,587)	(34,246,994,866)
Masan MB One Member Company Limited				
Sales of goods and services	18,429,305,391	98,666,428	-	2,240,000
Purchases of goods	51,700,000	-	-	-
Subsidiary				
Café De Nam Joint stock Company				
Sales of goods	107,149,915	846,278,011	98,335,996	814,655,165
Sales of services	927,935,100	913,113,267	315,769,410	847,766,994
Purchases of goods	13,431,026	2,333,777,820	-	-
Loans receivable	5,000,000,000	4,000,000,000	125,000,000,000	120,000,000,000
Interest income from loans	8,052,698,628	7,716,123,286	25,846,606,845	17,793,908,217
Key management personnel				
Remunerations	7,067,379,527	3,580,261,904	-	-

VinaCafé Bien Hoa Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2019 (continued)

Form B 09 – DN

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

22 January 2020

Prepared by:



Nguyen Thi Ngoc Tram
General Accountant

Approved by:



Phan Thi Thuy Hoa
Chief Accountant



Doan Quoc Hung
Chief Executive Officer