



VinaCafé Bien Hoa Joint Stock Company

Separate Interim Financial Statements
for the six-month period ended 30 June 2020

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 13 July 2020. The Enterprise Registration Certificate and its amendments were issued by the Department of Planning and Investment of Dong Nai Province.

Board of Directors

Pham Hong Son	Chairman (from 23 June 2020) Member (until 23 June 2020)
Pham Quang Vu	Chairman (until 23 June 2020)
Nguyen Hoang Yen	Member
Truong Cong Thang	Member
Huynh Cong Hoan	Member (from 23 June 2020)
Ho Thuy Hanh	Member (from 23 June 2020)
Pham Dinh Toai	Member (until 23 June 2020)
Nguyen Nam Hai	Member (until 23 June 2020)

Board of Management

Doan Quoc Hung	Chief Executive Officer
Nguyen Thanh Tung	Deputy Chief Executive Officer

Registered Office

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

Auditor

KPMG Limited
Vietnam

VinaCafé Bien Hoa Joint Stock Company Statement of the Board of Management

The Board of Management of VinaCafé Bien Hoa Joint Stock Company (“the Company”) presents this statement and the accompanying separate interim financial statements of the Company for the six-month period ended 30 June 2020.

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

- (a) the separate interim financial statements set out on pages 5 to 39 give a true and fair view of the separate financial position of the Company as at 30 June 2020, and of its separate results of operations and its separate cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Company will not be able to pay its debts as and when they fall due.

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



On behalf of the Board of Management

Doan Quoc Hung
Chief Executive Officer

Dong Nai Province, 12 August 2020



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

INTERIM FINANCIAL INFORMATION REVIEW REPORT

To the Shareholders VinaCafé Bien Hoa Joint Stock Company

We have reviewed the accompanying separate interim financial statements of VinaCafé Bien Hoa Joint Stock Company (“the Company”), which comprise the separate balance sheet as at 30 June 2020, the separate statements of income and cash flows for the six-month period then ended and the explanatory notes thereto, which were authorised for issue by the Company’s Board of Management on 12 August 2020, as set out on pages 5 to 39.

Management’s Responsibility

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

Auditor’s Responsibility

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

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



Auditor's Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying separate interim financial statements do not give a true and fair view, in all material respects, of the separate financial position of VinaCafé Bien Hoa Joint Stock Company as at 30 June 2020 and of its separate results of operations and its separate cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting.

KPMG Limited's Branch in Ho Chi Minh City

Vietnam

Review Report No.: 20-01-00301-20-1



Truong Vinh Phuc
Practicing Auditor Registration
Certificate No. 1901-2018-007-1
Deputy General Director

Nguyen Thanh Nghi
Practicing Auditor Registration
Certificate No. 0304-2018-007-1

Ho Chi Minh City, 12 August 2020

VinaCafé Bien Hoa Joint Stock Company
Separate balance sheet as at 30 June 2020

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

	Code	Note	30/6/2020 VND	1/1/2020 VND
ASSETS				
Current assets (100 = 110 + 130 + 140 + 150)	100		1,174,892,908,875	1,635,728,210,740
Cash and cash equivalents	110	7	36,984,596,201	217,859,292,317
Cash	111		28,484,596,201	50,859,292,317
Cash equivalents	112		8,500,000,000	167,000,000,000
Accounts receivable – short-term	130		824,626,595,861	1,213,245,660,872
Accounts receivable from customers	131	8	154,049,591,716	1,207,936,039,891
Prepayments to suppliers	132		185,370,526	2,281,018,986
Other short-term receivables	136	9(a)	670,391,633,619	3,028,601,995
Inventories	140	10	312,445,962,840	203,851,048,072
Inventories	141		312,498,026,247	204,841,529,697
Allowance for inventories	149		(52,063,407)	(990,481,625)
Other current assets	150		835,753,973	772,209,479
Short-term prepaid expenses	151		835,753,973	772,209,479

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

VinaCafé Bien Hoa Joint Stock Company
Separate balance sheet as at 30 June 2020 (continued)

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

	Code	Note	30/6/2020 VND	1/1/2020 VND
Long-term assets (200 = 210 + 220 + 240 + 250 + 260)	200		1,234,790,690,510	636,764,742,506
Accounts receivable – long-term	210		769,648,182,186	150,851,606,845
Long-term loans receivable	215	11	725,000,000,000	125,000,000,000
Other long-term receivables	216	9(b)	44,648,182,186	25,851,606,845
Fixed assets	220		435,025,648,166	460,780,053,457
Tangible fixed assets	221	12	434,654,515,589	460,347,065,452
<i>Cost</i>	222		1,007,699,452,250	1,004,453,262,618
<i>Accumulated depreciation</i>	223		(573,044,936,661)	(544,106,197,166)
Intangible fixed assets	227	13	371,132,577	432,988,005
<i>Cost</i>	228		1,880,358,879	1,880,358,879
<i>Accumulated amortisation</i>	229		(1,509,226,302)	(1,447,370,874)
Long-term work in progress	240		7,242,300,969	1,699,576,081
Construction in progress	242	14	7,242,300,969	1,699,576,081
Long-term financial investments	250	15	-	-
Investment in a subsidiary	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)	(35,000,000,000)
Other long-term assets	260		22,874,559,189	23,433,506,123
Long-term prepaid expenses	261	16	19,371,425,770	20,521,378,623
Deferred tax assets	262	17	3,503,133,419	2,912,127,500
TOTAL ASSETS (270 = 100 + 200)	270		2,409,683,599,385	2,272,492,953,246

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

VinaCafé Bien Hoa Joint Stock Company
Separate balance sheet as at 30 June 2020 (continued)

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

	Code	Note	30/6/2020 VND	1/1/2020 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		649,561,728,171	782,417,628,889
Current liabilities	310		644,252,920,171	777,301,551,639
Accounts payable to suppliers	311	18	172,560,836,652	295,196,793,342
Advances from customers	312		1,514,699,074	1,433,428,343
Taxes payable to State Treasury	313	19	109,959,743,851	82,148,445,732
Payables to employees	314		3,642,759,107	-
Accrued expenses	315	20	30,790,510,762	27,259,470,167
Other short-term payables	319	21(a)	5,228,703,544	4,824,875,761
Short-term borrowings	320	22	299,523,769,723	345,406,640,836
Bonus and welfare funds	322		21,031,897,458	21,031,897,458
Long-term liabilities	330		5,308,808,000	5,116,077,250
Other long-term payables	337	21(b)	279,450,000	279,450,000
Provisions – long-term	342		5,029,358,000	4,836,627,250
EQUITY (400 = 410)	400		1,760,121,871,214	1,490,075,324,357
Owners' equity	410	23	1,760,121,871,214	1,490,075,324,357
Share capital	411	24	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	24	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		1,250,845,430,299	980,798,883,442
- Undistributed profits after tax brought forward	421a		980,798,883,442	310,374,832,037
- Undistributed profit after tax for the current period/prior year	421b		270,046,546,857	670,424,051,405
TOTAL RESOURCES (440 = 300 + 400)	440		2,409,683,599,385	2,272,492,953,246

12 August 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 interim financial statements

VinaCafé Bien Hoa Joint Stock Company

Separate statement of income for the six-month period ended 30 June 2020

Form B 02a – DN

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

	Code	Note	Six-month period ended	
			30/6/2020 VND	30/6/2019 VND
Revenue from sale of goods and provision of services	01	26	1,151,153,366,598	1,242,669,609,935
Revenue deductions	02	26	463,541,383	835,447,524
Net revenue (10 = 01 - 02)	10	26	1,150,689,825,215	1,241,834,162,411
Cost of sales	11	27	810,907,429,609	886,696,712,485
Gross profit (20 = 10 - 11)	20		339,782,395,606	355,137,449,926
Financial income	21	28	27,925,920,789	8,527,243,759
Financial expenses	22	29	15,287,930,378	20,366,594,173
<i>In which: Interest expense</i>	23		7,894,573,862	11,104,792,789
Selling expenses	25	30	2,299,230,616	7,852,231,065
General and administration expenses	26	31	12,476,382,516	16,711,707,600
Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		337,644,772,885	318,734,160,847
Other income	31		163	50,004
Other expenses	32		49,800	27,266,624
Results of other activities (40 = 31 - 32)	40		(49,637)	(27,216,620)
Accounting profit before tax (50 = 30 + 40)	50		337,644,723,248	318,706,944,227
Income tax expense – current	51	33	68,189,182,310	55,917,536,682
Income tax benefit – deferred	52	33	(591,005,919)	(1,530,212,118)
Net profit after tax (60 = 50 - 51 - 52)	60		270,046,546,857	264,319,619,663

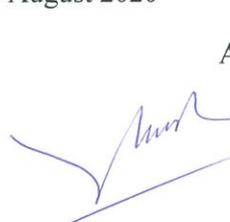
12 August 2020

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 interim financial statements

VinaCafé Bien Hoa Joint Stock Company
Separate statement of cash flows for the six-month period ended 30 June 2020
(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	
		30/6/2020 VND	30/6/2019 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounting profit before tax	01	337,644,723,248	318,706,944,227
Adjustments for			
Depreciation and amortisation	02	29,000,594,923	36,053,294,180
Allowances and provisions	03	574,696,568	9,603,750,063
Exchange gains arising from revaluation of monetary items dominated in foreign currencies	04	(902,434,165)	(240,102,676)
Profits from investing activities	05	(26,867,601,857)	(7,887,831,045)
Interest expense	06	7,894,573,862	11,104,792,789
Operating profit before changes in working capital	08	347,344,552,579	367,340,847,538
Change in receivables and other assets	09	1,057,827,978,099	12,714,510,555
Change in inventories	10	(108,976,880,586)	(39,337,975,646)
Change in payables and other liabilities	11	(92,925,087,715)	(157,353,198,427)
Change in prepaid expenses	12	2,194,580,359	1,507,721,813
		1,205,465,142,736	184,871,905,833
Interest paid	14	(9,468,397,777)	(12,115,539,238)
Corporate income tax paid	15	(60,929,582,793)	(49,970,388,896)
Net cash flows from operating activities	20	1,135,067,162,166	122,785,977,699
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets and other long-term assets	21	(9,077,543,720)	(5,996,815,246)
Proceeds from disposals of fixed assets	22	-	131,515,158
Payments for granting loans	23	(600,000,000,000)	(5,000,000,000)
Placement of other investments	23	(920,000,000,000)	-
Withdrawal of other investments	24	250,000,000,000	-
Receipts of interest	27	8,117,026,517	4,173,570,427
Net cash flows from investing activities	30	(1,270,960,517,203)	(6,691,729,661)

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

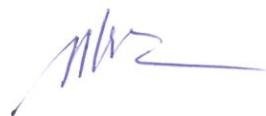
VinaCafé Bien Hoa Joint Stock Company
Separate statement of cash flows for the six-month period ended 30 June 2020
(Indirect method – continued)

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	
		30/6/2020 VND	30/6/2019 VND
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	33	583,463,961,096	670,460,139,045
Payments to settle loan principals	34	(629,346,832,209)	(796,233,809,294)
Payments of dividends	36	-	(170,742,000)
Net cash flows from financing activities	40	(45,882,871,113)	(125,944,412,249)
Net cash flows during the period (50 = 20 + 30 + 40)	50	(181,776,226,150)	(9,850,164,211)
Cash and cash equivalents at the beginning of the period	60	217,859,292,317	194,188,479,024
Effect of exchange rate fluctuations on cash and cash equivalents	61	901,530,034	279,585,110
Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61)	70	36,984,596,201	184,617,899,923

12 August 2020

Prepared by:



Nguyen Thi Ngoc Tram
General Accountant

Approved by:



Phan Thi Thuy Hoa
Chief Accountant



Đoan Quốc Hưng
Chief Executive Officer

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

VinaCafé Bien Hoa Joint Stock Company
Notes to the separate interim financial statements for the six-month period ended
30 June 2020

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 interim financial statements.

1. Reporting entity

(a) Ownership structure

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

(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’s structure

As at 30 June 2020, the Company had 265 employees (1/1/2020: 281 employees).

As at 30 June 2020, the Company had 1 subsidiary (1/1/2020: 1 subsidiary) as listed in Note 15.

VinaCafé Bien Hoa Joint Stock Company
Notes to the separate interim financial statements for the six-month period ended
30 June 2020 (continued)

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

2. Basis of preparation

(a) Statement of compliance

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

(b) Basis of measurement

These separate interim 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 interim financial statements are prepared for the six-month period ended 30 June 2020.

(d) Accounting and presentation currency

The Company's accounting currency is Vietnam Dong ("VND"), which is also the currency used for financial statements presentation purposes.

(e) Corresponding figures

The corresponding figures as at 1 January 2020 were brought forward from the audited figures as at 31 December 2019.

3. Summary of significant accounting policies

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

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

VinaCafé Bien Hoa Joint Stock Company
Notes to the separate interim financial statements for the six-month period ended
30 June 2020 (continued)

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

(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 the accounting period quoted by the commercial bank where the Company most frequently conducts 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 amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(c) Investment in a subsidiary

For the purpose of these separate interim financial statements, investment in a subsidiary is 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 subsidiary 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 subsidiary 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.

(d) Accounts receivable from customers and other receivables

Accounts receivable from customers 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 direct selling expenses.

The Company applies the perpetual method of accounting for inventories.

VinaCafé Bien Hoa Joint Stock Company
Notes to the separate interim financial statements for the six-month period ended
30 June 2020 (continued)

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

(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, maintenance and overhaul cost, is charged to the separate statement of income in the period in which the cost is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

(ii) Depreciation

Depreciation is computed on a straight-line basis over the estimated useful lives of tangible fixed assets. The estimated useful lives are as follows:

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

(g) Intangible fixed assets

(i) Software

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

(ii) Brand name

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

VinaCafé Bien Hoa Joint Stock Company
Notes to the separate interim financial statements for the six-month period ended
30 June 2020 (continued)

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

(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. Costs of tools and supplies are amortised on a straight-line basis over a period ranging from 2 years to 3 years.

(j) Accounts payable to suppliers and other payables

Accounts payable to suppliers 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 end of the accounting period. For the purpose of determining the number of years of service by an employee, the period for which the employee participated in and contributed to unemployment insurance in accordance with prevailing laws and regulations and the period for which severance allowance has been paid by the Company are excluded.

VinaCafé Bien Hoa Joint Stock Company
Notes to the separate interim financial statements for the six-month period ended
30 June 2020 (continued)

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

(l) Share capital and share premium

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

(m) Taxation

Income tax on the separate profit or 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 in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted at the end of the accounting period, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities using tax rates enacted or substantively enacted at the end of the accounting period.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(n) Revenue

(i) Sale of goods

Revenue from sale 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 sale of goods is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods. Revenue from sale of goods is recognised at the net amount after deducting sales discounts stated on the invoice.

(ii) Provision of services

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

VinaCafé Bien Hoa Joint Stock Company
Notes to the separate interim financial statements for the six-month period ended
30 June 2020 (continued)

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

(iii) Processing services

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

(iv) Rental income

Rental income from leased property is recognised in the 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.

(o) Financial income and financial expenses

(i) Financial income

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

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

(ii) Financial expenses

Financial expenses comprise interest expense on borrowings, allowance for diminution in value of investment in a subsidiary and foreign exchange losses.

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

(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 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.

VinaCafé Bien Hoa Joint Stock Company
Notes to the separate interim financial statements for the six-month period ended
30 June 2020 (continued)

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

4. Seasonality of operations

Total revenue of the Company typically increases in the fourth quarter of each year as distributors prepare for an anticipated increase in consumer demand in the months leading up to the Tet (Lunar New Year) holidays, which occur in the first quarter of each year. Accordingly, the Company typically increases the production of coffee, cereals and no-alcoholic drinks products in the fourth quarter of each year to boost sales during the period leading to the festive season.

5. Changes in accounting estimates

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

6. Changes in the composition of the Company

There was no change in the composition of the Company since the end of the last annual accounting period which affect the Company's separate interim financial statements for the six-month period ended 30 June 2020.

7. Cash and cash equivalents

	30/6/2020	1/1/2020
	VND	VND
Cash on hand	23,940,259	65,403,819
Cash at banks	28,460,655,942	50,793,888,498
Cash equivalents	8,500,000,000	167,000,000,000
	<hr/>	<hr/>
	36,984,596,201	217,859,292,317
	<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 interim financial statements for the six-month period ended
30 June 2020 (continued)

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

8. Accounts receivable from customers

	30/6/2020	1/1/2020
	VND	VND
Receivable from related parties	146,981,243,516	1,178,428,138,219
Receivable from third parties	7,068,348,200	29,507,901,672
	<hr/>	<hr/>
	154,049,591,716	1,207,936,039,891
	<hr/>	<hr/>

Please see Note 34 for balances between the Company and its related parties. The trade related amounts due from related parties were unsecured, interest free and are receivable within 90 days from invoice date.

9. Other receivables

(a) Other short-term receivables

	30/6/2020	1/1/2020
	VND	VND
Short-term deposits (*)	670,167,000,000	2,337,656,100
Accrued interest receivable from deposits at banks	20,027,397	185,342,466
Others	204,606,222	505,603,429
	<hr/>	<hr/>
	670,391,633,619	3,028,601,995
	<hr/>	<hr/>

(*) Included in short-term deposits as at 30 June 2020 was VND670,000 million of deposits paid to a third party for the investments in business cooperation contracts (1/1/2020: nil).

(b) Other long-term receivables

	30/6/2020	1/1/2020
	VND	VND
Accrued interest receivable from a subsidiary (**)	29,897,976,707	25,846,606,845
Accrued interest receivable from a related party (**)	14,745,205,479	-
Long-term deposits	5,000,000	5,000,000
	<hr/>	<hr/>
	44,648,182,186	25,851,606,845
	<hr/>	<hr/>

VinaCafé Bien Hoa Joint Stock Company
Notes to the separate interim financial statements for the six-month period ended
30 June 2020 (continued)

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

(**) These represented interest income receivable from loans provided to a subsidiary and a related party. Please see Notes 11 and 34 for further information.

10. Inventories

	30/6/2020		1/1/2020	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Goods in transit	11,500,703,061	-	3,392,741,499	-
Raw materials	210,362,689,395	(52,063,407)	147,754,994,919	(225,704,420)
Tools and supplies	8,301,138,428	-	8,906,182,488	(764,777,205)
Finished goods	82,243,985,318	-	44,642,777,739	-
Merchandise inventories	89,510,045	-	144,833,052	-
	312,498,026,247	(52,063,407)	204,841,529,697	(990,481,625)

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

	Six-month period ended	
	30/6/2020 VND	30/6/2019 VND
Opening balance	990,481,625	1,294,019,791
Increase in allowance during the period	381,965,818	2,192,443,039
Allowance utilised during the period	(1,320,384,036)	(1,922,836,038)
Closing balance	52,063,407	1,563,626,792

Included in inventories of the Company as at 30 June 2020 were VND52 million (1/1/2020: VND990 million) of slow-moving inventories.

VinaCafé Bien Hoa Joint Stock Company
Notes to the separate interim financial statements for the six-month period ended
30 June 2020 (continued)

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

11. Long-term loans receivable

	30/6/2020	1/1/2020
	VND	VND
Long-term loans receivable from a subsidiary (*)	125,000,000,000	125,000,000,000
Long-term loans receivable from a related party (**)	600,000,000,000	-
	<hr/>	
	725,000,000,000	125,000,000,000
	<hr/>	

(*) Please see Note 34 for balances between the Company and a subsidiary. The long-term loans receivable from a subsidiary was unsecured, earned fixed interest rate at 6.5% per annum as at 30 June 2020 (1/1/2020: 6.5% per annum) and matures on 31 December 2022. The interest is receivable on the maturity of the loan agreement.

(**) Please see Note 34 for balances between the Company and a related party. The long-term loans receivable from a related party was unsecured, earned fixed interest rate at 6.5% per annum as at 30 June 2020 (1/1/2020: nil) and matures on 31 December 2022. The interest is receivable on the maturity of the loan agreement.

VinaCafé Bien Hoa Joint Stock Company

Notes to the separate interim financial statements for the six-month period ended 30 June 2020 (continued)

Form B 09a – DN

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

12. Tangible fixed assets

	Buildings and structures VND	Machinery and equipment VND	Office equipment VND	Motor vehicles VND	Total VND
Cost					
Opening balance	203,391,022,636	790,427,183,744	6,237,569,003	4,397,487,235	1,004,453,262,618
Transfer from construction in progress	-	3,246,189,632	-	-	3,246,189,632
Closing balance	203,391,022,636	793,673,373,376	6,237,569,003	4,397,487,235	1,007,699,452,250
Accumulated depreciation					
Opening balance	73,831,982,997	463,098,793,905	3,477,550,330	3,697,869,934	544,106,197,166
Charge for the period	5,191,382,481	23,416,742,098	255,535,308	75,079,608	28,938,739,495
Closing balance	79,023,365,478	486,515,536,003	3,733,085,638	3,772,949,542	573,044,936,661
Net book value					
Opening balance	129,559,039,639	327,328,389,839	2,760,018,673	699,617,301	460,347,065,452
Closing balance	124,367,657,158	307,157,837,373	2,504,483,365	624,537,693	434,654,515,589

Included in tangible fixed assets were assets costing VND278,889 million which were fully depreciated as of 30 June 2020 (1/1/2020: VND272,352 million), but which are still in active use.

VinaCafé Bien Hoa Joint Stock Company
Notes to the separate interim financial statements for the six-month period ended
30 June 2020 (continued)

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

13. 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	443,297,234	1,447,370,874
Charge for the period	-	61,855,428	61,855,428
Closing balance	1,004,073,640	505,152,662	1,509,226,302
Net book value			
Opening balance	-	432,988,005	432,988,005
Closing balance	-	371,132,577	371,132,577

Included in intangible fixed assets were assets costing VND1,004 million which were fully amortised as of 30 June 2020 (1/1/2020: VND1,004 million), but which are still in active use.

14. Construction in progress

	Six-month period ended 30/6/2020 VND
Opening balance	1,699,576,081
Additions during the period	9,897,086,520
Transfer to tangible fixed assets	(3,246,189,632)
Transfer to long-term prepaid expenses	(1,108,172,000)
Closing balance	7,242,300,969

Major constructions in progress were as follows:

	30/6/2020 VND	1/1/2020 VND
Machinery and equipment	6,243,585,969	1,699,576,081
Others	998,715,000	-
	7,242,300,969	1,699,576,081

VinaCafé Bien Hoa Joint Stock Company**Notes to the separate interim financial statements for the six-month period ended 30 June 2020 (continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***15. Long-term financial investments**

	30/6/2020			1/1/2020		
	% of economic interests and voting rights	Cost VND	Allowance for diminution in value VND	% of economic interests and voting rights	Cost VND	Allowance for diminution in value VND
Café De Nam Joint Stock Company	85%	35,000,000,000	(35,000,000,000)	85%	35,000,000,000	(35,000,000,000)

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

Café De Nam Joint Stock Company (“CDN”) was established in Vietnam in accordance with Enterprise Registration Certificate No. 0312062467 issued by the Department of Planning and Investment of Ho Chi Minh City on 22 November 2012. The enterprise registration certificate of CDN has been amended several times, the most recent of which is dated 28 February 2020 issued by the Department of Planning and Investment of Dong Nai Province. The principal activities of CDN are to manufacture and trade coffee, automatic coffee maker machine. Please refer to Note 34 to the separate interim financial statements for information about significant transactions between the Company and CDN.



VinaCafé Bien Hoa Joint Stock Company
Notes to the separate interim financial statements for the six-month period ended
30 June 2020 (continued)

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

16. Long-term prepaid expenses

	Prepaid land costs VND	Tools and supplies VND	Total VND
Opening balance	14,097,581,429	6,423,797,194	20,521,378,623
Additions during the period	-	86,329,000	86,329,000
Transfer from construction in progress	-	1,108,172,000	1,108,172,000
Amortisation for the period	(201,394,020)	(2,143,059,833)	(2,344,453,853)
Closing balance	13,896,187,409	5,475,238,361	19,371,425,770

17. Deferred tax assets

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

	30/6/2020 VND	1/1/2020 VND
Other accruals	3,503,133,419	2,912,127,500

18. Accounts payable to suppliers

	30/6/2020 Cost/Amount within payment capacity VND	1/1/2020 Cost/Amount within payment capacity VND
Payable to third parties	120,080,568,154	207,833,154,202
Payable to related parties	52,480,268,498	87,363,639,140
	172,560,836,652	295,196,793,342

Please see Note 34 for balances between the Company and the related parties. The trade related amounts due to related parties were unsecured, interest free and are payable within 90 days from invoice date.

VinaCafé Bien Hoa Joint Stock Company

Notes to the separate interim financial statements for the six-month period ended 30 June 2020 (continued)

Form B 09a – DN

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

19. Taxes payable to State Treasury

	1/1/2020 VND	Incurred VND	Paid VND	Deducted/Refunded VND	30/6/2020 VND
Corporate income tax	66,516,248,108	68,189,182,310	(60,929,582,793)	-	73,775,847,625
Value added tax	15,484,919,988	110,868,081,721	(27,190,431,346)	(63,103,035,651)	36,059,534,712
Personal income tax	147,277,636	1,393,499,850	(1,416,415,972)	-	124,361,514
Import-export tax	-	582,640,261	(582,640,261)	-	-
Other taxes	-	5,605,723,409	(5,605,723,409)	-	-
	82,148,445,732	186,639,127,551	(95,724,793,781)	(63,103,035,651)	109,959,743,851

VinaCafé Bien Hoa Joint Stock Company
Notes to the separate interim financial statements for the six-month period ended
30 June 2020 (continued)

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

20. Accrued expenses

	30/6/2020	1/1/2020
	VND	VND
Purchases not yet received invoices	9,877,856,879	4,106,896,652
Accrued processing fees	7,627,728,052	826,373,453
Bonus and 13 th month salary	7,591,891,966	11,801,070,165
Logistic expense	872,948,774	1,057,947,193
Accrued interest expense	762,238,907	2,336,062,822
Construction in progress	163,398,000	89,600,000
Others	3,894,448,184	7,041,519,882
	<hr/>	<hr/>
	30,790,510,762	27,259,470,167
	<hr/>	<hr/>

21. Other payables

(a) Other short-term payables

	30/6/2020	1/1/2020
	VND	VND
Other payables to a related party (*)	2,199,031,491	1,963,086,273
Dividend payable	1,884,690,000	1,884,690,000
Short-term deposits received	397,998,300	289,442,500
Social insurance, health insurance, unemployment insurance and trade union fees	213,191,115	217,655,601
Others	533,792,638	470,001,387
	<hr/>	<hr/>
	5,228,703,544	4,824,875,761
	<hr/>	<hr/>

(*) The non-trade related amounts due to a related party were unsecured, interest free and are payable at call.

(b) Other long-term payables

	30/6/2020	1/1/2020
	VND	VND
Long-term deposits received	279,450,000	279,450,000
	<hr/>	<hr/>

VinaCafé Bien Hoa Joint Stock Company
Notes to the separate interim financial statements for the six-month period ended
30 June 2020 (continued)

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

22. Short-term borrowings

	1/1/2020 Carrying amount/Amount within repayment capacity VND	Movements during the period		30/6/2020 Carrying amount/Amount within repayment capacity VND
		Addition VND	Decrease VND	
Short-term borrowings	345,406,640,836	583,463,961,096	(629,346,832,209)	299,523,769,723

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

	Currency	Annual interest rate	30/6/2020 VND	1/1/2020 VND
Unsecured bank loan	VND	4.6% - 4.9%	299,523,769,723	345,406,640,836

As at 30 June 2020 and 1 January 2020, the Company does not have any overdue borrowings including principal and interest.

VinaCafé Bien Hoa Joint Stock Company

Notes to the separate interim financial statements for the six-month period ended 30 June 2020 (continued)

Form B 09a – DN

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

23. 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 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 period	-	-	-	264,319,619,663	264,319,619,663
Balance as at 30 June 2019	265,791,350,000	29,974,241,968	213,510,848,947	1,212,593,691,700	1,721,870,132,615
Balance as at 1 January 2020	265,791,350,000	29,974,241,968	213,510,848,947	980,798,883,442	1,490,075,324,357
Net profit for the period	-	-	-	270,046,546,857	270,046,546,857
Balance as at 30 June 2020	265,791,350,000	29,974,241,968	213,510,848,947	1,250,845,430,299	1,760,121,871,214

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

VinaCafé Bien Hoa Joint Stock Company
Notes to the separate interim financial statements for the six-month period ended
30 June 2020 (continued)

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

24. Share capital and share premium

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

	30/6/2020		1/1/2020	
	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 dividend as declared from time to time. All ordinary shares are ranked equally with regard to the Company's residual assets. In respect of shares bought back by the Company, all rights are suspended until those shares are reissued.

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

There were no movements of share capital during the period.

VinaCafé Bien Hoa Joint Stock Company
Notes to the separate interim financial statements for the six-month period ended
30 June 2020 (continued)

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

25. Off balance sheet items

(a) Lease commitments

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

	30/6/2020	1/1/2020
	VND	VND
Within 1 year	3,712,320,000	-
Within 2 to 5 years	382,200,000	-
	<hr/>	
	4,094,520,000	-
	<hr/>	

(b) Foreign currency

	30/6/2020		1/1/2020	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	90,441	2,091,530,472	1,638,521	37,866,230,016
	<hr/>			

(c) Capital expenditure commitments

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

	30/6/2020	1/1/2020
	VND	VND
Approved but not contracted	2,444,624,200	7,973,760,744
Approved and contracted	1,698,712,280	2,983,051,375
	<hr/>	
	4,143,336,480	10,956,812,119
	<hr/>	

VinaCafé Bien Hoa Joint Stock Company
Notes to the separate interim financial statements for the six-month period ended
30 June 2020 (continued)

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

26. Revenue from sale of goods and provision of services

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

Net revenue comprised:

	Six-month period ended	
	30/6/2020	30/6/2019
	VND	VND
Total revenue		
▪ Sale of goods and provision of services	1,148,598,974,682	1,224,360,139,738
▪ Other sales	2,554,391,916	18,309,470,197
	1,151,153,366,598	1,242,669,609,935
Less revenue deductions		
▪ Sales returns	463,541,383	835,447,524
	1,150,689,825,215	1,241,834,162,411
Net revenue	1,150,689,825,215	1,241,834,162,411

27. Cost of sales

	Six-month period ended	
	30/6/2020	30/6/2019
	VND	VND
Total cost of sales		
▪ Goods sold and services rendered	805,357,571,738	873,539,458,588
▪ Other cost of sales	5,167,892,053	10,964,810,858
▪ Allowance for inventories	381,965,818	2,192,443,039
	810,907,429,609	886,696,712,485
	810,907,429,609	886,696,712,485

VinaCafé Bien Hoa Joint Stock Company
Notes to the separate interim financial statements for the six-month period ended
30 June 2020 (continued)

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

28. Financial income

	Six-month period ended	
	30/6/2020	30/6/2019
	VND	VND
Interest income from deposits at banks and other investments	8,071,026,516	3,953,634,726
Interest income from loans provided to a subsidiary	4,051,369,862	3,956,808,218
Interest income from loans provided to a related party	14,745,205,479	-
Foreign exchange gains	1,058,318,932	616,800,815
	<hr/>	<hr/>
	27,925,920,789	8,527,243,759
	<hr/>	<hr/>

29. Financial expenses

	Six-month period ended	
	30/6/2020	30/6/2019
	VND	VND
Interest expense	7,894,573,862	11,104,792,789
Allowance for diminution in value of investment in a subsidiary	-	8,818,763,024
Foreign exchange losses	104,328,786	443,038,360
Others	7,289,027,730	-
	<hr/>	<hr/>
	15,287,930,378	20,366,594,173
	<hr/>	<hr/>

30. Selling expenses

	Six-month period ended	
	30/6/2020	30/6/2019
	VND	VND
Logistics expense	1,049,431,335	3,201,383,549
Staff costs	166,122,542	348,132,000
Advertising and promotion expenses	67,865,226	3,401,360,330
Others	1,015,811,513	901,355,186
	<hr/>	<hr/>
	2,299,230,616	7,852,231,065
	<hr/>	<hr/>

VinaCafé Bien Hoa Joint Stock Company
Notes to the separate interim financial statements for the six-month period ended
30 June 2020 (continued)

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

31. General and administration expenses

	Six-month period ended	
	30/6/2020	30/6/2019
	VND	VND
Staff costs	5,471,272,519	11,160,983,875
Management fee	1,786,170,000	480,000,000
Research and development expenses	133,972,549	389,716,391
Depreciation and amortisation of fixed assets	297,289,884	305,563,720
System lease line and information technology services	56,274,084	159,697,005
Others	4,731,403,480	4,215,746,609
	<hr/>	<hr/>
	12,476,382,516	16,711,707,600
	<hr/>	<hr/>

32. Production and business costs by elements

	Six-month period ended	
	30/6/2020	30/6/2019
	VND	VND
Raw material costs included in production costs	672,426,923,392	735,161,236,693
Labour and staff costs	44,646,613,800	49,324,636,267
Depreciation and amortisation	29,000,594,923	36,053,294,180
Outside services	59,602,423,472	61,755,860,534
Others	20,006,487,154	28,965,623,476
	<hr/>	<hr/>

VinaCafé Bien Hoa Joint Stock Company
Notes to the separate interim financial statements for the six-month period ended
30 June 2020 (continued)

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

33. Income tax

(a) Recognised in the separate statement of income

	Six-month period ended	
	30/6/2020	30/6/2019
	VND	VND
Current tax expense		
Current period	68,189,182,310	55,917,536,682
Deferred tax benefit		
Origination and reversal of temporary differences	(591,005,919)	(750,371,774)
Effect of change in tax rate	-	(779,840,344)
	(591,005,919)	(1,530,212,118)
Income tax expense	67,598,176,391	54,387,324,564

(b) Reconciliation of effective tax rate

	Six-month period ended	
	30/6/2020	30/6/2019
	VND	VND
Accounting profit before tax	337,644,723,248	318,706,944,227
Tax at the Company's tax rate	67,528,944,650	63,741,388,845
Effect of change in tax rate	-	(779,840,344)
Non-deductible expenses	69,231,741	29,714,811
Effect of different tax rate applied to expansion project	-	(8,603,938,748)
	67,598,176,391	54,387,324,564

VinaCafé Bien Hoa Joint Stock Company
Notes to the separate interim financial statements for the six-month period ended
30 June 2020 (continued)

Form B 09a – DN

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

(c) Applicable tax rates

According to the corporate income tax law and the Law on encouragement of domestic investment, the Company has an obligation to pay the government corporate income tax at the incentive tax rate of 15% of taxable profits for the first twelve years (2005 to 2016) since the Company is a joint stock company which was converted from a state-owned enterprise before 2006. The Company is also exempted from corporate income tax for three years starting from the first year it generates taxable profits (2005 to 2007) and entitled to a 50% reduction in corporate income tax for seven succeeding years (2008 to 2014). All the above tax incentives are not applicable to other incomes and taxable profits from expansion project, which are subject to the usual corporate income tax rate.

The Company obtained an Investment Licence No. 47221000778 on 24 December 2009 for Bien Hoa II Coffee Manufacturing Factory based in Long Thanh District, Dong Nai Province (“Long Thanh Factory”). According to the first amended Investment Licence, taxable profits generated from Long Thanh Factory will be subject to the usual corporate income tax rate and is eligible to apply the tax exemption and reduction year as follows:

- Exempted from corporate income tax for two years starting from the first year Long Thanh Factory generates taxable profits (2014 to 2015); and
- Entitled to a 50% reduction in corporate income tax for four succeeding years (2016 to 2019).

The usual corporate income tax rate applicable to enterprises before any incentives is 20%.

(d) Tax contingencies

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

VinaCafé Bien Hoa Joint Stock Company
Notes to the separate interim financial statements for the six-month period ended
30 June 2020 (continued)

Form B 09a – DN

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

34. Significant transactions and balances with related parties

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

	Transaction value		Receivables/ (payables) as at	
	30/6/2020	30/6/2019	30/6/2020	1/1/2020
	VND	VND	VND	VND
Parent of the parent company				
Masan Consumer Corporation				
Purchases of goods	45,683,638,929	29,978,502,525	-	-
Sales of goods	989,449,152,554	1,130,233,746,067	74,674,484,602	1,054,136,253,023
Sales of services	99,126,300,000	11,506,236,000	71,645,612,918	123,797,050,300
Other related parties				
Masan Industrial One Member Company Limited				
Sales of goods	315,986,040	527,290,710	-	-
Purchases of goods	1,362,409,940	285,157,636	(1,098,352,581)	(182,793,171)
Purchases of services	17,221,639,736	14,477,129,262	(13,705,539,654)	(9,378,428,200)
Management fee	1,786,170,000	480,000,000	(1,786,170,000)	-
Sales of fixed assets	-	131,515,158	-	-
Loans provided	600,000,000,000	-	600,000,000,000	-
Interest income from loans receivable	14,745,205,479	-	14,745,205,479	-
Vinh Hao Mineral Water Corporation				
Sales of goods and services	-	20,042,719,830	-	-
Purchases of goods	31,319,347,982	60,594,577,772	(21,886,999,408)	(37,487,475,792)
Purchases of services	21,745,675,584	23,709,431,088	(17,988,408,346)	(42,278,028,250)
Masan MB One Member Company Limited				
Sales of goods and services	8,835,137,040	3,460,743,709	83,968,955	-
Purchases of goods	5,898,662,106	-	-	-
Masan HG One Member Company Limited				
Sales of goods	491,979,501	-	541,177,451	77,369,490

VinaCafé Bien Hoa Joint Stock Company
Notes to the separate interim financial statements for the six-month period ended
30 June 2020 (continued)

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

	Transaction value		Receivables/ (payables) as at	
	Six-month period ended 30/6/2020 VND	30/6/2019 VND	30/6/2020 VND	1/1/2020 VND
Masan HD One Member Company Limited				
Sales of goods	1,980,000	2,036,364	-	3,360,000
Masan Brewery Distribution One Member Company Limited				
Purchases of goods	6,259,091	58,950,000	-	-
Net Detergent Joint Stock Company				
Purchases of goods	8,607,272	-	-	-
Subsidiary Café De Nam Joint Stock Company				
Sales return	(20,564,378)	(4,115,595)	-	-
Sales of goods	-	-	35,999,590	98,335,996
Sales of services	427,248,000	427,248,000	-	315,769,410
Purchases of goods/ (Goods return)	2,929,312,380	(7,048,069)	-	-
Loans provided	-	5,000,000,000	125,000,000,000	125,000,000,000
Interest income from loans receivable	4,051,369,862	3,956,808,218	29,897,976,707	25,846,606,845
Key management personnel				
Remunerations	4,017,734,450	4,115,886,023	-	-

VinaCafé Bien Hoa Joint Stock Company
Notes to the separate interim financial statements for the six-month period ended
30 June 2020 (continued)

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

As at 30 June 2020 and 1 January 2020, the Company has current and term deposit accounts at Vietnam Technological and Commercial Joint Stock Bank at normal trading terms.

12 August 2020

Prepared by:



Nguyen Thi Ngoc Tram
General Accountant

Approved by:



Phan Thi Thuy Hoa
Chief Accountant



CÔNG TY
CỔ PHẦN
VINACAFÉ
BIÊN HÒA
TP. BIÊN HÒA - T. ĐỒNG NAI

Doan Quoc Hung
Chief Executive Officer

