



**VinaCafé Bien Hoa Joint Stock Company
and its subsidiary**

Consolidated Interim Financial Statements
for the six-month period ended 30 June 2022

(

)

VinaCafé Bien Hoa Joint Stock Company
Corporate Information

**Enterprise Registration
Certificate No.**

3600261626

29 December 2004

The Enterprise Registration Certificate has been amended several times, the most recent of which is dated 7 July 2022. The Enterprise Registration Certificate and its amendments were issued by the Department of Planning and Investment of Dong Nai Province.

Board of Directors

Mr. Pham Hong Son	Chairman
Ms. Nguyen Hoang Yen	Member
Mr. Huynh Cong Hoan	Member
Ms. Ho Thuy Hanh	Member

Board of Management

Mr. Doan Quoc Hung	Chief Executive Officer (from 30 June 2022)
Mr. Le Huu - Thang	Chief Executive Officer (until 30 June 2022)

Registered Office

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

Auditor

KPMG Limited
Vietnam

Handwritten signature or stamp in red ink, oriented vertically on the right margin.

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 consolidated interim financial statements of the Company and its subsidiary (collectively referred to as “the Group”) for the six-month period ended 30 June 2022.

The Company’s Board of Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated interim financial statements set out on pages 5 to 43 give a true and fair view of the consolidated financial position of the Group as at 30 June 2022, and of their consolidated results of operations and their consolidated 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 Group 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 consolidated interim financial statements for issue.

On behalf of the Board of Management



[Handwritten signature]
Doan Quoc Hung
Chief Executive Officer

Dong Nai Province, 17 August 2022

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HI NI
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INTERIM FINANCIAL INFORMATION REVIEW REPORT

To the Shareholders VinaCafé Bien Hoa Joint Stock Company

We have reviewed the accompanying consolidated interim financial statements of VinaCafé Bien Hoa Joint Stock Company ("the Company") and its subsidiary (collectively referred to as "the Group"), which comprise the consolidated balance sheet as at 30 June 2022, the consolidated 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 17 August 2022, as set out on pages 5 to 43.

Management's Responsibility

The Company's Board of Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated interim financial statements do not give a true and fair view, in all material respects, of the consolidated financial position of VinaCafé Bien Hoa Joint Stock Company and its subsidiary as at 30 June 2022 and of their consolidated results of operations and their consolidated 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.: 22-01-00306-22-2




Tran Thi Le Hang
Practicing Auditor Registration
Certificate No. 3782-2022-007-1
Deputy General Director



Nguyen Thuy Ninh
Practicing Auditor Registration
Certificate No. 4623-2018-007-1

Ho Chi Minh City, **17-08-2022**

VinaCafé Bien Hoa Joint Stock Company and its subsidiary
Consolidated balance sheet as at 30 June 2022

Form B 01a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	30/6/2022 VND	1/1/2022 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		1,466,070,026,553	1,496,987,596,788
Cash and cash equivalents	110	8	228,550,518,403	1,124,040,455,859
Cash	111		17,550,518,403	14,040,455,859
Cash equivalents	112		211,000,000,000	1,110,000,000,000
Short-term financial investments	120		400,000,000	400,000,000
Held-to-maturity investments	123		400,000,000	400,000,000
Accounts receivable – short-term	130		794,261,718,603	130,526,111,432
Accounts receivable from customers	131	9	281,708,679,712	125,667,638,470
Prepayments to suppliers	132		1,167,031,800	972,863,400
Other short-term receivables	136	10	511,386,007,091	3,885,609,562
Inventories	140	11	433,655,792,923	233,214,952,292
Inventories	141		433,737,974,566	233,859,681,449
Allowance for inventories	149		(82,181,643)	(644,729,157)
Other current assets	150		9,201,996,624	8,806,077,205
Short-term prepaid expenses	151		1,126,053,000	644,014,574
Deductible value added tax	152		8,075,943,624	8,159,499,875
Taxes and other receivables from State Treasury	153		-	2,562,756

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

VinaCafé Bien Hoa Joint Stock Company and its subsidiary
Consolidated balance sheet as at 30 June 2022 (continued)

Form B 01a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	30/6/2022 VND	1/1/2022 VND
Long-term assets (200 = 210 + 220 + 240 + 260)	200		416,417,827,321	448,590,081,493
Accounts receivable – long-term	210		5,000,000	5,000,000
Other long-term receivables	216		5,000,000	5,000,000
Fixed assets	220		379,302,628,047	410,952,552,471
Tangible fixed assets	221	12	379,178,917,182	410,766,986,178
Cost	222		1,106,443,428,957	1,106,258,448,684
Accumulated depreciation	223		(727,264,511,775)	(695,491,462,506)
Intangible fixed assets	227	13	123,710,865	185,566,293
Cost	228		2,180,358,879	2,180,358,879
Accumulated amortisation	229		(2,056,648,014)	(1,994,792,586)
Long-term work in progress	240		2,969,416,389	2,341,741,814
Construction in progress	242	14	2,969,416,389	2,341,741,814
Other long-term assets	260		34,140,782,885	35,290,787,208
Long-term prepaid expenses	261	15	18,229,382,083	18,330,750,886
Deferred tax assets	262	16	5,267,425,578	4,957,255,744
Goodwill	269	17	10,643,975,224	12,002,780,578
TOTAL ASSETS (270 = 100 + 200)	270		1,882,487,853,874	1,945,577,678,281

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

VinaCafé Bien Hoa Joint Stock Company and its subsidiary
Consolidated balance sheet as at 30 June 2022 (continued)

Form B 01a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	30/6/2022 VND	1/1/2022 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		429,631,151,836	683,087,147,133
Current liabilities	310		398,904,255,215	676,081,729,395
Accounts payable to suppliers	311	18	166,452,409,952	241,745,846,803
Advances from customers	312		11,664,030,440	8,475,585,334
Taxes payable to State Treasury	313	19	43,930,675,935	37,302,741,587
Payables to employees	314		4,898,507,944	-
Accrued expenses	315	20	33,008,383,060	40,516,912,540
Other short-term payables	319	21(a)	3,791,877,589	4,001,185,948
Short-term borrowings	320	22	114,126,472,837	323,007,559,725
Bonus and welfare funds	322		21,031,897,458	21,031,897,458
Long-term liabilities	330		30,726,896,621	7,005,417,738
Other long-term payables	337	21(b)	279,450,000	279,450,000
Deferred tax liabilities	341	16	25,697,876,371	2,109,532,988
Long-term provisions	342		4,749,570,250	4,616,434,750
EQUITY (400 = 410)	400		1,452,856,702,038	1,262,490,531,148
Owners' equity	410	23	1,452,856,702,038	1,262,490,531,148
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		942,160,522,013	751,690,869,498
- Undistributed profits after tax brought forward	421a		751,690,869,498	338,321,694,975
- Undistributed profit after tax for the current period/prior year	421b		190,469,652,515	413,369,174,523
Non-controlling interests	429		1,419,739,110	1,523,220,735
TOTAL RESOURCES (440 = 300 + 400)	440		1,882,487,853,874	1,945,577,678,281

17 August 2022

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 consolidated interim financial statements

VinaCafé Bien Hoa Joint Stock Company and its subsidiary
Consolidated statement of income for the six-month period ended 30 June 2022

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

	Code	Note	Six-month period ended	
			30/6/2022 VND	30/6/2021 VND
Revenue from sale of goods and provision of services	01	26	955,253,921,064	806,031,598,774
Revenue deductions	02	26	1,375,330,481	1,441,200,140
Net revenue (10 = 01 - 02)	10	26	953,878,590,583	804,590,398,634
Cost of sales and services	11	27	694,201,987,596	604,927,671,022
Gross profit (20 = 10 - 11)	20		259,676,602,987	199,662,727,612
Financial income	21	28	19,357,875,142	32,329,220,612
Financial expenses	22	29	3,458,021,555	3,011,490,112
<i>In which: Interest expense</i>	23		3,130,825,753	2,884,047,055
Selling expenses	25	30	5,679,667,002	8,122,472,694
General and administration expenses	26	31	21,523,317,435	22,201,799,217
Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		248,373,472,137	198,656,186,201
Other income	31		-	35,017,707
Other expenses	32		96,545,497	-
Results of other activities (40 = 31 - 32)	40		(96,545,497)	35,017,707
Accounting profit before tax (50 = 30 + 40)	50		248,276,926,640	198,691,203,908
Income tax expense – current	51	33	34,632,582,201	42,717,582,037
Income tax expense/(benefit) – deferred	52	33	23,278,173,549	(896,363,026)
Net profit after tax (60 = 50 - 51 - 52) (carried forward to next page)	60		190,366,170,890	156,869,984,897

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

VinaCafé Bien Hoa Joint Stock Company and its subsidiary
Consolidated statement of income for the six-month period ended 30 June 2022
(continued)

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

	Code	Note	Six-month period ended	
			30/6/2022 VND	30/6/2021 VND
Net profit after tax (60 = 50 - 51 - 52) (brought forward from previous page)	60		190,366,170,890	156,869,984,897
Attributable to:				
Equity holders of the Company	61		190,469,652,515	157,068,174,857
Non-controlling interests	62		(103,481,625)	(198,189,960)
Earnings per share				
Basic earnings per share	70	34	7,166	5,909

17 August 2022

Prepared by:



Nguyen Thi Ngoc Tram
General Accountant

Approved by:



Phan Thi Thuy Hoa
Chief Accountant



Doan Quoc Hung
Chief Executive Officer

VinaCafé Bien Hoa Joint Stock Company and its subsidiary
Consolidated statement of cash flows for the six-month period ended 30 June 2022
(Indirect method)

Form B 03a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Six-month period ended	
		30/6/2022 VND	30/6/2021 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounting profit before tax	01	248,276,926,640	198,691,203,908
Adjustments for			
Depreciation and amortisation	02	33,543,051,778	34,757,507,650
Allowances and provisions	03	215,317,143	523,309,395
Exchange gains arising from revaluation of monetary items dominated in foreign currencies	04	(55,495,351)	(975,148,264)
Profits from investing activities	05	(18,148,753,236)	(31,790,790,768)
Interest expense	06	3,130,825,753	2,884,047,055
Operating profit before changes in working capital	08	266,961,872,727	204,090,128,976
Change in receivables and other assets	09	(153,924,564,265)	69,149,992,472
Change in inventories	10	(200,523,022,274)	(49,595,464,549)
Change in payables and other liabilities	11	(77,961,175,213)	(915,081,044)
Change in prepaid expenses	12	541,130,377	2,205,542,493
		(164,905,758,648)	224,935,118,348
Interest paid	14	(3,683,165,120)	(3,181,542,653)
Corporate income tax paid	15	(25,055,348,113)	(88,418,813,341)
Net cash flows from operating activities	20	(193,644,271,881)	133,334,762,354
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets and other long-term assets	21	(1,345,154,275)	(8,667,184,845)
Placements of term deposits to banks and other investments	23	(500,000,000,000)	(5,000,000,000)
Receipts of interest	27	8,378,604,195	2,005,533,236
Net cash flows from investing activities	30	(492,966,550,080)	(11,661,651,609)

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


VinaCafé Bien Hoa Joint Stock Company and its subsidiary
Consolidated statement of cash flows for the six-month period ended 30 June 2022
(Indirect method – continued)

Form B 03a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Six-month period ended	
		30/6/2022 VND	30/6/2021 VND
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	33	331,287,470,224	349,423,149,532
Payments to settle loan principals	34	(540,168,557,112)	(524,177,434,785)
Payments of dividends	36	-	(431,250,000)
Net cash flows from financing activities	40	(208,881,086,888)	(175,185,535,253)
Net cash flows during the period (50 = 20 + 30 + 40)	50	(895,491,908,849)	(53,512,424,508)
Cash and cash equivalents at beginning of the period	60	1,124,040,455,859	201,559,823,160
Effect of exchange rate fluctuations on cash and cash equivalents	61	1,971,393	975,616,529
Cash and cash equivalents at end of the period (70 = 50 + 60 + 61)	70	228,550,518,403	149,023,015,181

17 August 2022

Prepared by:


 Nguyen Thi Ngoc Tram
 General Accountant

Approved by:


 Phan Thi Thuy Hoa
 Chief Accountant


 Doan Quoc Hung
 Chief Executive Officer

 M.S. No. 3600261626 - C.T.C.P.
 CÔNG TY
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 VINACAFÉ
 BIÊN HÒA
 TP. BIÊN HÒA - T. ĐỒNG NAI

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

VinaCafé Bien Hoa Joint Stock Company and its subsidiary
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2022

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/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 consolidated 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. The consolidated interim financial statements for the six-month period ended 30 June 2022 comprise the Company and its subsidiary (collectively referred to as “the Group”).

(b) Principal activities

The principal activities of the Company are to manufacture and sell various kinds of coffee, instant cereal and non-alcoholic drinks in the domestic and oversea markets.

(c) Normal operating cycle

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

(d) The Group’s structure

As at 30 June 2022, the Company had 1 directly owned subsidiary (1/1/2022: 1 directly owned subsidiary). Detail information of the subsidiary is described as follows:

Name	Principal activities	Address	Percentage of economic interests and voting rights	
			30/6/2022	1/1/2022
Café De Nam Joint Stock Company	Manufacturing and trading of coffee and automatic coffee maker machine	Lot C I.III-3+5+7, Long Thanh Industrial Zone, Tam An Commune, Long Thanh District, Dong Nai Province, Vietnam.	97.77%	97.77%

The subsidiary is incorporated in Vietnam.

As at 30 June 2022, the Group had 262 employees (1/1/2022: 270 employees).

VinaCafé Bien Hoa Joint Stock Company and its subsidiary
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2022 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

2. Basis of preparation

(a) Statement of compliance

These consolidated 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.

(b) Basis of measurement

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

(c) Accounting period

The annual accounting period of the Group is from 1 January to 31 December. These consolidated interim financial statements are prepared for the six-month period ended 30 June 2022.

(d) Accounting and presentation currency

The accounting currency of the Company and its subsidiary is Vietnam Dong (“VND”), which is also the currency used for consolidated interim financial statements presentation purposes.

3. Significant accounting policies

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

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

(a) Basis of consolidation

(i) Subsidiary

Subsidiary is an entity controlled by the Group. The financial statements of the subsidiary are included in the consolidated interim financial statements from the date that control commences until the date that control ceases.



VinaCafé Bien Hoa Joint Stock Company and its subsidiary
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2022 (continued)

Form B 09a – DN/HN

*(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

(ii) Non-controlling interests

Non-controlling interests (“NCI”) are measured at their proportionate share of the acquiree’s identifiable net assets at date of acquisition.

Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as transactions with shareholders. The difference between the change in the Group’s share of net assets of the subsidiary and any consideration paid or received is recorded directly in undistributed profits after tax under equity.

(iii) Transactions eliminated on consolidation

Intra-group transactions, balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated interim financial statements.

(iv) Business combination

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

Cost of a business combination (cost of the acquisition) is the aggregate amount of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer in the acquisition in exchange for control of the acquiree and any costs directly attributable to the business combination. Identifiable assets acquired, identifiable liabilities and contingent liabilities assumed in a business combination are recognised at fair value at the acquisition date.

Any goodwill that arises representing the excess of the cost of the acquisition over the Group’s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree is recognised in consolidated balance sheet, then amortised through to the consolidated statement of income. When the excess is negative (gain from bargain purchase), it is recognised in the consolidated statement of income for the current period after a reassessment has been performed to ensure that the measurement of identifiable assets acquired, liabilities and contingent liabilities assumed and the cost of the business combination appropriately reflects consideration of all available information as of the acquisition date.

15/06/2022

VinaCafé Bien Hoa Joint Stock Company and its subsidiary
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2022 (continued)

Form B 09a – DN/HN

*(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

(b) Foreign currency transactions

Transactions in currencies other than VND during the period have been translated into VND at rates approximating actual rates 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 or its subsidiary most frequently conducts transactions.

All foreign exchange differences are recorded in the consolidated statement of income.

(c) 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.

(d) Held-to-maturity investments

Held-to-maturity investments are those that the Board of Management of the Company or its subsidiary has the intention and ability to hold until maturity. Held-to-maturity investments include term deposits at banks. These investments are stated at costs less allowance for doubtful debts.

(e) Accounts receivable

Accounts receivable from customers and other receivables are stated at cost less allowance for doubtful debts.

(f) 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 estimated costs to sell.

The Group applies the perpetual method of accounting for inventories.

VinaCafé Bien Hoa Joint Stock Company and its subsidiary
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2022 (continued)

Form B 09a – DN/HN
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dated 22 December 2014 of the Ministry of Finance)

(g) 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 consolidated 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

(h) 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 the estimated useful lives of 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 the estimated useful lives of 8 years.

(i) Construction in progress

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

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VinaCafé Bien Hoa Joint Stock Company and its subsidiary
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2022 (continued)

Form B 09a – DN/HN

*(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

(j) Long-term prepaid expenses

(i) Prepaid land costs

Prepaid land costs comprise prepaid land lease rentals, including those for which the Group obtained land use rights certificate but are not qualified as intangible fixed assets under prevailing laws and regulations, and other costs incurred in conjunction with securing the use of leased land. These costs are recognised in the consolidated 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 Group 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.

(k) Goodwill

Goodwill arising on the acquisition of a subsidiary is measured at cost less accumulated amortisation. Cost of goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Goodwill arising on acquisition of a subsidiary is amortised on a straight-line basis over 10 years. Carrying value of goodwill arising on acquisition of a subsidiary is written down to recoverable amount as the Board of Management determines that it is not fully recoverable.

(l) Accounts payable

Accounts payable to suppliers and other payables are stated at their costs.

(m) Provisions

A provision is recognised if, as a result of a past event, the Group 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.

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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 Group are excluded.

(n) 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.

(o) Taxation

Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognised in the consolidated 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.

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(p) Revenue

(i) Sale of goods

Revenue from sale of goods is recognised in the consolidated 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 sale discounts stated on the invoice.

(ii) Processing services

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

(iii) Rental income

Rental income from leased property under operating leases is recognised in the consolidated 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 over the term of the lease.

(q) Financial income and financial expenses

(i) Financial income

Financial income comprises interest income from deposits at banks 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 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.

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(r) Operating lease payments

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

(s) Earnings per share

The Group presents basic and diluted earnings per share (“EPS”) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to the ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares.

The profit or loss attributable to the ordinary shareholders of Company is determined after deducting any amounts appropriated to bonus and welfare funds for the period.

(t) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Group’s primary format and secondary format for segment reporting are based on business segments and geographical segments, respectively.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise cash and cash equivalents and related income, investments and related income, loans and borrowings and related expenses, the Company’s headquarters’ corporate assets, selling expenses, general and administration expenses, income tax assets and liabilities and expenses, and items that are attributable to more than one segment and cannot reasonably be allocated to a segment.

(u) 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.

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(v) Comparative information

Comparative information in these consolidated interim financial statements is presented as corresponding figures. Under this method, comparative information for the prior period is included as an integral part of the current period consolidated interim financial statements and is intended to be read only in relation to the amounts and other disclosures relating to the current period. Accordingly, the comparative information included in these consolidated interim financial statements is not intended to present the Group's consolidated financial position, consolidated results of operations or consolidated cash flows for the prior period.

The comparative information as at 1 January 2022 was derived from the balances and amounts reported in the Group's consolidated annual financial statements as at and for the year ended 31 December 2021. The comparative information for the six-month period ended 30 June 2021 was derived from the balances and amounts reported in the Group's consolidated interim financial statements as at and for the six-month period ended 30 June 2021.

4. Seasonality of operations

Total revenue of the Group 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 Group typically increases the production of coffee, cereal and non-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 consolidated interim financial statements, the Board of Management of the Company or its subsidiary 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 consolidated annual financial statements or those made in the same interim period of the prior year.

6. Changes in the composition of the Group

There was no change in the composition of the Group since the end of the last annual accounting period which affect the Group's consolidated interim financial statements for the six-month period ended 30 June 2022.

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7. Segment reporting

(a) Business segments

The Group operates in the following main business segments:

- Coffee and non-alcoholic drinks; and
- Others.

For the six-month period ended 30 June 2022	Coffee and non- alcoholic drinks VND	Others (*) VND	Consolidation VND
Total segment revenue – net	781,076,260,990	172,802,329,593	953,878,590,583
Segment cost of sales	(596,959,544,810)	(97,242,442,786)	(694,201,987,596)
Segment gross profit	184,116,716,180	75,559,886,807	259,676,602,987
Unallocated selling expenses			(5,679,667,002)
Unallocated general and administration expenses			(21,523,317,435)
Financial income			19,357,875,142
Financial expenses			(3,458,021,555)
Net operating profit			248,373,472,137
Results of other activities			(96,545,497)
Income tax expense – net			(57,910,755,750)
Net profit after tax			190,366,170,890

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For the six-month period ended 30 June 2021	Coffee and non- alcoholic drinks VND	Others (*) VND	Consolidation VND
Total segment revenue – net	666,143,815,625	138,446,583,009	804,590,398,634
Segment cost of sales	(525,731,389,375)	(79,196,281,647)	(604,927,671,022)
Segment gross profit	140,412,426,250	59,250,301,362	199,662,727,612
Unallocated selling expenses			(8,122,472,694)
Unallocated general and administration expenses			(22,201,799,217)
Financial income			32,329,220,612
Financial expenses			(3,011,490,112)
Net operating profit			198,656,186,201
Results of other activities			35,017,707
Income tax expense – net			(41,821,219,011)
Net profit after tax			156,869,984,897

(*) Others include cereals and other items.

Assets and liabilities cannot be segregated to different segments on a reasonable basis.

(b) Geographical segments

The Group mainly operates in one geographical segment which is in Vietnam.

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8. Cash and cash equivalents

	30/6/2022	1/1/2022
	VND	VND
Cash on hand	3,630,151	28,018,155
Cash at banks	17,546,888,252	14,012,437,704
Cash equivalents	211,000,000,000	1,110,000,000,000
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	228,550,518,403	1,124,040,455,859
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Cash equivalents represented term deposits at banks with original terms to maturity of three months or less from their transaction dates.

9. Accounts receivable from customers

	30/6/2022	1/1/2022
	VND	VND
Receivable from related parties	262,997,635,927	73,510,843,653
Receivable from third parties	18,711,043,785	52,156,794,817
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	281,708,679,712	125,667,638,470
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Please see Note 35 for detailed balances with the related parties. The trade related amounts due from related parties were unsecured, interest free and are receivable within 90 days from invoice date.

10. Other short-term receivables

	30/6/2022	1/1/2022
	VND	VND
Short-term deposits for other investments (*)	500,000,000,000	-
Accrued interest receivable from other investments (*)	10,684,931,507	-
Accrued interest receivable from deposits at banks	423,538,630	1,338,321,096
Other short-term deposits	220,715,000	303,400,000
Others	56,821,954	2,243,888,466
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	511,386,007,091	3,885,609,562
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(*) As at 30 June 2022, these balances represented the amounts deposited to a third party under business cooperation contracts. According to these contracts, a third party committed to the Group a minimum rate of return on the deposit amounts of 6% per annum.

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11. Inventories

	30/6/2022		1/1/2022	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Goods in transit	4,726,923,300	-	8,713,213,429	-
Raw materials	264,830,703,328	(82,181,643)	160,994,827,280	(644,729,157)
Tools and supplies	9,697,972,524	-	9,056,027,248	-
Finished goods	145,101,221,899	-	49,449,405,619	-
Merchandise inventories	187,364,951	-	195,050,449	-
Goods on consignment	9,193,788,564	-	5,451,157,424	-
	<u>433,737,974,566</u>	<u>(82,181,643)</u>	<u>233,859,681,449</u>	<u>(644,729,157)</u>

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

	Six-month period ended	
	30/6/2022 VND	30/6/2021 VND
Opening balance	644,729,157	10,265,333
Increase in allowance during the period	82,181,643	836,840,145
Allowance utilised during the period	(644,729,157)	(341,649,633)
Closing balance	<u>82,181,643</u>	<u>505,455,845</u>

Included in inventories of the Group as at 30 June 2022 were VND82 million (1/1/2022: VND645 million) of slow-moving inventories.

12. Tangible fixed assets

	Buildings and structures VND	Machinery and equipment VND	Office equipment VND	Motor vehicles VND	Total VND
Cost					
Opening balance	203,568,960,136	892,109,968,400	6,333,564,477	4,245,955,671	1,106,258,448,684
Additions during the period	-	143,390,000	-	-	143,390,000
Transfer from construction in progress	-	390,932,000	-	-	390,932,000
Disposals	-	-	(349,341,727)	-	(349,341,727)
Closing balance	203,568,960,136	892,644,290,400	5,984,222,750	4,245,955,671	1,106,443,428,957
Accumulated depreciation					
Opening balance	93,828,710,874	593,394,388,547	4,421,706,277	3,846,656,808	695,491,462,506
Charge for the period	4,940,139,691	26,833,823,018	273,348,679	75,079,608	32,122,390,996
Disposals	-	-	(349,341,727)	-	(349,341,727)
Closing balance	98,768,850,565	620,228,211,565	4,345,713,229	3,921,736,416	727,264,511,775
Net book value					
Opening balance	109,740,249,262	298,715,579,853	1,911,858,200	399,298,863	410,766,986,178
Closing balance	104,800,109,571	272,416,078,835	1,638,509,521	324,219,255	379,178,917,182

Included in tangible fixed assets of the Group were assets costing VND308,267 million which were fully depreciated as of 30 June 2022 (1/1/2022: VND307,810 million), but which are still in active use.

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13. Intangible fixed assets

	Software VND	Brand name VND	Total VND
Cost			
Opening and closing balances	1,304,073,640	876,285,239	2,180,358,879
Accumulated amortisation			
Opening balance	1,304,073,640	690,718,946	1,994,792,586
Charge for the period	-	61,855,428	61,855,428
Closing balance	1,304,073,640	752,574,374	2,056,648,014
Net book value			
Opening balance	-	185,566,293	185,566,293
Closing balance	-	123,710,865	123,710,865

Included in intangible fixed assets of the Group were assets costing VND1,304 million which were fully amortised as of 30 June 2022 (1/1/2022: VND1,304 million), but which are still in active use.

14. Construction in progress

	VND
Opening balance	2,341,741,814
Additions during the period	1,940,406,575
Transfer to tangible fixed assets	(390,932,000)
Transfer to long-term prepaid expenses	(921,800,000)
Closing balance	2,969,416,389

Major constructions in progress were as follows:

	30/6/2022 VND	1/1/2022 VND
Machinery and equipment	2,969,416,389	2,341,741,814

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15. Long-term prepaid expenses

	Prepaid land costs VND	Tools and supplies VND	Total VND
Opening balance	13,292,005,349	5,038,745,537	18,330,750,886
Additions during the period	-	1,199,979,264	1,199,979,264
Transfer from construction in progress	-	921,800,000	921,800,000
Amortisation for the period	(201,394,020)	(2,021,754,047)	(2,223,148,067)
Closing balance	13,090,611,329	5,138,770,754	18,229,382,083

16. Deferred tax assets and liabilities

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

	30/6/2022		1/1/2022	
	Deferred tax assets VND	Deferred tax liabilities VND	Deferred tax assets VND	Deferred tax liabilities VND
Allowance for diminution in value of long-term financial investments	-	(25,697,876,371)	-	(2,109,532,988)
Unrealised profits	23,095,768	-	24,469,203	-
Accrued expenses, allowances and provisions	5,244,329,810	-	4,932,786,541	-
	5,267,425,578	(25,697,876,371)	4,957,255,744	(2,109,532,988)

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17. Goodwill

	VND
Cost	
Opening and closing balances	27,176,107,031
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Accumulated amortisation	
Opening balance	15,173,326,453
Charge for the period	1,358,805,354
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Closing balance	16,532,131,807
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Net book value	
Opening balance	12,002,780,578
Closing balance	10,643,975,224
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18. Accounts payable to suppliers

	30/6/2022	1/1/2022
	Cost/Amount	Cost/Amount
	within payment	within payment
	capacity	capacity
	VND	VND
Payable to third parties	156,461,197,646	217,351,935,943
Payable to related parties	9,991,212,306	24,393,910,860
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	166,452,409,952	241,745,846,803
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Please see Note 35 for detailed balances with the related parties. The trade related amounts due to related parties were unsecured, interest free and are payable within 90 days from invoice date.

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19. Taxes payable to State Treasury

	1/1/2022 VND	Incurred VND	Paid VND	Deducted/Refunded VND	30/6/2022 VND
Corporate income tax	17,917,766,855	34,632,582,201	(25,055,348,113)	-	27,495,000,943
Value added tax	18,497,499,738	75,981,874,401	(34,040,474,959)	(44,527,765,111)	15,911,134,069
Personal income tax	887,474,994	6,225,615,927	(6,563,437,973)	(25,112,025)	524,540,923
Import-export tax	-	12,422,631	(12,422,631)	-	-
Other taxes	-	2,922,751,153	(2,922,751,153)	-	-
	37,302,741,587	119,775,246,313	(68,594,434,829)	(44,552,877,136)	43,930,675,935

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20. Accrued expenses

	30/6/2022	1/1/2022
	VND	VND
Accrued processing fees	15,212,139,795	9,635,346,482
Bonus and 13 th month salary	7,644,776,019	17,877,344,465
Purchases not yet received invoices	2,832,902,815	1,582,282,559
Logistic expenses	1,528,626,333	1,089,135,077
Construction in progress	761,500,000	121,606,800
Accrued interest expense	282,380,127	834,719,494
Others	4,746,057,971	9,376,477,663
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	33,008,383,060	40,516,912,540
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21. Other payables

(a) Other short-term payables

	30/6/2022	1/1/2022
	VND	VND
Dividends payable	2,534,365,000	2,534,365,000
Short-term deposits received	381,882,500	381,882,500
Social insurance, health insurance, unemployment insurance and trade union fees	209,818,946	312,102,657
Others	665,811,143	772,835,791
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	3,791,877,589	4,001,185,948
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(b) Other long-term payables

	30/6/2022	1/1/2022
	VND	VND
Long-term deposits received	279,450,000	279,450,000
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22. Short-term borrowings

	1/1/2022 Carrying amount/Amount within repayment capacity VND	Movements during the period		30/6/2022 Carrying amount/Amount within repayment capacity VND
		Increase VND	Decrease VND	
Short-term borrowings	323,007,559,725	331,287,470,224	(540,168,557,112)	114,126,472,837

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

	Currency	Annual interest rate	30/6/2022 VND	1/1/2022 VND
Unsecured bank loans	VND	3.0% - 3.1%	114,126,472,837	323,007,559,725

As at 30 June 2022 and 1 January 2022, the Group did not have any overdue borrowings including principal and interest.



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23. Changes in owners' equity

	Share capital VND	Share premium VND	Investment and development fund (*) VND	Undistributed profits after tax VND	Non-controlling interests VND	Total VND
Balance as at 1 January 2021	265,791,350,000	29,974,241,968	213,510,848,947	1,002,800,069,975	(13,639,770,934)	1,498,436,739,956
Net profit for the period	-	-	-	157,068,174,857	(198,189,960)	156,869,984,897
Increase of equity interests in a subsidiary	-	-	-	(15,465,963,355)	15,465,963,355	-
Balance as at 30 June 2021	265,791,350,000	29,974,241,968	213,510,848,947	1,144,402,281,477	1,628,002,461	1,655,306,724,853
Balance as at 1 January 2022	265,791,350,000	29,974,241,968	213,510,848,947	751,690,869,498	1,523,220,735	1,262,490,531,148
Net profit for the period	-	-	-	190,469,652,515	(103,481,625)	190,366,170,890
Balance as at 30 June 2022	265,791,350,000	29,974,241,968	213,510,848,947	942,160,522,013	1,419,739,110	1,452,856,702,038

(*) 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.

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24. Share capital and share premium

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

	30/6/2022		1/1/2022	
	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.

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.

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25. Off balance sheet items

(a) Lease commitments

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

	30/6/2022	1/1/2022
	VND	VND
Within 1 year	2,474,410,000	4,796,214,000
Within 2 to 5 years	290,400,000	580,800,000
	<hr/>	<hr/>
	2,764,810,000	5,377,014,000
	<hr/>	<hr/>

(b) Capital expenditure commitments

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

	30/6/2022	1/1/2022
	VND	VND
Approved and contracted	1,659,390,100	1,424,566,624
Approved but not contracted	58,074,486,000	5,851,028,525
	<hr/>	<hr/>
	59,733,876,100	7,275,595,149
	<hr/>	<hr/>

(c) Foreign currency

	30/6/2022		1/1/2022	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	10,379	240,093,243	66,284	1,501,329,203
	<hr/>		<hr/>	

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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	
	30/6/2022	30/6/2021
	VND	VND
Total revenue		
▪ Sale of goods and provision of services	953,354,557,919	798,541,362,773
▪ Other sales	1,899,363,145	7,490,236,001
	<hr/>	<hr/>
	955,253,921,064	806,031,598,774
	<hr/>	<hr/>
Less revenue deductions		
▪ Sale returns	1,375,330,481	1,366,487,173
▪ Sale discounts	-	74,712,967
	<hr/>	<hr/>
	1,375,330,481	1,441,200,140
	<hr/>	<hr/>
Net revenue	953,878,590,583	804,590,398,634
	<hr/>	<hr/>

27. Cost of sales and services

	Six-month period ended	
	30/6/2022	30/6/2021
	VND	VND
Total cost of sales and services		
▪ Goods sold and services rendered	688,022,380,620	589,885,171,394
▪ Other cost of sales	6,097,425,333	14,205,659,483
▪ Allowance for inventories	82,181,643	836,840,145
	<hr/>	<hr/>
	694,201,987,596	604,927,671,022
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28. Financial income

	Six-month period ended	
	30/6/2022	30/6/2021
	VND	VND
Interest income from deposits at banks and other investment	18,148,753,236	31,790,790,768
Foreign exchange gains	1,209,121,906	538,429,844
	<hr/>	<hr/>
	19,357,875,142	32,329,220,612
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29. Financial expenses

	Six-month period ended	
	30/6/2022	30/6/2021
	VND	VND
Interest expense	3,130,825,753	2,884,047,055
Foreign exchange losses	327,195,802	127,443,057
	<hr/>	<hr/>
	3,458,021,555	3,011,490,112
	<hr/>	<hr/>

30. Selling expenses

	Six-month period ended	
	30/6/2022	30/6/2021
	VND	VND
Logistic expenses	4,025,793,451	1,506,823,398
Advertising, promotion and sale support expenses	896,051,565	5,023,796,502
Staff costs	256,885,306	327,251,785
Others	500,936,680	1,264,601,009
	<hr/>	<hr/>
	5,679,667,002	8,122,472,694
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31. General and administration expenses

	Six-month period ended	
	30/6/2022	30/6/2021
	VND	VND
Staff costs	14,297,187,392	16,296,645,648
Amortisation of goodwill	1,358,805,354	1,358,805,354
Research and development expenses	385,869,661	80,930,385
Depreciation and amortisation of fixed assets	304,485,250	289,289,886
Others	5,176,969,778	4,176,127,944
	21,523,317,435	22,201,799,217

32. Production and business costs by elements

	Six-month period ended	
	30/6/2022	30/6/2021
	VND	VND
Raw material costs included in production costs	573,427,428,569	488,103,347,212
Labour and staff costs	56,777,119,222	52,290,434,296
Depreciation and amortisation	33,543,051,778	34,757,507,650
Outside services	35,250,692,880	40,209,537,910
Others	22,406,679,584	19,891,115,865

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33. Income tax

(a) Recognised in the consolidated statement of income

	Six-month period ended	
	30/6/2022	30/6/2021
	VND	VND
Current tax expense		
Current period	34,632,582,201	42,717,582,037
Deferred tax expense/(benefit)		
Origination and reversal of temporary differences	23,278,173,549	(896,363,026)
	57,910,755,750	41,821,219,011

(b) Reconciliation of effective tax rate

	Six-month period ended	
	30/6/2022	30/6/2021
	VND	VND
Accounting profit before tax	248,276,926,640	198,691,203,908
Tax at the Company's tax rate	49,655,385,328	39,738,240,782
Effect of amortisation of goodwill	271,761,069	271,761,069
Non-deductible expenses	951,253,200	1,611,343,962
Change in unrecognised deferred tax assets	7,032,356,153	199,873,198
	57,910,755,750	41,821,219,011

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(c) Applicable tax rates

The Company and its subsidiary have obligations to pay corporate income tax to the government at usual income tax rate of 20% of taxable profit.

(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.

34. Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share for the six-month period ended 30 June 2022 was based on the profit attributable to ordinary shareholders of the Company after deducting the amounts appropriated to bonus and welfare funds for the period of VND190,469,652,515 (for the six-month period ended 30 June 2021: VND157,068,174,857) and a weighted average number of ordinary shares outstanding of 26,579,135 (for the six-month period ended 30 June 2021: 26,579,135 shares), calculated as follows:

(i) Net profit attributable to ordinary shareholders

	Six-month period ended	
	30/6/2022	30/6/2021
	VND	VND
Net profit attributable to ordinary shareholders after deducting the amounts appropriated to bonus and welfare funds	190,469,652,515	157,068,174,857

(ii) Weighted average number of ordinary shares

	Six-month period ended	
	30/6/2022	30/6/2021
Weighted average number of ordinary shares	26,579,135	26,579,135

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(iii) Basic earnings per share

	Six-month period ended	
	30/6/2022	30/6/2021
	VND	VND
Basic earnings per share	7,166	5,909

(b) Diluted earnings per share

As at 30 June 2022 and 1 January 2022, the Company did not have potential ordinary shares. Therefore, the presentation of diluted earnings per share is not applicable.

35. Significant transactions and balances with related parties

During the period and as at the period/year end, the Group had the following transactions and balances with its related parties:

	Transaction value		Receivables/ (Payables) as at	
	Six-month period ended	30/6/2021	30/6/2022	1/1/2022
	VND	VND	VND	VND
Parent of the parent company				
Masan Consumer Corporation				
Sale of goods	849,951,715,964	713,146,479,771	239,963,415,831	56,748,838,119
Purchase of goods	23,519,535,439	26,405,395,494	-	-
Other related parties				
Masan Industrial One Member Company Limited				
Sale of goods	10,817,100	419,742,507	11,682,468	-
Purchase of goods	148,175,844	74,901,340	(162,524,420)	(13,945,294)
Purchase of services	10,833,281,534	8,169,350,482	(9,400,106,733)	(6,946,100,390)
Masan MB One Member Company Limited				
Sale of goods and services	11,501,650,560	11,321,426,380	9,545,684,448	5,866,022,184
Purchase of goods	2,687,331,273	-	-	-
Masan HG One Member Company Limited				
Sale of goods and services	13,791,538,320	16,152,877,850	12,410,687,980	10,056,826,560
Purchase of goods	69,400,161	-	-	-

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	Transaction value		Receivables/ (Payables) as at	
	30/6/2022	30/6/2021	30/6/2022	1/1/2022
	VND	VND	VND	VND
Vinh Hao Mineral Water Corporation				
Sale of goods	-	58,917,276	-	-
Purchase of goods	5,643,940,128	14,859,495,430	(1,128,412,771)	(10,314,478,321)
Purchase of services	3,721,550,400	11,671,934,400	(1,317,565,440)	(7,375,072,320)
Phuc Long Heritage Joint Stock Company				
Sale of goods	6,960,325,520	-	1,066,165,200	829,896,716
Wincommerce General Commercial Services Joint Stock Company				
Purchase of goods	56,201,245	-	-	-
Masan Brewery Distribution One Member Company Limited				
Purchase of goods	44,194,546	43,420,909	-	-
Mobicast Joint Stock Company				
Purchase of services	32,251,551	-	-	-
Hi-Fresh Company Limited				
Purchase of goods	-	-	-	(8,140,000)
Purchase of fixed assets	-	-	-	(53,892,996)
Masan JinJu Joint Stock Company				
Sale of goods	8,418,249	-	-	9,260,074
Masan HD One Member Company Limited				
Sale of goods	-	4,153,625	-	-
Key management personnel				
Remunerations (*)	9,802,294,667	5,743,284,373	-	-

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As at 30 June 2022 and 1 January 2022, the Group had current and term deposit accounts at Vietnam Technological and Commercial Joint Stock Bank, a related party, at normal commercial terms.

- (*) No board fees were paid to members of the Board of Directors of the Group for the six-month periods ended 30 June 2022 and 2021.

36. Post balance sheet events

There have been no significant events occurred after the balance sheet date which would require adjustments or disclosures to be made in these consolidated interim financial statements.

17 August 2022

Prepared by:



Nguyen Thi Ngoc Tram
General Accountant

Approved by:



Phan Thi Thuy Hoa
Chief Accountant



Doan Quoc Hung
Chief Executive Officer

