



Binh Minh Plastics Joint Stock Company

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



Binh Minh Plastics Joint Stock Company Corporate Information

Business Registration Certificate No

4103002023

2 January 2004

The Company's Business Registration Certificate has been amended several times, the most recent of which is by Enterprise Registration Certificate No. 0301464823 dated 22 August 2017. The initial Business Registration Certificate and its updates were issued by the Department of Planning and Investment of Ho Chi Minh City.

Board of Directors

Mr. Sakchai Patiparnpreechavud	Chairman
Mr. Nguyen Hoang Ngan	Vice chairman
Mr. Poramate Larnroongroj	Member
Mr. Wisit Rechaipichitgool	Member
Mr. Phan Khac Long	Member

Board of Supervision

Mr. Nguyen Thanh Thuan	Head of Board of Supervision
Ms. Nguyen Luu Thuy Minh	Member
Mr. Praween Wirotpan	Member

Board of Management

Mr. Nguyen Hoang Ngan	General Director
Mr. Nguyen Thanh Quan	Deputy General Director
Mr. Nguyen Thanh Hai	Deputy General Director
Mr. Wisit Rechaipichitgool	Deputy General Director
Mr. Hong Le Viet	Chief Accountant

Legal Representative

Mr. Nguyen Hoang Ngan	Vice Chairman cum General Director
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Registered Office

240 Hau Giang
Ward 9, District 6
Ho Chi Minh City
Vietnam

Auditor

KPMG Limited
Vietnam

Binh Minh Plastics Joint Stock Company
Statement of the Board of Directors and Board of Management

The Board of Directors and Board of Management of Binh Minh Plastics 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 Directors and Board of Management are 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 Directors and Board of Management:

- (a) the separate interim financial statements set out on pages 5 to 47 give a true and fair view of the unconsolidated financial position of the Company as at 30 June 2020, and of the unconsolidated results of operations and the unconsolidated cash flows of the Company 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 Directors and Board of Management have, on the date of this statement, authorised these accompanying separate interim financial statements for issue.



On behalf of the Board of Management

Nguyễn Hoàng Ngan
General Director

On behalf of the Board of Directors

Sakchai Patiparnpreechavud
Chairman

Ho Chi Minh City, 24 August 2020



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115 Nguyen Hue Street, Ben Nghe Ward
District 1, Ho Chi Minh City, Vietnam
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INTERIM FINANCIAL STATEMENTS REVIEW REPORT

To the Shareholders Binh Minh Plastics Joint Stock Company

We have reviewed the accompanying separate interim financial statements of Binh Minh Plastics 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 Directors and Board of Management on 24 August 2020, as set out on pages 5 to 47.

Management's Responsibility

The Company's Board of Directors and Board of Management are 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 Directors and Board of Management determine 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 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 unconsolidated financial position of Binh Minh Plastics Joint Stock Company as at 30 June 2020 and of its unconsolidated results of operations and its unconsolidated 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.

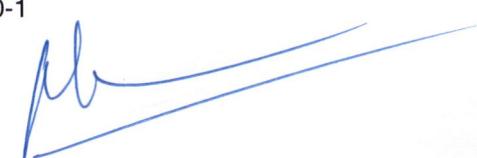
KPMG Limited's Branch in Ho Chi Minh City

Vietnam

Review Report No.: 20-01-00328/1*2-20-1




Nelson Rodriguez Casihan
Practicing Auditor Registration
Certificate No. 2225-2018-007-1
Deputy General Director



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

Ho Chi Minh City, 24 August 2020

Binh Minh Plastics 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 + 120 + 130 + 140 + 150)	100		1,509,782,291,029	1,214,867,939,630
Cash and cash equivalents	110	8	292,508,474,063	293,811,366,719
Cash	111		112,508,474,063	93,811,366,719
Cash equivalents	112		180,000,000,000	200,000,000,000
Short-term financial investments	120		570,000,000,000	260,000,000,000
Held-to-maturity investments	123	9(a)	570,000,000,000	260,000,000,000
Accounts receivable – short-term	130		298,422,593,190	286,985,899,739
Accounts receivable from customers	131	10	310,619,904,930	308,194,629,893
Prepayments to suppliers	132	11	37,917,747,955	35,605,556,382
Other short-term receivables	136	12	37,808,974,110	31,695,614,458
Allowance for doubtful debts	137	13	(88,414,212,887)	(89,000,080,076)
Shortage of assets awaiting resolution	139		490,179,082	490,179,082
Inventories	140	14	342,765,907,249	372,818,602,781
Inventories	141		342,765,907,249	372,818,602,781
Other current assets	150		6,085,316,527	1,252,070,391
Short-term prepaid expenses	151	18(a)	4,770,184,811	1,252,070,391
Taxes receivable from State Treasury	153	23(b)	1,315,131,716	-

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

Binh Minh Plastics 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 = 220 + 240 + 250 + 260)	200		1,196,331,049,474	1,370,680,428,318
Fixed assets	220		559,251,194,102	627,456,100,073
Tangible fixed assets	221	15	543,708,508,754	608,360,021,978
Cost	222		1,542,321,542,933	1,510,132,301,776
Accumulated depreciation	223		(998,613,034,179)	(901,772,279,798)
Intangible assets	227	16	15,542,685,348	19,096,078,095
Cost	228		35,818,475,828	35,106,157,647
Accumulated amortisation	229		(20,275,790,480)	(16,010,079,552)
Long-term work in progress	240		13,991,821,210	27,925,505,552
Construction in progress	242	17	13,991,821,210	27,925,505,552
Long-term financial investments	250		319,725,000,000	419,725,000,000
Investments in subsidiaries	251	9(b)	155,000,000,000	155,000,000,000
Investments in associates	252	9(b)	62,725,000,000	62,725,000,000
Equity investments in other entities	253	9(b)	4,000,000,000	4,000,000,000
Allowance for diminution in the value of long-term financial investments	254	9(b)	(2,000,000,000)	(2,000,000,000)
Held-to-maturity investments	255	9(a)	100,000,000,000	200,000,000,000
Other long-term assets	260		303,363,034,162	295,573,822,693
Long-term prepaid expenses	261	18(b)	260,629,273,266	249,879,874,087
Deferred tax assets	262	19	16,028,664,626	16,028,664,626
Long-term tools, supplies and spare parts	263	20	26,705,096,270	29,665,283,980
TOTAL ASSETS (270 = 100 + 200)	270		2,706,113,340,503	2,585,548,367,948

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

Binh Minh Plastics 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		556,225,875,792	379,099,252,281
CURRENT LIABILITIES	310		532,857,367,953	356,581,225,442
Accounts payable to suppliers	311	21	93,769,584,332	117,045,992,915
Advances from customers	312	22	45,573,602,912	21,107,136,497
Taxes payable to State Treasury	313	23(a)	45,272,276,948	27,009,486,806
Payables to employees	314		63,468,016,774	53,465,849,487
Accrued expenses	315	24	105,112,810,304	59,172,387,049
Other payables – short-term	319	25	89,526,024,043	3,317,568,994
Short-term borrowings	320	26	55,130,000,000	55,590,000,000
Bonus and welfare fund	322	27	35,005,052,640	19,872,803,694
Long-term liabilities	330		23,368,507,839	22,518,026,839
Provisions – long-term	342	28	23,368,507,839	22,518,026,839
EQUITY (400 = 410)	400		2,149,887,464,711	2,206,449,115,667
Owners' equity	410	29	2,149,887,464,711	2,206,449,115,667
Share capital	411	30	818,609,380,000	818,609,380,000
- Ordinary shares with voting rights	411a		818,609,380,000	818,609,380,000
Share premium	412		1,592,782,700	1,592,782,700
Investment and development fund	418		1,052,920,983,784	1,103,587,865,413
Other equity funds	420		44,983,552,000	44,983,552,000
Retained profits	421		231,780,766,227	237,675,535,554
- Retained profits brought forward	421a		3,526,887,543	4,450,291,639
- Retained profit for the current period/year	421b		228,253,878,684	233,225,243,915
TOTAL RESOURCES	440		2,706,113,340,503	2,585,548,367,948
(440 = 300 + 400)				

24 August 2020

Prepared by:



Phung Huu Luan
Deputy Chief Accountant



Hong Le Viet
Chief Accountant

Approved by:



Nguyen Hoang Ngan
General Director

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

Binh Minh Plastics 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)*

			Six-month period ended	
	Code	Note	30/6/2020 VND	30/6/2019 VND
Revenue from sales of goods and provision of services	01	33	2,212,613,775,389	2,015,994,365,863
Revenue deductions	02	33	5,595,938,690	1,748,697,270
Net revenue from sales of goods and provision of services (10 = 01 - 02)	10	33	2,207,017,836,699	2,014,245,668,593
Cost of goods sold and services provided	11	34	1,652,059,342,711	1,558,004,168,618
Gross profit (20 = 10 - 11)	20		554,958,493,988	456,241,499,975
Financial income	21	35	26,027,822,966	10,745,399,295
Financial expenses	22	36	58,965,035,460	52,937,027,503
<i>In which: Interest expense</i>	23		18,669,863	56,445,106
Selling expenses	25	37	199,865,469,587	115,548,795,474
General and administration expenses	26	38	37,343,460,357	50,644,006,990
Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		284,812,351,550	247,857,069,303
Other income	31		528,461,356	700,537,201
Other expenses	32		23,464,552	86,459,360
Results of other activities (40 = 31 - 32)	40		504,996,804	614,077,841
Accounting profit before tax (50 = 30 + 40)	50		285,317,348,354	248,471,147,144
Income tax expense – current	51	40	57,063,469,670	49,694,017,272
Income tax expense – deferred	52	40	-	-
Net profit after tax (60 = 50 - 51 - 52)	60		228,253,878,684	198,777,129,872

24 August 2020

Prepared by:



Phung Huu Luan
Deputy Chief Accountant



Hong Le Viet
Chief Accountant

Approved by:



Nguyen Hoang Ngan
General Director

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

Binh Minh Plastics Joint Stock
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	Note	Six-month period ended 30/6/2020 VND	30/6/2019 VND
CASH FLOWS FROM OPERATING ACTIVITIES				
Accounting profit before tax	01		285,317,348,354	248,471,147,144
Adjustments for				
Depreciation and amortisation	02		101,127,770,275	86,867,123,443
Allowances and provisions	03		366,148,811	(19,274,292,319)
Profits from investing activities	05		(26,223,685,093)	(10,547,788,453)
Interest expense	06		18,669,863	56,445,106
Operating profit before changes in working capital	08		360,606,252,210	305,572,634,921
Change in receivables and other assets	09		(47,604,471,067)	109,094,674,468
Change in inventories	10		33,012,883,242	53,626,297,577
Change in payables and other liabilities	11		107,346,057,357	(76,663,636,352)
Change in prepaid expenses	12		(14,267,513,599)	(21,360,415,720)
			439,093,208,143	370,269,554,894
Interest paid	14		(64,858,183)	(228,107,709)
Corporate income tax paid	15		(38,181,164,513)	(53,517,069,959)
Other payments for operating activities	17		(19,974,338,694)	(21,171,959,166)
Net cash flows from operating activities	20		380,872,846,753	295,352,418,060

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

Binh Minh Plastics Joint Stock
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	Note	Six-month period ended 30/6/2020 VND	30/6/2019 VND
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets and other long-term assets	21		(17,744,288,328)	(36,444,047,061)
Proceeds from disposals of fixed assets	22		314,581,367	265,945,455
Payments for term deposits at banks, net	23		(210,000,000,000)	(100,000,000,000)
Receipts of interest	27		9,435,843,552	5,820,391,607
Net cash flows from investing activities	30		(217,993,863,409)	(130,357,709,999)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings	33		40,000,000	560,000,000
Payments to settle loan principals	34		(500,000,000)	(1,990,000,000)
Payments of dividends	36		(163,721,876,000)	(204,652,345,000)
Net cash flows from financing activities	40		(164,181,876,000)	(206,082,345,000)
Net cash flows during the period (50 = 20 + 30 + 40)	50		(1,302,892,656)	(41,087,636,939)
Cash and cash equivalents at the beginning of the period	60		293,811,366,719	374,611,531,139
Cash and cash equivalents at the end of the period (70 = 50 + 60)	70	8	292,508,474,063	333,523,894,200

24 August 2020

Prepared by:



Phung Huu Luan
Deputy Chief Accountant

Approved by:



Hong Le Viet
Chief Accountant



Nguyen Hoang Ngan
General Director

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

Binh Minh Plastics Joint Stock
Notes to the separate interim financial statements for the six-month period ended
30 June 2020

Form B 09a – DN

*(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 separate interim financial statements.

1. Reporting entity

(a) Ownership structure

Binh Minh Plastics Joint Stock Company (“the Company”) was converted from a State-owned Enterprise into Joint Stock Company in accordance with Decision No. 209/2003/QĐ-BCN dated 4 December 2003 of the Ministry of Industry.

The Company’s shares have been officially traded on the Vietnam stock exchange since 11 July 2006 with the code of BMP.

(b) Principal activities

The principal activities of the Company are to manufacture and trade civil and industrial products from plastics and rubber; design, manufacture and trade molds for plastics and casting industry; manufacture and trade machinery and equipment, supplies and sanitary equipment for construction and interior decoration industry; consult and execute water supply and drainage works, yards and services of chemical inspection, analysis and testing; trade, import and export raw materials, chemicals, supplies, machinery and equipment for plastics, engineering, construction, water supply and drainage and laboratory equipment.

(c) Normal operating cycle

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

Binh Minh Plastics Joint Stock**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)***(d) Company structure**

As at 30 June 2020 and 1 January 2020, the Company had 2 dependent branches as follows:

No.	Name	Address
1	Binh Minh Plastics Joint Stock Company – Binh Duong Binh Minh Plastic Branch	No. 7 Street No. 2, Song Than 1 Industrial Zone, Di An City, Binh Duong Province, Vietnam.
2	Binh Minh Plastics Joint Stock Company - Long An Binh Minh Plastic Branch	Lot C1-6 to C1-30, Vinh Loc 2 Industrial Zone, Vinh Loc 2 Street, Voi La Hamlet, Long Hiep Commune, Ben Luc District, Long An Province, Vietnam.

Binh Minh Plastics 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 had 1 subsidiary and 2 associates as follows:

No.	Name	Principal activities	Address	Percentage of equity owned and voting rights	
				30/6/2020	1/1/2020
Subsidiary					
1	Northern Binh Minh Plastics One Member Limited Company	Manufacturing and trading civil and industrial products from plastics and rubber.	Street D1, Zone D, Pho Noi A Industrial Zone, Van Lam District, Hung Yen Province, Vietnam.	100%	100%
Associates					
1	Danang Plastics Joint Stock Company	Manufacturing and trading, import and export plastics products, materials and equipment.	371 Tran Cao Van, Thanh Khe District, Da Nang City, Vietnam.	29.05%	29.05%
2	Binh Minh Viet Real Estate Investment and Trading Joint Stock Company	Trading real estate, trading materials and other installation equipment in construction.	240 Hau Giang, Ward 9, District 6, Ho Chi Minh City, Vietnam	26%	26%

All subsidiary and associates are incorporated in Vietnam.

As at 30 June 2020, the Company had 1,250 employees (1/1/2020: 1,217 employees).

Binh Minh Plastics 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 also prepares and issues its consolidated interim financial statements separately. For a comprehensive understanding of the Company's consolidated financial position, its consolidated results of operations and its consolidated cash flows, these separate interim financial statements should be read in conjunction with the consolidated interim financial statements.

(b) Basis of measurement

The 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 are 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 separate financial statements presentation purposes.

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 annual separate financial statements.

(a) Foreign currency transactions

Transactions in currencies other than VND during the period have been translated into VND at 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 account transfer buying rate and account transfer selling rate, respectively, at the end of the accounting period quoted by the commercial bank where the Company most frequently conduct transactions.

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

Binh Minh Plastics 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)*

(b) Cash and cash equivalents

Cash comprises cash on hand 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) Investments

(i) *Held-to-maturity investments*

Held-to-maturity investments are those that the Company's Board of Management has the intention and ability to hold until maturity. Held-to-maturity investments comprise term deposits at banks. These investments are stated at cost less allowance for diminution in value.

(ii) *Investments in subsidiaries and associates*

For the purpose of these separate financial statements, investments in subsidiaries and associates are initially recognised at cost which includes purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, these investments are stated at cost less allowance for diminution in value. An allowance is made for diminution in investment value if the investee has suffered a loss. The allowance is reversed if the investee subsequently made a profit that offsets the previous loss for which the allowance had been made. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

(iii) *Investments in equity instruments of other entities*

Investments in equity instruments of other entities are initially recognised at cost which include purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, these investment are stated at cost less allowance for diminution in value. An allowance is made for diminution in investment values if the investee has suffered a loss. The allowance is reversed if the investee subsequently made a profit that offsets the previous loss for which the allowance had been made. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

Binh Minh Plastics 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)*

(d) Accounts receivable

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

Allowance for doubtful debts are made based on the overdue status of receivables or expected losses on undue debts which may occur when an economic organisation is bankrupted or liquidated; or debtor is missing, running away, being prosecuted, in prison, under a trial or pending execution of sentences or deceased.

Allowance for doubtful debts based on overdue status are made as follows:

<i>Overdue status</i>	<i>Allowance rate</i>
From over (06) months to less than (01) year	30%
From (01) to less than (02) years	50%
From (02) to less than (03) years	70%
From (03) years and above	100%

For overdue debts, the Company's Board of Management also assesses the expected recovery of these debts to determine the allowance level.

Allowance for doubtful debts based on the expected losses of undue debts is determined by the Company's Board of Management after giving consideration to the recovery of these 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.

Binh Minh Plastics 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 – 10 years
▪ machinery and equipment	5 – 8 years
▪ motor vehicles	6 – 8 years
▪ office equipment	3 – 5 years

(g) Intangible fixed assets

(i) Land use rights

Land use rights comprise those granted by the State for which land use payments are collected.

Land use rights are stated at cost less accumulated amortisation. The initial cost of a land use right comprises its lease price and any directly attributable costs incurred in conjunction with securing the land use right. Amortisation is computed on a straight-line basis over a period ranging from 45 to 50 years.

(ii) Software

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

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(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 Circular No. 45/2013/TT-BTC dated 25 April 2013 of the Ministry of Finance providing guidance on management, use and depreciation of fixed assets (“Circular 45”), 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 term of lease from 41 to 50 years.

(ii) *Tools and instruments*

Tools and instruments include assets held for use by the Company in the normal course of business, not qualified for recognition as fixed assets under Circular 45. Cost of tools and instruments are amortised on a straight-line basis over a period ranging from 2 to 3 years.

(iii) *Overhaul expenditure*

Overhaul expenditure represents repair expenses of factories and machinery, which are stated at their cost and amortised on a straight-line basis over 3 years.

(j) Accounts payable to suppliers and other payables

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

(k) Provisions

A provision is recognised if, as a result of a past event, the Company have 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

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(l) Share capital

(i) Ordinary shares

Ordinary shares are recognised at par value. Incremental costs directly attributable to the issue of shares, net of tax effects, are recognised as a deduction from share premium.

(ii) Share premium

The difference between the issuance price and the par value is recorded in share premium under equity.

(m) Bonus and welfare fund

This fund is established annually by appropriating from retained profits as approved by shareholders at Annual General Meeting of shareholders. This fund is used to pay bonus and welfare to the Company's employees.

(n) Equity funds

(i) Investment and development fund

Investment and development fund is established annually by appropriating from retained profits at the rate approved by the shareholders at Annual General Meeting of Shareholders. This fund is established for the purpose of future business expansion.

(ii) Other equity funds

Other equity funds were appropriated from retained profits in accordance with the resolution of shareholders at the Annual General Meeting of Shareholders. These funds are established for the purpose of supplementing share capital in the future.

(o) Taxation

Income tax on the 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 to equity, in which case it is recognised in equity.

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

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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 the 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.

(p) Revenue and other income

(i) Goods sold

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

(ii) Services rendered

Revenue from services rendered is recognised in the separate statement of income when the services are rendered to customers. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

(iii) Interest income

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

(iv) Dividend income

Dividend income is recognised when the right to receive dividend is established. Share dividends are not recognised as income. Dividends received which are attributable to the period before investment acquisition date are deducted from the carrying amount of the investment.

(q) 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.

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(r) Borrowing costs

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.

(s) 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 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.

4. Seasonality or cyclical of operations

The Company's business results are not affected by seasonality or cyclical factors except for the following items:

(a) Employees' bonus

The Company recognised the estimated employees' bonus based on the financial plan for 2020 and the financial results for the six-month period ended 30 June 2020. The employees' bonus will be finalised based on the financial results for the whole year at the end of the annual accounting period.

(b) Income tax

In accordance with the current tax regulations, income tax is computed and finalised at the end of the annual accounting period. The corporate income tax for the period is calculated by applying the tax rate of 20% to the profit before tax for the six-month period ended 30 June 2020.

5. Changes in accounting estimates

In preparing the separate annual financial statements and the 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 made in the separate interim financial statements for the six-month period ended 30 June 2020 compared to those made in the most recent separate annual financial statements or those made in the same interim period of the prior year.

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There were no significant unusual items that may affect the Company's separate interim financial statements for the six-month period ended 30 June 2020.

7. Changes in the composition of the Company

There were no changes in the composition of the Company for the six-month period ended 30 June 2020.

8. Cash and cash equivalents

	30/6/2020 VND	1/1/2020 VND
Cash on hand	459,170,578	281,720,270
Cash in banks	112,049,303,485	93,529,646,449
Cash equivalents	180,000,000,000	200,000,000,000
	292,508,474,063	293,811,366,719

As at 30 June 2020, cash equivalents represent term deposits at banks with original term to maturity of not more than three months and earn annual interest rate of 4.3% (1/1/2020: from 5% to 5.5%).

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9. Investments

(a) Held-to-maturity investments

	30/6/2020			1/1/2020		
	Annual interest rate	Cost VND	Fair value VND	Annual interest rate	Cost VND	Fair value VND
Held-to-maturity investments – short-term						
▪ Term deposits with original term to maturity of more than 3 months to 12 months	6.2% - 9%	570,000,000,000	570,000,000,000	7% - 9%	260,000,000,000	260,000,000,000
Held-to-maturity investments – long-term						
▪ Term deposits with original term to maturity of more than 12 months	10%	100,000,000,000	(*)	10%	200,000,000,000	(*)

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(b) Equity investments in subsidiary and associates

	30/6/2020						1/1/2020					
	Quantity shares	% of equity owned	% of voting rights	Cost VND	Allowance for diminution in value VND	Fair value VND	Quantity shares	% of equity owned	% of voting rights	Cost VND	Allowance for diminution in value VND	Fair value VND
Equity investments in:												
▪ <i>Subsidiary</i>												
• Northern Binh Minh Plastics One Member Limited Company		100%	100%	155,000,000,000	-	(*)		100%	100%	155,000,000,000	-	(*)
▪ <i>Associates</i>												
• Danang Plastics Joint Stock Company	650,000	29.05%	29.05%	8,125,000,000	-	(*)	650,000	29.05%	29.05%	8,125,000,000	-	(*)
• Binh Minh Viet Real Estate Investment and Trading Joint Stock Company	5,460,000	26%	26%	54,600,000,000	-	(*)	5,460,000	26%	26%	54,600,000,000	-	(*)
<i>Others</i>												
• Tan Tien Plastic Joint Stock Company (**)	20,000	3%	3%	4,000,000,000	(2,000,000,000)	(*)	20,000	3%	3%	4,000,000,000	(2,000,000,000)	(*)
				221,725,000,000	(2,000,000,000)					221,725,000,000	(2,000,000,000)	

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- (*) At the reporting date, fair value of these investments was not available.
- (**) Tan Tien Plastic Joint Stock Company is a joint stock company established under the Business Registration Certificate No. 0302706634 issued by the Department of Planning and Investment of Ho Chi Minh City and changed for the 13th time on 8 April 2013. The principal activities are to produce and trade consumer products from plastics, engineering plastics, plastics plating, high quality and large-sized plastic products for technical businesses and investment projects.

10. Accounts receivable from customers – short-term**Accounts receivable from customers detailed by significant customer**

	30/6/2020 VND	1/1/2020 VND
Duc Tuong Group Joint Stock Company	107,180,744,023	68,396,872,041
Phuong Hoang Trading Manufacturing Co., Ltd	40,746,707,523	61,572,688,678
Construction Joint Stock Company No. 5	37,810,007,985	46,896,846,297
Thep Moi Co., Ltd	16,993,660,813	23,667,461,200
Other customers	107,888,784,586	107,660,761,677
	310,619,904,930	308,194,629,893

11. Prepayments to suppliers

	30/6/2020 VND	1/1/2020 VND
Eplas Company Limited	7,838,164,782	7,722,995,662
Seatecco Trading and Service Joint Stock Company	-	4,092,304,590
Bong Sen Plastic Chemical Technology Co., Ltd	6,031,449,860	4,274,633,177
Itochu J373 Company	-	3,817,618,200
Hyosung Chemical Company	4,019,328,000	-
Other supplies	20,028,805,313	15,698,004,753
	37,917,747,955	35,605,556,382

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12. Other short-term receivables

	30/6/2020 VND	1/1/2020 VND
Short-term deposits	12,046,440,676	23,157,802,888
Interest receivables from deposits at banks	22,987,388,162	6,491,780,834
Advances to employees	1,544,300,000	875,407,915
Others	1,230,845,272	1,170,622,821
	37,808,974,110	31,695,614,458

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13. Allowance for doubtful debts

		30/06/2020					1/1/2020			
	Overdue days	Cost VND	Allowance VND	Recoverable amount VND		Overdue days	Cost VND	Allowance VND	Recoverable amount VND	
Overdue debts										
Construction Joint Stock Company No. 5 Thép Moi Co., Ltd	From over 6 months to 2 year	37,594,268,835	(18,795,313,676)	18,798,955,159		From over 6 months to 1 year	37,760,374,115	(18,331,645,349)	19,428,728,766	
	From over 1 year to 3 years	16,993,660,813	(9,855,935,219)	7,137,725,594		From over 1 year to 2 years	17,749,857,309	(8,884,262,195)	8,865,595,114	
Others	From over 1 year to 3 years	5,260,673,252	(3,925,876,639)	1,334,796,613		From over 1 year to 3 years	5,445,362,387	(3,517,415,815)	1,927,946,572	
Others	From over 6 months to 1 year	-	-	-		From over 6 months to 1 year	8,098,897,880	(2,429,669,364)	5,669,228,516	
Thanh Tuyet Private Enterprise	Over 5 years	20,992,959,002	(20,992,959,002)	-		Over 5 years	20,992,959,002	(20,992,959,002)	-	
Duc Thanh Plastic Trading Company Limited	Over 5 years	34,844,128,351	(34,844,128,351)	-		Over 5 years	34,844,128,351	(34,844,128,351)	-	
		115,685,690,253	(88,414,212,887)	27,271,477,366				124,891,579,044	(89,000,080,076)	35,891,498,968

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Movements of the allowance for doubtful debts during the period were as follows:

	Six-month period ended	
	30/6/2020	30/6/2019
	VND	VND
Opening balance	89,000,080,076	78,441,411,482
Allowance made during the period	11,291,546,863	19,274,292,319
Allowance reversed during the period	(11,877,414,052)	-
Closing balance	88,414,212,887	97,715,703,801

14. Inventories

	30/6/2020		1/1/2020	
	Cost	Allowance	Cost	Allowance
	VND	VND	VND	VND
Goods in transit	7,338,580,944	-	4,396,173,600	-
Raw materials	120,212,477,429	-	139,918,638,569	-
Tools and supplies	1,955,096,835	-	1,775,348,218	-
Work in progress	22,654,434,061	-	34,268,509,187	-
Finished goods	153,615,330,024	-	155,299,193,258	-
Merchandise inventories	36,989,987,956	-	37,160,739,949	-
	342,765,907,249	-	372,818,602,781	-

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15. Tangible fixed assets

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
Cost					
Opening balance	457,583,425,359	1,016,110,128,787	31,006,707,979	5,432,039,651	1,510,132,301,776
Additions	800,000,000	3,550,301,716	585,300,000	1,455,586,000	6,391,187,716
Transfers from construction in progress	-	25,841,705,561	-	-	25,841,705,561
Disposals	-	(43,652,120)	-	-	(43,652,120)
Closing balance	458,383,425,359	1,045,458,483,944	31,592,007,979	6,887,625,651	1,542,321,542,933
Accumulated depreciation					
Opening balance	217,505,675,889	657,757,107,768	21,086,070,381	5,423,425,760	901,772,279,798
Charge for the period	33,660,235,506	61,364,132,085	1,628,143,700	209,548,056	96,862,059,347
Disposals	-	(21,304,966)	-	-	(21,304,966)
Closing balance	251,165,911,395	719,099,934,887	22,714,214,081	5,632,973,816	998,613,034,179
Net book value					
Opening balance	240,077,749,470	358,353,021,019	9,920,637,598	8,613,891	608,360,021,978
Closing balance	207,217,513,964	326,358,549,057	8,877,793,898	1,254,651,835	543,708,508,754

Included in tangible fixed assets were assets costing VND480,836 million which were fully depreciated as at 30 June 2020 (1/1/2020: VND478,202 million), but which are still in active use.

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16. Intangible fixed assets

	Land use rights VND	Software VND	Total VND
Cost			
Opening balance	9,570,664,750	25,535,492,897	35,106,157,647
Transfers from construction in progress	-	712,318,181	712,318,181
Closing balance	9,570,664,750	26,247,811,078	35,818,475,828
Accumulated amortisation			
Opening balance	3,524,433,161	12,485,646,391	16,010,079,552
Charge for the period	21,254,564	4,244,456,364	4,265,710,928
Closing balance	3,545,687,725	16,730,102,755	20,275,790,480
Net book value			
Opening balance	6,046,231,589	13,049,846,506	19,096,078,095
Closing balance	6,024,977,025	9,517,708,323	15,542,685,348

Included in intangible fixed assets were assets costing VND425 million which were fully depreciated as at 30 June 2020 (1/1/2020: VND425 million), but which are still in active use.

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17. Construction in progress

	Six-month period ended 30/6/2020 VND
Opening balance	27,925,505,552
Additions	12,620,339,400
Transfer to tangible fixed assets	(25,841,705,561)
Transfer to intangible fixed assets	(712,318,181)
Closing balance	13,991,821,210

Major constructions in progress were as follows:

	30/6/2020 VND	1/1/2020 VND
Machinery and equipment	11,627,336,898	26,101,229,177
Software	2,364,484,312	1,824,276,375
	13,991,821,210	27,925,505,552

18. Prepaid expenses

(a) Short-term prepaid expenses

	30/6/2020 VND	1/1/2020 VND
Prepaid land costs	1,892,771,118	-
Tools and instruments	1,128,103,498	1,136,861,000
Other short-term prepaid expenses	1,749,310,195	115,209,391
	4,770,184,811	1,252,070,391

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	Prepaid land costs VND	Tools and instruments VND	Overhaul expenditure VND	Total VND
Opening balance	218,521,042,308	17,633,457,745	13,725,374,034	249,879,874,087
Additions	-	26,257,130,934	701,608,700	26,958,739,634
Transfer from short-term prepaid expenses	-	-	71,563,956	71,563,956
Amortisation for the period	(4,064,843,239)	(8,970,369,950)	(3,245,691,222)	(16,280,904,411)
Closing balance	214,456,199,069	34,920,218,729	11,252,855,468	260,629,273,266

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19. Deferred tax assets

	Tax rate	30/6/2020 VND	1/1/2020 VND
Accruals and provisions	20%	16,028,664,626	16,028,664,626

20. Long-term tools, supplies and spare parts

Long-term tools, supplies and spare parts are related to tools, supplies and spare parts not qualified for recognition as fixed assets used for production and business activities of the Company. Costs of long-term tools, supplies and spare parts when being used are recorded in production and business costs for the period.

21. Accounts payable to suppliers

(a) Accounts payable to suppliers detailed by significant supplier

	Cost and amount within payment capacity	
	30/6/2020 VND	1/1/2020 VND
TPC Vina Plastic and Chemical Corporation Ltd.	31,093,920,000	55,476,652,000
Northern Binh Minh Plastics One Member Limited Company	16,610,008,293	12,823,752,879
AGC Chemicals Vietnam Co., Ltd.	14,493,600,000	32,292,480,000
Other suppliers	31,572,056,039	16,453,108,036
	93,769,584,332	117,045,992,915

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(b) Accounts payable to suppliers who are related parties

	Cost and amount within payment capacity	
	30/6/2020 VND	1/1/2020 VND
<i>Subsidiary</i>		
Northern Binh Minh Plastics One Member Limited Company	16,610,008,293	12,823,752,879
<i>Other related companies</i>		
TPC Vina Plastic and Chemical Corporation Ltd.	31,093,920,000	55,476,652,000
	47,703,928,293	68,300,404,879

The trade related amounts due to related parties were unsecured, interest free and are payable within 30 days from invoice date.

22. Advances from customers

	30/6/2020 VND	1/1/2020 VND
Lan Thanh Construction - Production - Trading & Services Co., Ltd	17,315,786,518	2,396,950,968
To Minh Liem Trading - Service Co., Ltd	5,428,112,405	3,915,956,754
Tuong Van Production and Trading Joint Stock Company	2,952,889,467	3,190,826,258
Hoan Tuan Thanh Construction and Trading Production Company Limited	1,628,866,209	1,380,514,216
Truong Minh Hai Co., Ltd	921,927,748	2,066,342,234
Others	17,326,020,565	8,156,546,067
	45,573,602,912	21,107,136,497

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23. Taxes payable to/receivable from State Treasury

(a) Taxes payable to State Treasury

	1/1/2020 VND	Incurred VND	Paid VND	Net-off/transfer to taxes receivable VND	30/6/2020 VND
Value added tax	8,536,355,869	307,816,090,141	(88,766,466,988)	(217,194,858,323)	10,391,120,699
Import-export tax	-	2,468,000,722	(2,468,000,722)	-	-
Corporate income tax	15,823,738,172	57,063,469,670	(38,181,164,513)	-	34,706,043,329
Personal income tax	2,649,392,765	13,915,741,952	(17,880,266,433)	1,315,131,716	-
Other taxes	-	620,448,420	(445,335,500)	-	175,112,920
	27,009,486,806	381,883,750,905	(147,741,234,156)	(215,879,726,607)	45,272,276,948

(b) Taxes receivable from State Treasury

	1/1/2020 VND	Incurred VND	Net-off/transfer from taxes payable VND	30/6/2020 VND
Value added tax	-	217,194,858,323	(217,194,858,323)	-
Personal income tax	-	-	1,315,131,716	1,315,131,716
	-	217,194,858,323	(215,879,726,607)	1,315,131,716

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24. Accrued expenses

	30/6/2020	1/1/2020
	VND	VND
Payment discounts	10,760,795,381	10,294,771,539
Selling expenses for distribution network	76,917,789,655	35,224,781,131
Gift expenses	6,200,000,000	7,074,420,791
Customer conference expenses	6,000,000,000	-
Remunerations for the Board of Directors and Board of Supervision	2,280,000,000	2,365,000,000
Transportation costs	1,995,480,454	1,995,480,454
Interest expense	78,744,814	124,933,134
Other expenses	880,000,000	2,093,000,000
	105,112,810,304	59,172,387,049

25. Other payables – short-term

	30/6/2020	1/1/2020
	VND	VND
Dividends payable	82,211,352,300	350,414,300
Bonus for the Board of Directors and Board of Supervision	4,227,663,000	-
Short-term deposits and collaterals received	1,975,836,916	323,030,450
Surplus assets awaiting resolution	393,273,928	393,273,928
Trade union fee	214,006,480	206,906,640
Others	503,891,419	2,043,943,676
	89,526,024,043	3,317,568,994

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	1/1/2020		Movements during the period		30/6/2020	
	Carrying amount VND	Amount within repayment capacity VND	Increase VND	(Decrease) VND	Carrying amount VND	Amount within repayment capacity VND
Short-term borrowings	55,590,000,000	55,590,000,000	40,000,000	(500,000,000)	55,130,000,000	55,130,000,000

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

	Currency	Annual interest rate	30/6/2020 VND	1/1/2020 VND
<i>Loans from:</i>				
Binh Minh Viet Real Estate Investment and Trading Joint Stock Company – an associate (i)	VND	0%	54,600,000,000	54,600,000,000
Other customers (ii)	VND	7.15%	530,000,000	990,000,000
			55,130,000,000	55,590,000,000

- (i) This loan has original term of 12 months and is unsecured.
- (ii) This balance represents deposits received from customers for fulfilment of sales contracts signed between the Company and customers.

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27. Bonus and welfare fund

Movements of bonus and welfare fund during the period were as follows:

	Six-month period ended	
	30/6/2020	30/6/2019
	VND	VND
Opening balance	19,872,803,694	28,438,264,703
Appropriation during the period (Note 29)	35,005,052,640	30,907,791,818
Utilisation during the period	(19,872,803,694)	(21,171,959,166)
Closing balance	35,005,052,640	38,174,097,355

28. Long-term provisions

Long-term provisions represent the balance of provision for severance allowance made for the employees eligible for this severance allowance.

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29. Changes in owners' equity

	Share capital VND	Share premium VND	Investment and development fund VND	Other equity funds VND	Retained profits VND	Total VND
Balance at 1 January 2020	818,609,380,000	1,592,782,700	1,103,587,865,413	44,983,552,000	237,675,535,554	2,206,449,115,667
Net profit for the period	-	-	-	-	228,253,878,684	228,253,878,684
Dividends (Note 31)	-	-	-	-	(245,582,814,000)	(245,582,814,000)
Appropriation to bonus and welfare fund	-	-	-	-	(35,005,052,640)	(35,005,052,640)
Bonus for the Board of Directors and Board of Supervision	-	-	-	-	(4,227,663,000)	(4,227,663,000)
Supplement retained profits from investment and development fund	-	-	(50,666,881,629)	-	50,666,881,629	-
Balance at 30 June 2020	818,609,380,000	1,592,782,700	1,052,920,983,784	44,983,552,000	231,780,766,227	2,149,887,464,711
Balance at 1 January 2019	818,609,380,000	1,592,782,700	1,078,351,159,026	44,983,552,000	269,523,236,844	2,213,060,110,570
Net profit for the period	-	-	-	-	198,777,129,872	198,777,129,872
Dividends (Note 31)	-	-	-	-	(204,652,345,000)	(204,652,345,000)
Appropriation to investment and development fund	-	-	25,236,706,387	-	(25,236,706,387)	-
Appropriation to bonus and welfare fund	-	-	-	-	(30,907,791,818)	(30,907,791,818)
Bonus for the Board of Directors and Board of Supervision	-	-	-	-	(4,276,102,000)	(4,276,102,000)
Balance at 30 June 2019	818,609,380,000	1,592,782,700	1,103,587,865,413	44,983,552,000	203,227,421,511	2,172,001,001,624

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30. Share capital

The Company's authorised and issued share capital are:

	30/6/2020		1/1/2020	
	Number of shares	VND	Number of shares	VND
Authorised and issued share capital				
Ordinary shares	81,860,938	818,609,380,000	81,860,938	818,609,380,000
Shares in circulation				
Ordinary shares	81,860,938	818,609,380,000	81,860,938	818,609,380,000

All ordinary shares have a par value of VND10,000. Each share is entitled to one vote at meetings of the Company. Shareholders are entitled to receive dividends as declared by the Company from time to time. All ordinary shares are ranked equally with regard to the Company's residual assets. For repurchased shares, all rights above shall be withheld until they are reissued.

There was no movement in share capital during the period.

Details of shareholders at the reporting date were as follows:

	As at 30/6/2020		As at 1/1/2020	
	Share capital VND	% equity owned	Share capital VND	% equity owned
Nawaplastic Industries Co., Ltd.	445,259,110,000	54.4%	445,259,110,000	54.4%
Other shareholders	373,350,270,000	45.6%	373,350,270,000	45.6%
	818,609,380,000	100%	818,609,380,000	100%

The parent company, Nawaplastic Industries Co., Ltd., is incorporated in Thailand.

Binh Minh Plastics Joint Stock Company**Notes to the separate interim financial statements for the six-month period ended
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The General Meeting of Shareholders of the Company on 24 June 2020 resolved to distribute dividends amounting to VND409,305 million from profit after tax of 2019 by cash, equivalent to 50% of charter capital, in which interim dividends amounting to VND163,722 million was paid in 2019 (six-month period ended 30 June 2019: The General Meeting of Shareholders of the Company on 19 April 2019 resolved to distribute dividends amounting to VND204,652 million, which is equivalent to VND2,500 per share, from profit after tax of 2018).

32. Off balance sheet items**(a) Foreign currencies**

	30/6/2020		1/1/2020	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	69,673	1,614,602,370	29,506	680,015,331
THB	93,920	65,639,585	141,480	102,236,278
		1,680,241,955		782,251,609

(b) Capital expenditure commitments

At the reporting date, the Company had the following outstanding capital commitments approved but not provided for in the balance sheet:

	30/6/2020 VND	1/1/2020 VND
Approved and contracted	55,271,964,259	50,241,722,108

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33. Revenue from sale of goods and provision of services

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

Net revenue comprised of:

	Six-month period ended	
	30/6/2020	30/6/2019
	VND	VND
Total revenue		
▪ Sales of finished goods	2,106,727,024,367	1,953,494,813,282
▪ Sales of supplies and merchandised goods	105,883,816,022	62,490,436,671
▪ Transportation service	2,935,000	9,115,910
	2,212,613,775,389	2,015,994,365,863
Less revenue deductions		
▪ Sales returns	(5,595,938,690)	(1,748,697,270)
	(5,595,938,690)	(1,748,697,270)
Net revenue	2,207,017,836,699	2,014,245,668,593

34. Cost of goods sold and services provided

	Six-month period ended	
	30/6/2020	30/6/2019
	VND	VND
Total cost of sales:		
▪ Finished goods sold	1,555,201,129,682	1,495,672,174,456
▪ Supplies and merchandised goods sold	96,858,213,029	62,331,994,162
	1,652,059,342,711	1,558,004,168,618

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35. Financial income

	Six-month period ended	
	30/6/2020	30/6/2019
	VND	VND
Interest income from bank deposits	25,931,450,880	10,305,665,582
Foreign exchange gains	96,372,086	439,733,713
	26,027,822,966	10,745,399,295

36. Financial expenses

	Six-month period ended	
	30/6/2020	30/6/2019
	VND	VND
Interest expense	18,669,863	56,445,106
Foreign exchange losses	66,223,104	402,636,522
Payment discounts	58,880,142,493	52,477,945,875
	58,965,035,460	52,937,027,503

37. Selling expenses

	Six-month period ended	
	30/6/2020	30/6/2019
	VND	VND
Staff costs	13,923,387,856	7,193,354,803
Materials, packaging costs	3,535,182,148	2,102,253,317
Depreciation charge	1,565,456,962	977,736,293
Selling expenses of the distribution network	141,086,528,622	64,972,874,105
Transportation costs	11,858,486,545	24,809,314,492
Customer conference expenses	6,000,000,000	51,465,001
Promotion and advertisement expenses	2,993,178,137	2,518,781,604
Outside service expenses	2,713,053,233	3,160,849,013
Other expenses	16,190,196,084	9,762,166,846
	199,865,469,587	115,548,795,474

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38. General and administration expenses

	Six-month period ended	
	30/6/2020	30/6/2019
	VND	VND
Management staff costs	17,645,303,429	10,307,040,239
Management materials costs	524,127,289	2,600,067,716
Depreciation charge	3,595,759,398	3,659,182,598
Taxes, duties and fees	3,451,211,420	84,159,725
(Reversal)/allowance for doubtful debts	(585,867,189)	19,274,292,319
Outside service expenses	4,360,604,453	6,105,377,076
Other expenses	8,352,321,557	8,613,887,317
	37,343,460,357	50,644,006,990

39. Production and business costs by element

	Six-month period ended	
	30/6/2020	30/6/2019
	VND	VND
Raw material costs included in production costs and purchase cost of merchandise goods	1,332,867,415,460	1,191,964,251,359
Labour costs and staff costs	162,722,906,428	139,218,863,376
Depreciation and amortisation	101,127,770,275	86,867,123,443
Outside services	84,082,535,992	88,544,861,087
Other expenses	196,382,706,140	217,601,871,817

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40. 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	57,063,469,670	49,694,017,272
Deferred tax expense	-	-
Income tax expense	57,063,469,670	49,694,017,272

(b) Reconciliation of effective tax rate

	Six-month period ended	
	30/6/2020	30/6/2019
	VND	VND
Accounting profit before tax	285,317,348,354	248,471,147,144
Tax at the Company's tax rate	57,063,469,670	49,694,017,272

(c) Applicable tax rates

The Company has an obligation to pay the government income tax at the rate of 20% of taxable profits.

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41. Significant transactions with related parties

In addition to related party balances disclosed in other notes to the separate interim financial statements, the Company had the following significant transactions with related parties during the period:

	Transaction value	
	Six-month period ended	
	30/6/2020	30/6/2019
	VND	VND
<i>The subsidiary</i>		
Northern Binh Minh Plastics One Member Limited Company		
Purchase of materials, merchandises and finished goods	94,808,241,717	57,031,942,240
Sales of goods and merchandises	21,961,674,977	13,982,545,160
<i>The associate</i>		
Danang Plastics Joint Stock Company		
Warehouse rental fee	545,454,546	545,454,545
Commission fee	3,493,460,083	3,247,139,241
Transportation fee	1,960,770,000	-
<i>Other related companies</i>		
TPC Vina Plastic and Chemical Corporation Ltd.		
Purchase of materials	456,579,960,000	496,303,560,000
SCG Performance Chemicals Co., Ltd		
Purchase of materials	17,331,013,800	2,507,344,350
SCG Plastics Co., Ltd		
Purchase of materials	1,133,480,200	1,462,534,014
Nawa Intertech Co., Ltd		
Purchase of materials	-	3,853,328,430
Purchase of machinery and equipment	1,499,074,882	-
Alcamax Pacaging Manufaturing (Vietnam) Co., Ltd		
Purchase of materials	268,939,600	325,130,500
<i>Key management personnel</i>		
Board of Directors and Board of Management		
Salary, bonus and remuneration	8,561,583,231	4,324,993,510
Board of Supervision		
Remuneration	709,315,065	550,339,307

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42. Corresponding figures

Corresponding figures as at 1 January 2020 and for the six-month period ended 30 June 2019 were derived respectively from the balances and amounts reported in the Company's separate financial statements as at and for the year ended 31 December 2019 and from the Company's separate interim financial statements as at and for the six-month period ended 30 June 2019.

24 August 2020

Prepared by:



Phung Huu Luan
Deputy Chief Accountant

Approved by:



Hong Le Viet
Chief Accountant



Nguyễn Hoàng Ngan
General Director

