



VinaCafé Bien Hoa Joint Stock Company

Quarterly Separate Financial Statements
for the period ended 31 March 2021

VinaCafé Bien Hoa Joint Stock Company
Corporate Information

**Enterprise Registration
Certificate No.**

3600261626

29 December 2004

The Company's Enterprise Registration certificate has been amended several times, the most recent of which is dated 13 July 2020. The Enterprise Registration certificate and its amendments were issued by the Planning and Investment Department of Dong Nai Province.

Board of Directors

Pham Hong Son	Chairman
Nguyen Hoang Yen	Member
Truong Cong Thang	Member
Huynh Cong Hoan	Member
Ho Thuy Hanh	Member

Board of Management

Le Huu - Thang	Chief Executive Officer (from 14 April 2021)
Doan Quoc Hung	Chief Executive Officer (until 14 April 2021)
Nguyen Thanh Tung	Deputy Chief Executive Officer

Registered Office

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

VinaCafé Bien Hoa Joint Stock Company
Separate balance sheet as at 31 March 2021

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

	Code	Note	31/3/2021 VND	1/1/2021 VND
ASSETS				
Current assets (100 = 110 + 130 + 140 + 150)	100		1,496,306,308,982	1,605,869,408,836
Cash and cash equivalents	110	4	98,259,871,903	200,879,074,099
Cash	111		21,259,871,903	19,379,074,099
Cash equivalents	112		77,000,000,000	181,500,000,000
Accounts receivable – short-term	130		1,096,259,364,676	1,171,187,681,402
Accounts receivable from customers	131		134,557,876,215	225,492,510,858
Prepayments to suppliers	132		1,902,513,000	1,072,310,315
Other short-term receivables	136	6(a)	959,798,975,461	944,622,860,229
Inventories	140	7	301,000,567,720	233,387,726,798
Inventories	141		301,290,519,648	233,397,992,131
Allowance for inventories	149		(289,951,928)	(10,265,333)
Other current assets	150		786,504,683	414,926,537
Short-term prepaid expenses	151		786,504,683	414,926,537

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

VinaCafé Bien Hoa Joint Stock Company
Separate balance sheet as at 31 March 2021 (continued)

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

	Code	Note	31/3/2021 VND	1/1/2021 VND
Long-term assets (200 = 210 + 220 + 240 + 250 + 260)	200		590,401,608,139	594,425,660,895
Accounts receivable – long-term	210		5,000,000	158,998,867,117
Loans receivable – long-term	215	8	-	125,000,000,000
Other long-term receivables	216	6(b)	5,000,000	33,998,867,117
Fixed assets	220		397,643,987,861	410,616,629,284
Tangible fixed assets	221	9	397,365,638,426	410,307,352,135
Cost	222		1,013,493,353,074	1,012,137,008,574
Accumulated depreciation	223		(616,127,714,648)	(601,829,656,439)
Intangible fixed assets	227	10	278,349,435	309,277,149
Cost	228		1,880,358,879	1,880,358,879
Accumulated amortisation	229		(1,602,009,444)	(1,571,081,730)
Long-term work in progress	240		4,348,116	1,611,020,720
Construction in progress	242	11	4,348,116	1,611,020,720
Long-term financial investments	250	5	170,000,000,000	-
Investments in a subsidiary	251		205,000,000,000	35,000,000,000
Allowance for diminution in the value of long-term financial investments	254		(35,000,000,000)	(35,000,000,000)
Other long-term assets	260		22,748,272,162	23,199,143,774
Long-term prepaid expenses	261	12	19,500,964,011	20,563,415,691
Deferred tax assets	262		3,247,308,151	2,635,728,083
TOTAL ASSETS (270 = 100 + 200)	270		2,086,707,917,121	2,200,295,069,731

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

VinaCafé Bien Hoa Joint Stock Company
Separate balance sheet as at 31 March 2021 (continued)

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

	Code	Note	31/3/2021 VND	1/1/2021 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		438,820,987,652	632,745,739,858
Current liabilities	310		433,639,894,402	627,520,066,858
Accounts payable to suppliers	311		145,419,657,362	162,454,756,494
Advances from customers	312		254,640,081	1,019,768,792
Taxes payable to State Treasury	313	13	31,800,000,836	99,562,489,090
Payables to employees	314		4,461,438,918	-
Accrued expenses	315	14	20,795,812,460	22,865,926,631
Other short-term payables	319	15(a)	2,942,756,608	3,341,484,287
Short-term borrowings	320	16	206,933,690,679	317,243,744,106
Bonus and welfare funds	322		21,031,897,458	21,031,897,458
Long-term liabilities	330		5,181,093,250	5,225,673,000
Other long-term payables	337	15(b)	279,450,000	279,450,000
Provisions long-term	342		4,901,643,250	4,946,223,000
EQUITY (400 = 410)	400		1,647,886,929,469	1,567,549,329,873
Owners' equity	410	17	1,647,886,929,469	1,567,549,329,873
Share capital	411	18	265,791,350,000	265,791,350,000
- Ordinary shares with voting rights	411a		265,791,350,000	265,791,350,000
Share premium	412	18	29,974,241,968	29,974,241,968
Investment and development fund	418		213,510,848,947	213,510,848,947
Undistributed profits after tax	421		1,138,610,488,554	1,058,272,888,958
- Undistributed profits after tax brought forward	421a		1,058,272,888,958	316,320,508,442
- Undistributed profit after tax for the current period/prior year	421b		80,337,599,596	741,952,380,516
TOTAL RESOURCES (440 = 300 + 400)	440		2,086,707,917,121	2,200,295,069,731

29 April 2021

Prepared by:



Nguyen Thi Ngoc Tram
General Accountant

Approved by:



Phan Thi Thuy Hoa
Chief Accountant



Huyñh Viet Thang
Authorised Representative

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

VinaCafé Bien Hoa Joint Stock Company
Separate statement of income for the period ended 31 March 2021

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

	Code	Note	Quarter I		Period to date	
			2021 VND	2020 VND	2021 VND	2020 VND
Revenue from sales of goods and provision of services	01	20	399,083,936,132	481,830,516,468	399,083,936,132	481,830,516,468
Revenue deductions	02	20	620,833,638	154,086,222	620,833,638	154,086,222
Net revenue (10 = 01 - 02)	10	20	398,463,102,494	481,676,430,246	398,463,102,494	481,676,430,246
Cost of sales	11	21	295,303,504,614	340,913,008,292	295,303,504,614	340,913,008,292
Gross profit (20 = 10 - 11)	20		103,159,597,880	140,763,421,954	103,159,597,880	140,763,421,954
Financial income	21	22	16,566,188,660	10,143,810,434	16,566,188,660	10,143,810,434
Financial expenses	22	23	1,833,392,233	8,830,731,178	1,833,392,233	8,830,731,178
<i>In which: Interest expenses</i>	23		1,740,290,065	4,084,250,901	1,740,290,065	4,084,250,901
Selling expenses	25		6,122,143,488	1,467,632,020	6,122,143,488	1,467,632,020
General and administration expenses	26		10,698,952,736	5,641,968,720	10,698,952,736	5,641,968,720
Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		101,071,298,083	134,966,900,470	101,071,298,083	134,966,900,470
Other income	31		35,017,707	-	35,017,707	-
Other expenses	32		-	49,800	-	49,800
Results of other activities (40 = 31 - 32)	40		35,017,707	(49,800)	35,017,707	(49,800)
Accounting profit before tax (50 = 30 + 40) (Carried forward to next page)	50		101,106,315,790	134,966,850,670	101,106,315,790	134,966,850,670

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

VinaCafé Bien Hoa Joint Stock Company
Separate statement of income for the period ended 31 March 2021 (continued)

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

	Code	Note	Quarter I		Period to date	
			2021	2020	2021	2020
			VND	VND	VND	VND
Accounting profit before tax (brought forward from previous page)	50		101,106,315,790	134,966,850,670	101,106,315,790	134,966,850,670
Income tax expense – current	51		21,380,296,262	26,845,767,114	21,380,296,262	26,845,767,114
Income tax (benefit)/ expense – deferred	52		(611,580,068)	202,726,980	(611,580,068)	202,726,980
Net profit after tax (60 = 50 - 51 - 52)	60		80,337,599,596	107,918,356,576	80,337,599,596	107,918,356,576

29 April 2021

Prepared by:



Nguyen Thi Ngoc Tram
General Accountant

Approved by:



Phan Thi Thuy Hoa
Chief Accountant



Vuynh Viet Thang
Authorised Representative

The accompanying notes are an integral part of these financial statements

VinaCafé Bien Hoa Joint Stock Company
Separate statement of cash flows for the period ended 31 March 2021
(Indirect method)

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

	Code	For the period ended	
		31/3/2021 VND	31/3/2020 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounting profit before tax	01	101,106,315,790	134,966,850,670
Adjustments for			
Depreciation and amortisation	02	14,581,011,423	14,544,137,960
Allowances and provisions	03	245,372,178	178,897,911
Exchange gains arising from revaluation of monetary items dominated in foreign currencies	04	(198,499,955)	(768,393,267)
Profit from investing activities	05	(16,267,033,152)	(9,295,488,735)
Interest expense	06	1,740,290,065	4,084,250,901
Operating profit before changes in working capital	08	101,207,456,349	143,710,255,440
Change in receivables and other assets	09	90,379,400,958	1,015,660,305,590
Change in inventories	10	(67,902,792,850)	(122,353,983,191)
Change in payables and other liabilities	11	(14,512,118,058)	(130,811,902,238)
Change in prepaid expenses	12	690,873,534	742,823,261
		109,862,819,933	906,947,498,862
Interest paid	14	(2,072,943,526)	(4,648,695,236)
Corporate income tax paid	15	(88,418,813,341)	(60,929,582,793)
Net cash flows from operating activities	20	19,371,063,066	841,369,220,833

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

VinaCafé Bien Hoa Joint Stock Company
Separate statement of cash flows for the period ended 31 March 2021
(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	For the period ended	
		31/3/2021 VND	31/3/2020 VND
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets	21	(1,937,810,396)	(2,391,764,816)
Payment for granting loans	23	-	(600,000,000,000)
Collection for granting loans	24	125,000,000,000	-
Placement of other investments	23	-	(250,000,000,000)
Payment for investment in a subsidiary	25	(170,000,000,000)	-
Receipts of interests	27	35,482,429,037	1,573,169,102
Net cash flows from investing activities	30	(11,455,381,359)	(850,818,595,714)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	33	206,933,690,679	283,940,191,373
Payments to settle loan principals	34	(317,243,744,106)	(345,406,640,836)
Payments of dividends	35	(431,250,000)	-
Net cash flows from financing activities	40	(110,741,303,427)	(61,466,449,463)
Net cash flows during the period (50 = 20 + 30 + 40)	50	(102,825,621,720)	(70,915,824,344)
Cash and cash equivalents at the beginning of the period	60	200,879,074,099	217,859,292,317
Effect of exchange rate fluctuations on cash and cash equivalents	61	206,419,524	746,473,475
Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61)	70	98,259,871,903	147,689,941,448

29 April 2021

Prepared by:



Nguyen Thi Ngoc Tram
General Accountant

Approved by:





Phan Thi Thuy Hoa
Chief Accountant

Huynh Viet Thang
Authorized Representative

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

VinaCafé Bien Hoa Joint Stock Company
Notes to the separate financial statements for the period ended 31 March 2021

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

These notes form an integral part of and should be read in conjunction with these accompanying separate financial statements.

1. Reporting entity

(a) Ownership structure

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

(b) Principal activities

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

(c) Normal operating cycle

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

(d) Company structure

As at 31 March 2021, the Company has 1 subsidiary (1/1/2021: 1 subsidiary) as listed at Notes 5.

As at 31 March 2021, the Company had 257 employees (1/1/2021: 258 employees).

2. Basis of preparation

(a) Statement of compliance

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

(b) Basis of measurement

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

(c) Annual accounting period

The annual accounting period of the Company is from 1 January to 31 December. These quarterly separate financial statements are prepared for the three-month period ended 31 March 2021

(d) Accounting and presentation currency

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

(e) Corresponding figures

The corresponding figures as at 1 January 2021 were brought forward from the audited figures as at 31 December 2020.

3. Summary of significant accounting policies

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

(a) Foreign currency transactions

Transactions in currencies other than VND during the period have been translated into VND at rates approximating actual rate of exchange ruling at the transaction dates.

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at the average of the account transfer buying rates and selling rates at the end of annual accounting period quoted by the commercial bank where the Company most frequently conduct transactions.

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

(b) Cash and cash equivalents

Cash comprises cash balances and call deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amount of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(c) Investments

(i) Held-to-maturity investments

Held-to-maturity investments are those that the Boards of Management of the Company and its subsidiary have the intention and ability to hold until maturity. Held-to-maturity investments include term deposits at banks and other investment. These investments are stated at cost less allowance for doubtful debts.

(ii) Investments in subsidiaries

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

VinaCafé Bien Hoa Joint Stock Company
Notes to the separate financial statements for the period ended 31 March 2021
(continued)

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(d) Trade and other receivables

Trade and other receivables are stated at cost less allowance for doubtful debts.

(e) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all costs incurred in bringing the inventories to their present location and condition. Cost in the case of finished goods and work in progress includes raw materials, direct labour and attributable manufacturing overheads. Net realisable value is the estimated selling price of inventory items, less the estimated costs of completion and selling expenses.

The Company applies the perpetual method of accounting for inventories.

(f) Tangible fixed assets

(i) Cost

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition for its intended use. Expenditure incurred after tangible fixed assets have been put into operation, such as repair and maintenance and overhaul cost, is charged to the statement of income in the period in which the cost is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

(ii) Depreciation

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

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

(g) Intangible fixed assets

(i) Software

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

(ii) Brand name

Cost of acquiring brand name is capitalised and treated as an intangible asset and is amortised on a straight-line basis over 8 years.

VinaCafé Bien Hoa Joint Stock Company
Notes to the separate financial statements for the period ended 31 March 2021
(continued)

Form B 09a – DN
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(h) Construction in progress

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

(i) Long-term prepaid expenses

(i) Prepaid land costs

Prepaid land costs comprise prepaid land lease rentals, including those for which the Company obtained land use rights certificate but are not qualified as intangible fixed assets under prevailing regulations and other costs incurred in conjunction with securing the use of leased land. These costs are recognised in the separate statement of income on a straight-line basis over the remaining term of the lease of 43 years.

(ii) Tools and supplies

Tools and supplies include assets held for use by the Company in the normal course of business whose costs of individual items are less than VND30 million and therefore not qualified for recognition as fixed assets under prevailing regulations. Cost of tools and supplies are amortised on a straight-line basis over a period ranging from 2 years to 3 years.

(j) Trade and other payables

Trade and other payables are stated at their costs.

(k) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Severance allowance

Under the Vietnamese Labour Code, when an employee who has worked for 12 months or more (“the eligible employees”) voluntarily terminates his/her labour contract, the employer is required to pay the eligible employee severance allowance calculated based on years of service and employee’s compensation at termination. Provision for severance allowance has been provided based on employees’ years of service and their average salary for the six-month period prior at the end of accounting period. For the purpose of determining the number of years of service by an employee, the period for which the employee participated in and contributed to unemployment insurance in accordance with prevailing laws and regulations and the period for which severance allowance has been paid by the Company are excluded.

VinaCafé Bien Hoa Joint Stock Company
Notes to the separate financial statements for the period ended 31 March 2021
(continued)

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(l) Share capital and share premium

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

(m) Taxation

Income tax on the separate profit or separate loss for the period comprises current and deferred tax. Income tax is recognised in the separate statement of income except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted at the 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 amount of assets and liabilities using tax rates enacted or substantively enacted at the end of the accounting period.

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

(n) Revenue

(i) Sales of goods

Revenue from sales of goods is recognised in the separate statement of income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue from sales of goods is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods. Revenue from sales of goods is recognised at the net amount after deducting sales discounts stated on the invoice.

(ii) Provision of services

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

(iii) Rental income

Rental income from leased property is recognised in the separate statement of income on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income.

VinaCafé Bien Hoa Joint Stock Company
Notes to the separate financial statements for the period ended 31 March 2021
(continued)

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(o) **Financial income and financial expenses**

(i) *Financial income*

Financial income comprises interest income from deposits, foreign exchange gains and interest income from other financial investments.

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

(ii) *Financial expenses*

Financial expenses comprise interest expenses on borrowings, allowance for diminution in value of long-term financial investments, foreign exchange losses, and other financial activities losses.

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

(p) **Operating lease payments**

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

(q) **Related parties**

Parties are considered to be related to the Group if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or where the Group and the other party are subject to common control or significant influence. Related parties may be individuals or corporate entities and include close family members of any individual considered to be a related party.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

4. Cash and cash equivalents

	31/3/2021 VND	1/1/2021 VND
Cash on hand	25,257,129	12,037,129
Cash at banks	21,234,614,774	19,367,036,970
Cash equivalents	77,000,000,000	181,500,000,000
	<hr/>	<hr/>
	98,259,871,903	200,879,074,099

Cash equivalents represented term deposits at banks with original terms to maturity of three months or less from their transaction dates.

VinaCafé Bien Hoa Joint Stock Company**Notes to the separate financial statements for the period ended 31 March 2021 (continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***5. Long-term financial investment****Investment in a subsidiary**

		31/3/2021			1/1/2021	
	% of equity owned and voting rights	Cost	Allowance for diminution in value	% of equity owned and voting rights	Cost	Allowance for diminution in value
		VND	VND		VND	VND
Café De Nam Joint Stock Company (“CDN”)	97.77%	205,000,000,000	(35,000,000,000)	85%	35,000,000,000	(35,000,000,000)

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

In January 2021, the Company has successfully acquired an additional 17,000,000 new shares issued (equivalent to 12.77% equity interests) in Café De Nam Joint Stock Company (“CDN”), a subsidiary. As the result of this transaction, the Company’s equity interests in CDN has increased from 85% to 97.77%.

VinaCafé Bien Hoa Joint Stock Company
Notes to the separate financial statements for the period ended 31 March 2021
(continued)

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6. Other receivables

(a) Other short-term receivables

	31/3/2021	1/1/2021
	VND	VND
Accrued interest from deposits at banks	126,153,425	92,887,671
Accrued interest from other investments	38,510,273,970	23,765,068,492
Short-term deposits for operating activities	303,400,000	167,000,000
Short-term deposits for investing activities	920,000,000,000	920,000,000,000
Other non-trade receivables	859,148,066	597,904,066
	959,798,975,461	944,622,860,229

(b) Other long-term receivables

	31/3/2021	1/1/2021
	VND	VND
Accrued interest receivable from a subsidiary	-	33,993,867,117
Long-term deposits	5,000,000	5,000,000
	5,000,000	33,998,867,117

7. Inventories

	31/3/2021		1/1/2021	
	Cost	Allowance	Cost	Allowance
	VND	VND	VND	VND
Goods in transit	-	-	5,717,017,500	-
Raw materials	235,962,183,724	(289,951,928)	185,925,581,256	(10,265,333)
Tools and supplies	8,776,948,445	-	8,090,616,853	-
Finished goods	55,449,373,119	-	33,634,085,152	-
Merchandise inventories	218,498,922	-	30,691,370	-
Goods on consignment	883,515,438	-	-	-
	301,290,519,648	(289,951,928)	233,397,992,131	(10,265,333)

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

	For the period ended	
	31/3/2021	31/3/2020
	VND	VND
Opening balance	10,265,333	990,481,625
Increase in allowance during the period	289,951,928	329,902,411
Allowance utilised during the period	(10,265,333)	(948,443,886)
	<hr/>	<hr/>
Closing balance	289,951,928	371,940,150
	<hr/>	<hr/>

Included in inventories as at 31 March 2021 was VND290 million (1/1/2021: VND10 million) of slow-moving inventories.

8. Receivables on long-term lending loans

	31/3/2021	1/1/2021
	VND	VND
Long-term loans receivable from CDN, a subsidiary	-	125,000,000,000
	<hr/>	<hr/>

9. Tangible fixed assets

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
Cost					
Opening balance	203,568,960,136	798,113,192,200	4,397,487,235	6,057,369,003	1,012,137,008,574
Transfers from construction in progress	-	1,608,370,000	-	-	1,608,370,000
Disposals	-	(252,025,500)	-	-	(252,025,500)
Closing balance	203,568,960,136	799,469,536,700	4,397,487,235	6,057,369,003	1,013,493,353,074
Accumulated depreciation					
Opening balance	83,945,300,057	510,231,906,276	3,848,029,153	3,804,420,953	601,829,656,439
Charge for the period	2,470,852,701	11,917,923,549	37,539,804	123,767,655	14,550,083,709
Disposals	-	(252,025,500)	-	-	(252,025,500)
Closing balance	86,416,152,758	521,897,804,325	3,885,568,957	3,928,188,608	616,127,714,648
Net book value					
Opening balance	119,623,660,079	287,881,285,924	549,458,082	2,252,948,050	410,307,352,135
Closing balance	117,152,807,378	277,571,732,375	511,918,278	2,129,180,395	397,365,638,426

Included in the cost of tangible fixed assets were assets costing VND282,243 million which were fully depreciated as of 31 March 2021 (1/1/2021: VND278,789 million), but are still in active use.

10. Intangible fixed assets

	Software VND	Brand name VND	Total VND
Cost			
Opening and closing balances	1,004,073,640	876,285,239	1,880,358,879
Accumulated amortisation			
Opening balance	1,004,073,640	567,008,090	1,571,081,730
Charge for the period	-	30,927,714	30,927,714
Closing balance	1,004,073,640	597,935,804	1,602,009,444
Net book value			
Opening balance	-	309,277,149	309,277,149
Closing balance	-	278,349,435	278,349,435

Included in the cost of intangible fixed assets were assets costing VND1,004 million which were fully depreciated as of 31 March 2021 (1 January 2021: VND1,004 million), but are still in active use.

11. Construction in progress

For the period ended	31/3/2021 VND
Opening balance	1,611,020,720
Additions during the period	1,697,396
Transfers to tangible fixed assets	(1,608,370,000)
Closing balance	4,348,116

During the period ended 31 March 2021, there was no borrowing cost capitalised into construction in progress of the Company.

12. Long-term prepaid expenses

	Prepaid land costs VND	Tools and supplies VND	Total VND
Opening balance	13,694,793,389	6,868,622,302	20,563,415,691
Additions during the period	-	192,500,000	192,500,000
Amortisation for the period	(100,697,010)	(1,154,254,670)	(1,254,951,680)
Closing balance	13,594,096,379	5,906,867,632	19,500,964,011

13. Taxes payable to State Treasury

	31/3/2021 VND	1/1/2021 VND
Corporate income tax	21,567,550,626	88,606,067,705
Value added tax	9,650,473,101	10,785,071,719
Personal income tax	581,977,109	171,349,666
	31,800,000,836	99,562,489,090

14. Accrued expenses

	31/3/2021 VND	1/1/2021 VND
Purchases not yet received invoices	5,256,217,212	311,862,500
Accured processing fee	4,611,592,334	5,679,173,340
Bonus and 13 th month salary	3,797,233,938	12,911,122,383
Accrued interest expenses	477,516,087	810,169,548
Logistics expense	281,860,159	551,483,712
Construction in progress	-	1,263,500,000
Others	6,371,392,730	1,338,615,148
	20,795,812,460	22,865,926,631

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15. Other payables

(a) Other short-term payables

	31/3/2021	1/1/2021
	VND	VND
Dividend payables	2,032,090,000	2,463,340,000
Short-term deposits received	381,882,500	381,882,500
Social insurance, health insurance, unemployment insurance and trade union fees	251,392,138	221,888,577
Others	277,391,970	274,373,210
	<hr/>	<hr/>
	2,942,756,608	3,341,484,287
	<hr/>	<hr/>

(b) Other long-term payables

	31/3/2021	1/1/2021
	VND	VND
Long-term deposits received	279,450,000	279,450,000
	<hr/>	<hr/>

16. Short-term borrowings

	31/3/2021		1/1/2021	
	Carrying amount VND	Amount within repayment capacity VND	Carrying amount VND	Amount within repayment capacity VND
Short-term borrowings	206,933,690,679	206,933,690,679	317,243,744,106	317,243,744,106
	<hr/>	<hr/>	<hr/>	<hr/>

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

	Currency	Annual interest rate	31/3/2021 VND	1/1/2021 VND
Unsecured bank loans	VND	2.1% - 4%	206,933,690,679	317,243,744,106
			<hr/>	<hr/>

As at 31 March 2021 and 1 January 2021, the Company does not have any overdue borrowings including principal and interest.

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17. Changes in owners' equity

	Share capital VND	Share premium VND	Investment and development fund (*) VND	Undistributed profits after tax VND	Total owners' equity VND
Balance as at 1 January 2020	265,791,350,000	29,974,241,968	213,510,848,947	980,798,883,442	1,490,075,324,357
Net profit for the period	-	-	-	107,918,356,576	107,918,356,576
Balance as at 31 March 2020	265,791,350,000	29,974,241,968	213,510,848,947	1,088,717,240,018	1,597,993,680,933
Balance as at 1 January 2021	265,791,350,000	29,974,241,968	213,510,848,947	1,058,272,888,958	1,567,549,329,873
Net profit for the period	-	-	-	80,337,599,596	80,337,599,596
Balance as at 31 March 2021	265,791,350,000	29,974,241,968	213,510,848,947	1,138,610,488,554	1,647,886,929,469

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

18. Share capital and share premium

The Company's authorised and issued share capitals are:

	31/3/2021		1/1/2021	
	Number of shares	VND	Number of shares	VND
Authorised and issued share capital				
Ordinary shares	26,579,135	265,791,350,000	26,579,135	265,791,350,000
Shares in circulation				
Ordinary shares	26,579,135	265,791,350,000	26,579,135	265,791,350,000
Share premium	-	29,974,241,968	-	29,974,241,968

All ordinary shares have a par value of VND10,000. Each share is entitled to one vote at meetings of the Company. Shareholders are entitled to receive dividends as declared from time to time. All ordinary shares are ranked equally with regard to the Company's residual assets. In respect of shares bought back by the Company, all rights are suspended until those shares are reissued.

There were no movements in share capital during the period.

19. Off balance sheet item

Foreign currency

	31/3/2021		1/1/2021	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	134,066	3,081,916,794	303,667	6,979,786,225

20. Revenue from sales of goods and provision of services

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

Net revenue comprised:

	For the period ended	
	31/3/2021 VND	31/3/2020 VND
Total revenue	399,083,936,132	481,830,516,468
Less revenue deductions		
▪ Sales returns	620,833,638	154,086,222
Net revenue	398,463,102,494	481,676,430,246

21. Cost of sales

	For the period ended	
	31/3/2021 VND	31/3/2020 VND
Total cost of sales		
▪ Goods sold	295,013,552,686	340,583,105,881
▪ Allowance for inventories	289,951,928	329,902,411
	295,303,504,614	340,913,008,292

22. Financial income

	For the period ended	
	31/3/2021 VND	31/3/2020 VND
Interest income from deposits at banks and other investments	15,955,389,316	2,247,885,996
Interest income from loans to a subsidiary	311,643,836	2,025,684,931
Interest income from loans to a related party	-	5,021,917,808
Foreign exchange gains	299,155,508	848,321,699
	16,566,188,660	10,143,810,434

23. Financial expenses

	For the period ended	
	31/3/2021	31/3/2020
	VND	VND
Interest expense	1,740,290,065	4,084,250,901
Foreign exchange losses	93,102,168	74,103,757
Others	-	4,672,376,520
	<u>1,833,392,233</u>	<u>8,830,731,178</u>

24. Significant transactions with related parties

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

	Transaction value		Receivables/(payables)	
	For the period ended		as at	
	31/3/2021	31/3/2020	31/3/2021	1/1/2021
	VND	VND	VND	VND
Parent of parent company				
Masan Consumer Corporation				
Sales of goods	363,182,422,498	407,275,606,093	116,341,662,052	189,093,993,744
Sales of services	-	44,324,196,000	-	10,801,005,600
Purchases of goods	12,070,775,363	21,793,042,662	-	-
Related parties				
Masan Industrial One Member Company Limited				
Sales of goods	407,652,237	208,147,480	-	-
Purchases of goods	7,743,804	241,688,800	(1,738,339,771)	(182,793,171)
Purchases of service	3,661,057,385	8,584,106,378	(10,019,079,940)	(9,378,428,200)
Management fee	-	719,450,001	(3,957,870,398)	-
Loans receivable	-	600,000,000,000	-	-
Interest income from loans	-	5,021,917,808	-	-
Vinh Hao Mineral Water Corporation				
Sales of goods and services	22,333,056	-	-	-
Purchases of goods	8,426,687,646	14,031,446,654	(9,705,484,348)	(13,503,776,971)
Purchases of services	6,832,123,200	9,556,888,896	(13,041,515,520)	(5,526,180,000)

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	Transaction value For the period ended		Receivables/(payables) as at	
	31/3/2021 VND	31/3/2020 VND	31/3/2021 VND	1/1/2021 VND
Masan MB One Member Company Limited				
Sales of goods and services	5,178,527,760	3,227,099,520	3,235,071,576	1,227,113,448
Purchases of goods	-	366,960,000	-	-
Masan HG One Member Company Limited				
Sales of goods and services	7,183,162,320	-	9,688,671,960	4,494,642,240
Subsidiary				
Café De Nam Joint stock Company				
Sales of goods	213,624,000	193,059,622	87,346,119	5,298,810
Sales of services	-	-	195,568,516	195,568,516
Purchases of goods	7,254,493	2,929,312,380	-	-
Loans receivable	-	-	-	125,000,000,000
Interest income from loans	311,643,836	2,025,684,931	-	33,993,867,117
Capital contribution	170,000,000,000	-	-	-
Key management personnel				
Remunerations	616,284,469	2,466,576,586	-	-

29 April 2021

Prepared by:



Nguyen Thi Ngoc Tram
General Accountant

Approved by:



Phan Thi Thuy Hoa
Chief Accountant



Huynh Viet Thang
Authorised Representative