

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

Quarterly Consolidated Financial Statements
for the period ended 31 March 2021



**VinaCafé Bien Hoa Joint Stock Company and its subsidiary
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 and its subsidiary
Consolidated balance sheet as at 31 March 2021

Form B 01a – DN/HN
(Issued under Circular No. 202/2014/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		1,519,935,972,869	1,619,382,377,622
Cash and cash equivalents	110	4	105,471,167,814	201,559,823,160
Cash	111		23,471,167,814	20,059,823,160
Cash equivalents	112		82,000,000,000	181,500,000,000
Short-term financial investments	120		5,000,000,000	-
Held-to-maturity investments	123		5,000,000,000	-
Accounts receivable – short-term	130		1,095,987,397,912	1,172,535,183,612
Accounts receivable from customers	131		134,276,361,506	226,823,642,968
Prepayments to suppliers	132		1,902,513,000	1,088,680,415
Other short-term receivables	136	5(a)	959,808,523,406	944,622,860,229
Inventories	140	6	304,441,116,632	236,715,265,299
Inventories	141		304,772,500,932	236,725,530,632
Allowance for inventories	149		(331,384,300)	(10,265,333)
Other current assets	150		9,036,290,511	8,572,105,551
Short-term prepaid expenses	151		837,500,520	452,269,144
Deductible value added tax	152		8,198,789,991	8,115,349,938
Taxes receivable from State Treasury	153		-	4,486,469

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

VinaCafé Bien Hoa Joint Stock Company and its subsidiary
Consolidated balance sheet as at 31 March 2021 (continued)

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

	Code	Note	31/3/2021 VND	1/1/2021 VND
Long-term assets (200 = 210 + 220 + 240 + 260)	200		494,511,188,640	512,396,964,606
Accounts receivable – Long-term	210		5,000,000	5,000,000
Other long-term receivables	216	5(b)	5,000,000	5,000,000
Fixed assets	220		450,542,148,313	465,666,561,462
Tangible fixed assets	221	7	450,263,798,878	465,357,284,313
Cost	222		1,097,840,523,526	1,096,484,179,026
Accumulated depreciation	223		(647,576,724,648)	(631,126,894,713)
Intangible fixed assets	227	8	278,349,435	309,277,149
Cost	228		2,180,358,879	2,180,358,879
Accumulated amortisation	229		(1,902,009,444)	(1,871,081,730)
Long-term work in progress	240		4,348,116	1,611,020,720
Construction in progress	242	9	4,348,116	1,611,020,720
Other long-term assets	260		43,959,692,211	45,114,382,424
Long-term prepaid expenses	261	10	19,661,641,717	20,747,386,756
Deferred tax assets	262		10,257,061,885	9,646,604,382
Goodwill	269	11	14,040,988,609	14,720,391,286
TOTAL ASSETS (270 = 100 + 200)	270		2,014,447,161,509	2,131,779,342,228

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VinaCafé Bien Hoa Joint Stock Company and its subsidiary
Consolidated balance sheet as at 31 March 2021 (continued)

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

	Code	Note	31/3/2021 VND	1/1/2021 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		439,685,654,036	633,342,602,272
Current liabilities	310		434,504,560,786	628,116,929,272
Accounts payable to suppliers	311		145,784,381,892	162,459,760,504
Advances from customers	312		254,640,081	1,019,768,792
Taxes payable to State Treasury	313	12	31,821,885,368	99,562,489,090
Payables to employees	314		4,509,663,891	-
Accrued expenses	315	13	20,842,225,273	23,075,152,579
Other short-term payables	319	14(a)	3,326,176,144	3,724,116,743
Short-term borrowings	320	15	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	14(b)	279,450,000	279,450,000
Provisions – long-term	342		4,901,643,250	4,946,223,000
EQUITY (400 = 410)	400		1,574,761,507,473	1,498,436,739,956
Owners' equity	410	16	1,574,761,507,473	1,498,436,739,956
Share capital	411	17	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	17	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		1,063,795,640,568	1,002,800,069,975
- Undistributed profits after tax brought forward	421a		1,002,800,069,975	279,198,484,714
- Undistributed profit after tax for the current period/prior year	421b		60,995,570,593	723,601,585,261
Non-controlling interests	429		1,689,425,990	(13,639,770,934)
TOTAL RESOURCES (440 = 300 + 400)	440		2,014,447,161,509	2,131,779,342,228

29 April 2021

Prepared by:


 Nguyen Thi Ngoc Tram
 General Accountant

Approved by:


 Phan Thi Thuy Hoa
 Chief Accountant


 Huỳnh Viet Thang
 Authorised Representative



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

VinaCafé Bien Hoa Joint Stock Company and its subsidiary
Consolidated statement of income for the period ended 31 March 2021

Form B 02a – DN/HN
(Issued under Circular No. 202/2014/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	19	399,558,191,708	483,424,733,868	399,558,191,708	483,424,733,868
Revenue deductions	02	19	620,833,638	135,259,117	620,833,638	135,259,117
Net revenue (10 = 01 - 02)	10	19	398,937,358,070	483,289,474,751	398,937,358,070	483,289,474,751
Cost of sales	11	20	298,658,684,958	344,271,946,858	298,658,684,958	344,271,946,858
Gross profit (20 = 10 - 11)	20		100,278,673,112	139,017,527,893	100,278,673,112	139,017,527,893
Financial income	21	21	16,322,748,644	8,118,412,722	16,322,748,644	8,118,412,722
Financial expenses	22	22	1,833,392,233	8,830,731,178	1,833,392,233	8,830,731,178
<i>In which: Interest expense</i>	23		1,740,290,065	4,084,250,901	1,740,290,065	4,084,250,901
Selling expenses	25		6,315,287,448	1,952,938,853	6,315,287,448	1,952,938,853
General and administration expenses	26		11,393,153,506	6,342,003,675	11,393,153,506	6,342,003,675
Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		97,059,588,569	130,010,266,909	97,059,588,569	130,010,266,909
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		97,094,606,276	130,010,217,109	97,094,606,276	130,010,217,109

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

VinaCafé Bien Hoa Joint Stock Company and its subsidiary
 Consolidated statement of income for the period ended 31 March 2021 (continued)

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

	Code	Note	Quarter I		Period to date	
			2021 VND	2020 VND	2021 VND	2020 VND
Accounting profit before tax (brought forward from previous page)	50		97,094,606,276	130,010,217,109	97,094,606,276	130,010,217,109
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		(610,457,503)	199,291,699	(610,457,503)	199,291,699
Net profit after tax (60 = 50 - 51 - 52)	60		76,324,767,517	102,965,158,296	76,324,767,517	102,965,158,296
Attributable to:						
Equity holders of the Company	61		76,461,533,948	103,604,166,468	76,461,533,948	103,604,166,468
Non-controlling interests	62		(136,766,431)	(639,008,172)	(136,766,431)	(639,008,172)
Earnings per share						
Basic earnings per share	70	23	2,877	3,898	2,877	3,898

29 April 2021

Prepared by:


 Nguyen Thi Ngoc Tram
 General Accountant

Approved by:


 Phan Thi Thuy Hoa
 Chief Accountant




 Huỳnh Viet Thang
 Authorised Representative

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

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

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

	Code	For the period ended	
		31/3/2021 VND	31/3/2020 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounting profit before tax	01	97,094,606,276	130,010,217,109
Adjustments for			
Depreciation and amortisation	02	17,412,185,826	17,400,312,362
Allowances and provisions	03	286,804,550	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	(16,023,593,136)	(7,270,091,023)
Interest expense	06	1,740,290,065	4,084,250,901
Operating profit before changes in working capital	08	100,311,793,626	143,635,193,993
Change in receivables and other current assets	09	91,929,464,293	1,015,669,299,628
Change in inventories	10	(68,057,235,633)	(119,520,268,817)
Change in payables and other liabilities	11	(14,244,314,088)	(133,702,648,114)
Change in prepaid expenses	12	700,513,663	701,187,293
		110,640,221,861	906,782,763,983
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	20,148,464,994	841,204,485,954
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets and other long-term assets	21	(1,937,810,396)	(2,391,764,816)
Payment for granting loan	23	-	(600,000,000,000)
Placement of term deposits to banks and payment for other investments	23	(5,000,000,000)	(250,000,000,000)
Receipts of interests	27	1,235,573,959	1,573,456,321
Net cash flows from investing activities	30	(5,702,236,437)	(850,818,308,495)

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

VinaCafé Bien Hoa Joint Stock Company and its subsidiary
Consolidated statement of cash flows for the period ended 31 March 2021
(Indirect method - continued)

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

	Code	For the period ended	
		31/3/2021 VND	31/3/2020 VND
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 dividend to owners	36	(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	(96,295,074,870)	(71,080,272,004)
Cash and cash equivalents at the beginning of the period	60	201,559,823,160	218,388,319,710
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	105,471,167,814	148,054,521,181

29 April 2021

Prepared by:



Nguyen Thi Ngoc Tram
General Accountant

Approved by:





Phan Thi Thuy Hoa
Chief Accountant

Huỳnh Viet Thang
Authorised Representative

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

VinaCafé Bien Hoa Joint Stock Company and its subsidiary
Notes to the consolidated financial statements for the period ended 31 March 2021

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
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These notes form an integral part of and should be read in conjunction with these accompanying consolidated financial statements.

1. Reporting entity

(a) Ownership structure

VinaCafé Bien Hoa Joint Stock Company (“the Company”) is a joint stock company incorporated in Vietnam. The quarterly consolidated financial statements for the period ended 31 March 2021 comprise the Company and its subsidiary (collectively referred to as “the Group”).

(b) Principal activities

The principal activities of the Company are to manufacture and sell various kinds of 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) Group structure

As at 31 March 2021, the Group has 1 subsidiary (1/1/2021: 1 subsidiary), the detail informations of the subsidiary are described as follows:

Name	Principal activities	Address	Percentage of economic interests and voting rights	
			31/3/2021	1/1/2021
Café De Nam Joint stock Company	Beverage manufacturing and trading	C I.III – 3+5+7, Long Thanh Industrial Zones, Tam An, Long Thanh, Dong Nai, Vietnam	97.77%	85%

As at 31 March 2021, the Group had 261 employees (1/1/2021: 262 employees).

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

Form B 09a – DN/HN
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2. Basis of preparation

(a) Statement of compliance

These consolidated 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.

(b) Basis of measurement

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

(c) Annual accounting period

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

(d) Accounting and presentation currency

The Group's accounting currency is Vietnam Dong ("VND") which is also the currency used for these 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 Group in the preparation of these consolidated financial statements.

(a) Basis of consolidation

(i) Subsidiary

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

(ii) Non-controlling interests

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

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

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

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(iii) Transactions eliminated on consolidation

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

(iv) Business combination

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

(b) Foreign currency transactions

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

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

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

(c) Cash and cash equivalents

Cash comprises cash balances and call deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known 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.

(d) Investments

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.

(e) Accounts receivables from customers and other receivables

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

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

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(f) Inventories

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

The Group applies the perpetual method of accounting for inventories.

(g) Tangible fixed assets

(i) Cost

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

(ii) Depreciation

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

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

(h) Intangible fixed assets

(i) Software

Cost of acquiring 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 and its subsidiary
Notes to the consolidated financial statements for the period ended 31 March 2021
(continued)

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(i) 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.

(j) Long-term prepaid expenses

(i) Prepaid land costs

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

(ii) Tools and supplies

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

(k) Goodwill

Goodwill arising on the acquisition of a subsidiary is measured at cost less accumulated amortisation. Cost of goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative (gain from bargain purchase), it is recognised immediately in the consolidated statement of income.

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

(l) Accounts payable to suppliers and other payables

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

(m) Provisions

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

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

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Severance allowance

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

(n) Share capital and share premium

Ordinary shares are classified as equity. 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.

(o) Taxation

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

(p) Revenue

(i) Sales of goods

Revenue from sales of goods is recognised in the consolidated statement of income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue from 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.

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

Form B 09a – DN/HN
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(ii) Provision of services

Revenue from provision of services is recognised in the consolidated 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 consolidated statement of income on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income.

(q) Financial income and financial expenses

(i) Financial income

Financial income comprises interest income from deposits at banks, interest income from loans, 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 and 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.

(r) Operating lease payments

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

(s) Earnings per share

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

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

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(t) 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	1/1/2021
	VND	VND
Cash on hand	25,257,129	12,037,129
Cash at banks	23,445,910,685	20,047,786,031
Cash equivalents	82,000,000,000	181,500,000,000
	<hr/>	<hr/>
	105,471,167,814	201,559,823,160
	<hr/>	<hr/>

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

5. Other receivables

(a) Other short-term receivables

	31/3/2021	1/1/2021
	VND	VND
Accrued interest from deposits at banks	135,701,370	92,887,671
Accrued interest from other investments	38,510,273,970	23,765,068,492
Short-term deposits for investing activities	920,000,000,000	920,000,000,000
Short-term deposits for operating activities	303,400,000	167,000,000
Other non-trade receivables	859,148,066	597,904,066
	<hr/>	<hr/>
	959,808,523,406	944,622,860,229
	<hr/>	<hr/>

(b) Other long-term receivables

	31/3/2021	1/1/2021
	VND	VND
Long-term deposits	5,000,000	5,000,000
	<hr/>	<hr/>

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6. Inventories

	31/3/2021		1/1/2021	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Goods in transit	-	-	5,717,017,500	-
Raw materials	238,776,162,805	(331,384,300)	188,584,317,770	(10,265,333)
Tools and supplies	8,776,948,445	-	8,090,616,853	-
Finished goods	55,476,811,634	-	33,662,323,452	-
Merchandise inventories	859,062,610	-	671,255,057	-
Goods on consignment	883,515,438	-	-	-
	<u>304,772,500,932</u>	<u>(331,384,300)</u>	<u>236,725,530,632</u>	<u>(10,265,333)</u>

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

	For the period ended	
	31/3/2021 VND	31/3/2020 VND
Opening balance	10,265,333	990,481,625
Increase in allowance during the period	331,384,300	329,902,411
Allowance utilised during the period	(10,265,333)	(948,443,886)
Closing balance	<u>331,384,300</u>	<u>371,940,150</u>

Included in inventories as at 31 March 2021 was VND331 million (1/1/2021: VND10 million) of slow-moving inventories.

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7. 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	882,144,692,375	4,485,955,671	6,284,570,844	1,096,484,179,026
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	883,501,036,875	4,485,955,671	6,284,570,844	1,097,840,523,526
Accumulated depreciation					
Opening balance	83,945,300,057	539,356,284,539	3,936,497,589	3,888,812,528	631,126,894,713
Charge for the period	2,470,852,701	14,060,579,727	37,539,804	132,883,203	16,701,855,435
Disposals	-	(252,025,500)	-	-	(252,025,500)
Closing balance	86,416,152,758	553,164,838,766	3,974,037,393	4,021,695,731	647,576,724,648
Net book value					
Opening balance	119,623,660,079	342,788,407,836	549,458,082	2,395,758,316	465,357,284,313
Closing balance	117,152,807,378	330,336,198,109	511,918,278	2,262,875,113	450,263,798,878

Included in the cost of tangible fixed assets were assets costing VND282,332 million which were fully depreciated as of 31 March 2021 (1/1/2021: VND278,826 million), but are still in active use.

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8. Intangible fixed assets

	Software VND	Brand name VND	Total VND
Cost			
Opening and closing balances	1,304,073,640	876,285,239	2,180,358,879
Accumulated amortisation			
Opening balance	1,304,073,640	567,008,090	1,871,081,730
Charge for the period	-	30,927,714	30,927,714
Closing balance	1,304,073,640	597,935,804	1,902,009,444
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 VND1,304 million which were fully depreciated as of 31 March 2021 (1 January 2021: VND1,004 million), but are still in active use.

9. 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 Group.

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10. Long-term prepaid expenses

	Prepaid land costs VND	Tools and supplies VND	Total VND
Opening balance	13,694,793,389	7,052,593,367	20,747,386,756
Additions during the period	-	192,500,000	192,500,000
Amortisation for the period	(100,697,010)	(1,177,548,029)	(1,278,245,039)
Closing balance	13,594,096,379	6,067,545,338	19,661,641,717

11. Goodwill

For the period ended	31/3/2021 VND
Cost	
Opening and closing balances	27,176,107,031
Accumulated amortisation	
Opening balance	12,455,715,745
Charge for the period	679,402,677
Closing balance	13,135,118,422
Net book value	
Opening balance	14,720,391,286
Closing balance	14,040,988,609

12. 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	603,861,641	171,349,666
Total	31,821,885,368	99,562,489,090

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13. Accrued expenses

	31/3/2021	1/1/2021
	VND	VND
Accrued processing fee	5,679,173,340	5,679,173,340
Purchases not yet received invoices	5,256,217,212	311,862,500
Bonus and 13 th month salary	3,844,908,936	13,101,097,327
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	5,302,549,539	1,357,866,152
	<hr/>	<hr/>
	20,842,225,273	23,075,152,579
	<hr/>	<hr/>

14. 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	232,879,016	202,588,375
Others	679,324,628	676,305,868
	<hr/>	<hr/>
	3,326,176,144	3,724,116,743
	<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
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15. 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

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

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

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16. Changes in owners' equity

	Share capital VND	Share premium VND	Investment and development fund VND	Undistributed profits after tax VND	Non-controlling interests VND	Total owners' equity VND
Balance as at 1 January 2020	265,791,350,000	29,974,241,968	213,510,848,947	943,676,859,714	(10,882,327,491)	1,402,194,040,485
Net profit for the period	-	-	-	103,604,166,468	(639,008,172)	102,965,158,296
Balance as at 31 March 2020	265,791,350,000	29,974,241,968	213,510,848,947	1,047,281,026,182	(11,521,335,663)	1,545,036,131,434
Balance as at 1 January 2021	265,791,350,000	29,974,241,968	213,510,848,947	1,002,800,069,975	(13,639,770,934)	1,498,436,739,956
Increase of capital in a subsidiary	-	-	-	(15,465,963,355)	15,465,963,355	-
Net profit for the period	-	-	-	76,461,533,948	(136,766,431)	76,324,767,517
Balance as at 31 March 2021	265,791,350,000	29,974,241,968	213,510,848,947	1,063,795,640,568	1,689,425,990	1,574,761,507,473

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.

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17. 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.

18. 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

19. Revenue from sales of goods and provision of services

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

Net revenue comprised:

	For the period ended	
	31/3/2021 VND	31/3/2020 VND
Total revenue	399,558,191,708	483,424,733,868
Less revenue deductions		
▪ Sales returns	620,833,638	135,259,117
Net revenue	398,937,358,070	483,289,474,751

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20. Cost of sales

	For the period ended	
	31/3/2021	31/3/2020
	VND	VND
Total cost of sales		
▪ Goods sold	298,327,300,658	343,942,044,447
▪ Allowance for inventories	331,384,300	329,902,411
	<hr/>	<hr/>
	298,658,684,958	344,271,946,858
	<hr/>	<hr/>

21. Financial income

	For the period ended	
	31/3/2021	31/3/2020
	VND	VND
Interest income from deposits at banks and other investments	16,023,593,136	2,248,173,215
Interest income from loan to a related party	-	5,021,917,808
Foreign exchange gains	299,155,508	848,321,699
	<hr/>	<hr/>
	16,322,748,644	8,118,412,722
	<hr/>	<hr/>

22. 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
	<hr/>	<hr/>
	1,833,392,233	8,830,731,178
	<hr/>	<hr/>

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23. Basic earnings per share

The calculation of basic earnings per share for the period ended 31 March 2021 was based on the consolidated profit attributable to ordinary shareholders of the Company, after deducting the amounts appropriated to bonus and welfare fund, and a weighted average number of ordinary shares outstanding calculated as follows:

(i) Net profit attributable to ordinary shareholders

	For the period ended	
	31/3/2021	31/3/2020
	VND	VND
Net profit attributable to ordinary shareholders	76,461,533,948	103,604,166,468

(ii) Weighted average number of ordinary shares

	For the period ended	
	31/3/2021	31/3/2020
	VND	VND
Weighted average number of ordinary shares at the end of the period – currently in circulation	26,579,135	26,579,135

(iii) Basic earnings per share

	For the period ended	
	31/3/2021	31/3/2020
	VND	VND
Basic earnings per share	2,877	3,898

24. Significant transactions with related parties

During the period and as at the period end, the Group has the following significant transactions and balances with its 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	363,869,029,414	409,081,710,220	116,341,662,052	190,431,486,780
Sales of services	-	44,324,196,000	-	10,801,005,600
Purchases of goods	12,182,730,849	21,932,712,162	-	-

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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
Related parties				
Masan Industrial One Member Company Limited				
Sales of goods	408,924,897	208,147,480	1,399,926	6,999,300
Purchases of goods	7,743,804	241,688,800	(1,738,339,771)	(3,251,498,113)
Purchases of service	5,105,160,447	8,584,106,378	(10,019,079,940)	(8,026,013,092)
Management fee	-	719,450,001	(3,957,870,398)	(3,957,870,398)
Loans receivable	-	600,000,000,000	-	-
Interest income from loans	-	5,021,917,808	-	-
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
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 service	6,832,123,200	9,556,888,896	(13,041,515,520)	(5,526,180,000)
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