

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

Quarterly Consolidated Financial Statements
for the period ended 31 March 2022



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 7 May 2021. 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
Huynh Cong Hoan	Member
Ho Thuy Hanh	Member

Board of Management

Le Huu - Thang	Chief Executive Officer
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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 2022

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

	Code	Note	31/3/2022 VND	1/1/2022 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		1,324,679,129,369	1,496,987,596,788
Cash and cash equivalents	110	4	283,928,232,159	1,124,040,455,859
Cash	111		17,928,232,159	14,040,455,859
Cash equivalents	112		266,000,000,000	1,110,000,000,000
Short-term financial investments	120		400,000,000	400,000,000
Held-to-maturity investments	123		400,000,000	400,000,000
Accounts receivable – short-term	130		596,635,674,950	130,526,111,432
Accounts receivable from customers	131		89,185,151,137	125,667,638,470
Prepayments to suppliers	132		1,085,363,952	972,863,400
Other short-term receivables	136	5(a)	506,365,159,861	3,885,609,562
Inventories	140	6	434,206,450,803	233,214,952,292
Inventories	141		434,736,951,214	233,859,681,449
Allowance for inventories	149		(530,500,411)	(644,729,157)
Other current assets	150		9,508,771,457	8,806,077,205
Short-term prepaid expenses	151		1,390,535,228	644,014,574
Deductible value added tax	152		8,118,236,229	8,159,499,875
Taxes receivable from State Treasury	153		-	2,562,756

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 2022 (continued)

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

	Code	Note	31/3/2022 VND	1/1/2022 VND
Long-term assets (200 = 210 + 220 + 240 + 260)	200		432,946,416,880	448,590,081,493
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		395,365,579,174	410,952,552,471
Tangible fixed assets	221	7	395,210,940,595	410,766,986,178
Cost	222		1,106,753,770,684	1,106,258,448,684
Accumulated depreciation	223		(711,542,830,089)	(695,491,462,506)
Intangible fixed assets	227	8	154,638,579	185,566,293
Cost	228		2,180,358,879	2,180,358,879
Accumulated amortisation	229		(2,025,720,300)	(1,994,792,586)
Long-term work in progress	240		3,491,753,213	2,341,741,814
Construction in progress	242	9	3,491,753,213	2,341,741,814
Other long-term assets	260		34,084,084,493	35,290,787,208
Long-term prepaid expenses	261	10	17,749,768,019	18,330,750,886
Deferred tax assets	262		5,010,938,573	4,957,255,744
Goodwill	269	11	11,323,377,901	12,002,780,578
TOTAL ASSETS (270 = 100 + 200)	270		1,757,625,546,249	1,945,577,678,281

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 2022 (continued)

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

	Code	Note	31/3/2022 VND	1/1/2022 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		412,601,555,015	683,087,147,133
Current liabilities	310		382,121,959,894	676,081,729,395
Accounts payable to suppliers	311		91,994,190,054	241,745,846,803
Advances from customers	312		6,428,388,846	8,475,585,334
Taxes payable to State Treasury	313	12	9,406,673,131	37,302,741,587
Payables to employees	314		4,680,924,373	-
Accrued expenses	315	13	27,479,897,453	40,516,912,540
Other short-term payables	319	14(a)	3,938,991,192	4,001,185,948
Short-term borrowings	320	15	217,160,997,387	323,007,559,725
Bonus and welfare funds	322		21,031,897,458	21,031,897,458
Long-term liabilities	330		30,479,595,121	7,005,417,738
Other long-term payables	337	14(b)	279,450,000	279,450,000
Deferred income tax	341		25,697,876,371	2,109,532,988
Provisions – long-term	342		4,502,268,750	4,616,434,750
EQUITY (400 = 410)	400		1,345,023,991,234	1,262,490,531,148
Owners' equity	410	16	1,345,023,991,234	1,262,490,531,148
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		834,275,594,763	751,690,869,498
- Undistributed profits after tax brought forward	421a		751,690,869,498	338,321,694,975
- Undistributed profit after tax for the current period/prior period	421b		82,584,725,265	413,369,174,523
Non-controlling interests	429		1,471,955,556	1,523,220,735
TOTAL RESOURCES (440 = 300 + 400)	440		1,757,625,546,249	1,945,577,678,281

28 April 2022

Prepared by:



Nguyen Thi Ngoc Tram
General Accountant

Approved by:



Phan Thi Thuy Hoa
Chief Accountant



Pham Hong Son
Chairman

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 2022

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

	Code	Note	Quarter I		Period to date	
			2022 VND	2021 VND	2022 VND	2021 VND
Revenue from sales of goods and provision of services	01	19	426,266,344,909	399,558,191,708	426,266,344,909	399,558,191,708
Revenue deductions	02	19	192,096,487	620,833,638	192,096,487	620,833,638
Net revenue (10 = 01 - 02)	10	19	426,074,248,422	398,937,358,070	426,074,248,422	398,937,358,070
Cost of sales	11	20	308,287,962,190	298,658,684,958	308,287,962,190	298,658,684,958
Gross profit (20 = 10 - 11)	20		117,786,286,232	100,278,673,112	117,786,286,232	100,278,673,112
Financial income	21	21	10,000,005,984	16,322,748,644	10,000,005,984	16,322,748,644
Financial expenses	22	22	2,350,356,265	1,833,392,233	2,350,356,265	1,833,392,233
<i>In which: Interest expense</i>	23		2,102,071,557	1,740,290,065	2,102,071,557	1,740,290,065
Selling expenses	25		2,961,799,363	6,315,287,448	2,961,799,363	6,315,287,448
General and administration expenses	26		9,657,915,568	11,393,153,506	9,657,915,568	11,393,153,506
Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		112,816,221,020	97,059,588,569	112,816,221,020	97,059,588,569
Other income	31		-	35,017,707	-	35,017,707
Other expenses	32		96,545,497	-	96,545,497	-
Results of other activities (40 = 31 - 32)	40		(96,545,497)	35,017,707	(96,545,497)	35,017,707
Accounting profit before tax (50 = 30 + 40) (Carried forward to next page)	50		112,719,675,523	97,094,606,276	112,719,675,523	97,094,606,276

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 2022 (continued)

Form B 02a – DN/HN
 (Issued under Circular No. 202/2014/TT-BTC
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	Code	Note	Quarter I		Period to date	
			2022 VND	2021 VND	2022 VND	2021 VND
Accounting profit before tax (brought forward from previous page)	50		112,719,675,523	97,094,606,276	112,719,675,523	97,094,606,276
Income tax expense – current	51		6,651,554,883	21,380,296,262	6,651,554,883	21,380,296,262
Income tax expense/(benefit) – deferred	52		23,534,660,554	(610,457,503)	23,534,660,554	(610,457,503)
Net profit after tax (60 = 50 - 51 - 52)	60		82,533,460,086	76,324,767,517	82,533,460,086	76,324,767,517
Attributable to:						
Equity holders of the Company	61		82,584,725,265	76,461,533,948	82,584,725,265	76,461,533,948
Non-controlling interests	62		(51,265,179)	(136,766,431)	(51,265,179)	(136,766,431)
Earnings per share						
Basic earnings per share	70	23	3,107	2,877	3,107	2,877

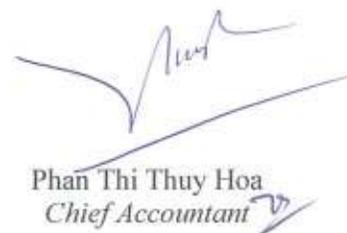
28 April 2022

Prepared by:



Nguyen Thi Ngoc Tram
 General Accountant

Approved by:



Phan Thi Thuy Hoa
 Chief Accountant



Phạm Hong Son
 Chairman

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 2022
(Indirect method)

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

	Code	For the period ended	
		31/3/2022 VND	31/3/2021 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounting profit before tax	01	112,719,675,523	97,094,606,276
Adjustments for			
Depreciation and amortisation	02	16,761,697,974	17,412,185,826
Allowances and provisions	03	416,334,411	286,804,550
Exchange gains arising from revaluation of monetary items dominated in foreign currencies	04	(629,466,725)	(198,499,955)
Profit from investing activities	05	(9,207,870,605)	(16,023,593,136)
Interest expense	06	2,102,071,557	1,740,290,065
Operating profit before changes in working capital	08	122,162,442,135	100,311,793,626
Change in receivables and other current assets	09	36,469,277,135	91,929,464,293
Change in inventories	10	(201,521,998,922)	(68,057,235,633)
Change in payables and other liabilities	11	(174,307,780,254)	(14,244,314,088)
Change in prepaid expenses	12	(148,737,787)	700,513,663
		(217,346,797,693)	110,640,221,861
Interest paid	14	(2,006,084,812)	(2,072,943,526)
Corporate income tax paid	15	(20,689,766,354)	(88,418,813,341)
Net cash flows from operating activities	20	(240,042,648,859)	20,148,464,994
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets and other long-term assets	21	(1,631,140,751)	(1,937,810,396)
Placement of term deposits to banks and payment for other investments	23	(500,000,000,000)	(5,000,000,000)
Receipts of interests from deposits at banks and other investments	27	6,758,256,906	1,235,573,959
Net cash flows from investing activities	30	(494,872,883,845)	(5,702,236,437)

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 2022
 (Indirect method - continued)

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

	Code	For the period ended	
		31/3/2022 VND	31/3/2021 VND
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	33	217,160,997,387	206,933,690,679
Payments to settle loan principals	34	(323,007,559,725)	(317,243,744,106)
Payments of dividend to owners	36	-	(431,250,000)
Net cash flows from financing activities	40	(105,846,562,338)	(110,741,303,427)
Net cash flows during the period (50 = 20 + 30 + 40)	50	(840,762,095,042)	(96,295,074,870)
Cash and cash equivalents at the beginning of the period	60	1,124,040,455,859	201,559,823,160
Effect of exchange rate fluctuations on cash and cash equivalents	61	649,871,342	206,419,524
Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61)	70	283,928,232,159	105,471,167,814

28 April 2022

Prepared by:


 Nguyen Thi Ngoc Tram
 General Accountant

Approved by:


 Phan Thi Thuy Hoa
 Chief Accountant


 Phan Hong Son
 Chairman



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 2022

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 2022 comprise the Company and its subsidiary (collectively referred to as “the Group”).

(b) Principal activities

The principal activities of the Company are to manufacture and sell various kinds of 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 2022, the Group has 1 subsidiary (1/1/2022: 1 subsidiary), the detail information of the subsidiary are described as follows:

Name	Principal activities	Address	Percentage of economic interests and voting rights	
			31/3/2022	1/1/2022
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%	97.77%

As at 31 March 2022, the Group had 274 employees (1/1/2022: 270 employees).

VinaCafé Bien Hoa Joint Stock Company and its subsidiary
Notes to the consolidated financial statements for the period ended 31 March 2022
(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 period ended 31 March 2022.

(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 2022 were brought forward from the audited figures as at 31 December 2021.

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 2022
(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 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 2022
(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 2022
(continued)

Form B 09a – DN/HN
*(Issued under Circular No. 202/2014/TT-BTC
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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 period ranging from 2 years to 3 years.

(k) Goodwill

Goodwill arising on the acquisition of a subsidiary is measured at cost less accumulated amortisation. Cost of goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. 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 2022
(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 2022
(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.

VinaCafé Bien Hoa Joint Stock Company and its subsidiary
Notes to the consolidated financial statements for the period ended 31 March 2022
(continued)

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

(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

	31/3/2022	1/1/2022
	VND	VND
Cash on hand	37,271,582	28,018,155
Cash at banks	17,890,960,577	14,012,437,704
Cash equivalents	266,000,000,000	1,110,000,000,000
	<hr/>	<hr/>
	283,928,232,159	1,124,040,455,859
	<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

	31/3/2022	1/1/2022
	VND	VND
Accrued interest from deposits at banks	582,455,343	1,338,321,096
Accrued interest from other investments	3,205,479,452	-
Short-term deposits for investing activities	500,000,000,000	-
Short-term deposits for operating activities	220,715,000	303,400,000
Other receivables	2,356,510,066	2,243,888,466
	<hr/>	<hr/>
	506,365,159,861	3,885,609,562
	<hr/>	<hr/>

(b) Other long-term receivables

	31/3/2022	1/1/2022
	VND	VND
Long-term deposits	5,000,000	5,000,000
	<hr/>	<hr/>

VinaCafé Bien Hoa Joint Stock Company and its subsidiary
Notes to the consolidated financial statements for the period ended 31 March 2022
(continued)

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

6. Inventories

	31/3/2022		1/1/2022	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Goods in transit	260,455	-	8,713,213,429	-
Raw materials	309,940,770,629	(530,500,411)	160,994,827,280	(644,729,157)
Tools and supplies	9,347,401,990	-	9,056,027,248	-
Finished goods	112,506,982,594	-	49,449,405,619	-
Merchandise inventories	195,050,451	-	195,050,449	-
Goods on consignment	2,746,485,095	-	5,451,157,424	-
	434,736,951,214	(530,500,411)	233,859,681,449	(644,729,157)

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

	For the period ended	
	31/3/2022 VND	31/3/2021 VND
Opening balance	644,729,157	10,265,333
Increase in allowance during the period	530,500,411	331,384,300
Allowance utilised during the period	(644,729,157)	(10,265,333)
	530,500,411	331,384,300

Included in inventories as at 31 March 2022 was VND531 million (1/1/2022: VND645 million) of slow-moving inventories.

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	892,109,968,400	4,245,955,671	6,333,564,477	1,106,258,448,684
Additions during the period	-	104,390,000	-	-	104,390,000
Transfers from construction in progress	-	390,932,000	-	-	390,932,000
Closing balance	203,568,960,136	892,605,290,400	4,245,955,671	6,333,564,477	1,106,753,770,684
Accumulated depreciation					
Opening balance	93,828,710,874	593,394,388,547	3,846,656,808	4,421,706,277	695,491,462,506
Charge for the period	2,470,852,701	13,406,009,073	37,539,804	136,966,005	16,051,367,583
Closing balance	96,299,563,575	606,800,397,620	3,884,196,612	4,558,672,282	711,542,830,089
Net book value					
Opening balance	109,740,249,262	298,715,579,853	399,298,863	1,911,858,200	410,766,986,178
Closing balance	107,269,396,561	285,804,892,780	361,759,059	1,774,892,195	395,210,940,595

Included in the cost of tangible fixed assets were assets costing VND308,060 million which were fully depreciated as of 31 March 2022 (1/1/2022: VND307,810 million), but are still in active use.

VinaCafé Bien Hoa Joint Stock Company and its subsidiary
Notes to the consolidated financial statements for the period ended 31 March 2022
(continued)

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

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	690,718,946	1,994,792,586
Charge for the period	-	30,927,714	30,927,714
Closing balance	1,304,073,640	721,646,660	2,025,720,300
Net book value			
Opening balance	-	185,566,293	185,566,293
Closing balance	-	154,638,579	154,638,579

Included in the cost of intangible fixed assets were assets costing VND1,304 million which were fully depreciated as of 31 March 2022 (1 January 2022: VND1,304 million), but are still in active use.

9. Construction in progress

For the period ended	31/3/2022 VND
Opening balance	2,341,741,814
Additions during the period	1,557,743,399
Transfers to tangible fixed assets	(390,932,000)
Transfers to long-term prepaid expenses	(16,800,000)
Closing balance	3,491,753,213

During the period ended 31 March 2022, there was no borrowing cost capitalised into construction in progress of the Group.

VinaCafé Bien Hoa Joint Stock Company and its subsidiary
Notes to the consolidated financial statements for the period ended 31 March 2022
(continued)

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

10. Long-term prepaid expenses

	Prepaid land costs VND	Tools and supplies VND	Total VND
Opening balance	13,292,005,349	5,038,745,537	18,330,750,886
Additions during the period	-	453,150,000	453,150,000
Transfer from construction in progress	-	16,800,000	16,800,000
Amortisation for the period	(100,697,010)	(950,235,857)	(1,050,932,867)
Closing balance	13,191,308,339	4,558,459,680	17,749,768,019

11. Goodwill

For the period ended	31/3/2022 VND
Cost	
Opening and closing balances	27,176,107,031
Accumulated amortisation	
Opening balance	15,173,326,453
Charge for the period	679,402,677
Closing balance	15,852,729,130
Net book value	
Opening balance	12,002,780,578
Closing balance	11,323,377,901

12. Taxes payable to State Treasury

	31/3/2022 VND	1/1/2022 VND
Value added tax	4,837,246,091	18,497,499,738
Corporate income tax	3,879,555,384	17,917,766,855
Personal income tax	689,871,656	887,474,994
	9,406,673,131	37,302,741,587

VinaCafé Bien Hoa Joint Stock Company and its subsidiary
Notes to the consolidated financial statements for the period ended 31 March 2022
(continued)

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

13. Accrued expenses

	31/3/2022	1/1/2022
	VND	VND
Accrued processing fee	6,885,429,285	9,635,346,482
Bonus and 13 th month salary	3,816,308,800	17,877,344,465
Purchases not yet received invoices	2,027,642,903	1,582,282,559
Accrued interest expenses	930,706,239	834,719,494
Logistics expense	566,583,914	1,089,135,077
Construction in progress	238,000,000	121,606,800
Others	13,015,226,312	9,376,477,663
	<hr/>	<hr/>
	27,479,897,453	40,516,912,540
	<hr/>	<hr/>

14. Other payables

(a) Other short-term payables

	31/3/2022	1/1/2022
	VND	VND
Dividend payables	2,534,365,000	2,534,365,000
Short-term deposits received	381,882,500	381,882,500
Social insurance, health insurance, unemployment insurance and trade union fees	225,897,711	312,102,657
Others	796,845,981	772,835,791
	<hr/>	<hr/>
	3,938,991,192	4,001,185,948
	<hr/>	<hr/>

(b) Other long-term payables

	31/3/2022	1/1/2022
	VND	VND
Long-term deposits received	279,450,000	279,450,000
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VinaCafé Bien Hoa Joint Stock Company and its subsidiary
Notes to the consolidated financial statements for the period ended 31 March 2022
(continued)

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

15. Short term borrowings

	31/3/2022		1/1/2022	
	Carrying amount VND	Amount within repayment capacity VND	Carrying amount VND	Amount within repayment capacity VND
Short-term borrowings	217,160,997,387	217,160,997,387	323,007,559,725	323,007,559,725

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

	Currency	Annual interest rate	31/3/2022 VND	1/1/2022 VND
Unsecured bank loans	VND	3.0% - 3.5%	217,160,997,387	323,007,559,725

As at 31 March 2022 and 1 January 2022, the Group does not have any overdue borrowings including principal and interest.

VinaCafé Bien Hoa Joint Stock Company and its subsidiary

Notes to the consolidated financial statements for the period ended 31 March 2022 (continued)

Form B 09a – DN/HN

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

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 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
Balance as at 1 January 2022	265,791,350,000	29,974,241,968	213,510,848,947	751,690,869,498	1,523,220,735	1,262,490,531,148
Net profit for the period	-	-	-	82,584,725,265	(51,265,179)	82,533,460,086
Balance as at 31 March 2022	265,791,350,000	29,974,241,968	213,510,848,947	834,275,594,763	1,471,955,556	1,345,023,991,234

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.

VinaCafé Bien Hoa Joint Stock Company and its subsidiary
Notes to the consolidated financial statements for the period ended 31 March 2022
(continued)

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

17. Share capital and share premium

The Company's authorised and issued share capitals are:

	31/3/2022		1/1/2022	
	Number of shares	VND	Number of shares	VND
Authorised and issued share capital				
Ordinary shares	26,579,135	265,791,350,000	26,579,135	265,791,350,000
Shares in circulation				
Ordinary shares	26,579,135	265,791,350,000	26,579,135	265,791,350,000
Share premium	-	29,974,241,968	-	29,974,241,968

All ordinary shares have a par value of VND10,000. Each share is entitled to one vote at meetings of the Company. Shareholders are entitled to receive 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

	31/3/2022		1/1/2022	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	189,261	4,296,232,645	66,284	1,501,329,203

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	
	31/3/2022 VND	31/3/2021 VND
Total revenue	426,266,344,909	399,558,191,708
Less revenue deductions		
▪ Sales returns	192,096,487	620,833,638
	192,096,487	620,833,638
Net revenue	426,074,248,422	398,937,358,070

VinaCafé Bien Hoa Joint Stock Company and its subsidiary
Notes to the consolidated financial statements for the period ended 31 March 2022
(continued)

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

20. Cost of sales

	For the period ended	
	31/3/2022	31/3/2021
	VND	VND
Total cost of sales		
▪ Goods sold	307,757,461,779	298,327,300,658
▪ Allowance for inventories	530,500,411	331,384,300
	308,287,962,190	298,658,684,958

21. Financial income

	For the period ended	
	31/3/2022	31/3/2021
	VND	VND
Interest income from deposits at banks and other investments	9,207,870,605	16,023,593,136
Foreign exchange gains	792,135,379	299,155,508
	10,000,005,984	16,322,748,644

22. Financial expenses

	For the period ended	
	31/3/2022	31/3/2021
	VND	VND
Interest expense	2,102,071,557	1,740,290,065
Foreign exchange losses	248,284,708	93,102,168
	2,350,356,265	1,833,392,233

VinaCafé Bien Hoa Joint Stock Company and its subsidiary
Notes to the consolidated financial statements for the period ended 31 March 2022
(continued)

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

23. Basic earnings per share

The calculation of basic earnings per share for the period ended 31 March 2022 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 during the period – currently in circulation calculated as follows:

(i) *Net profit attributable to ordinary shareholders*

	For the period ended	
	31/3/2022	31/3/2021
	VND	VND
Net profit attributable to ordinary shareholders	82,584,725,265	76,461,533,948

(ii) *Weighted average number of ordinary shares*

	For the period ended	
	31/3/2022	31/3/2021
	VND	VND
Weighted average number of ordinary shares during the period currently in circulation	26,579,135	26,579,135

(iii) *Basic earnings per share*

	For the period ended	
	31/3/2022	31/3/2021
	VND	VND
Basic earnings per share	3,107	2,877

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	
	31/3/2022	31/3/2021	31/3/2022	1/1/2022
	VND	VND	VND	VND
Parent of parent company				
Masan Consumer Corporation				
Sales of goods	380,249,603,672	363,869,029,414	58,936,585,266	56,748,838,119
Purchases of goods	9,331,820,204	12,182,730,849	-	-

VinaCafé Bien Hoa Joint Stock Company and its subsidiary
Notes to the consolidated financial statements for the period ended 31 March 2022
(continued)

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

	Transaction value For the period ended		Receivables/(payables) as at	
	31/3/2022 VND	31/3/2021 VND	31/3/2022 VND	1/1/2022 VND
Related parties				
Masan Industrial One Member Company Limited				
Sales of goods	-	408,924,897	-	-
Purchases of goods	-	7,743,804	(13,945,294)	(13,945,294)
Purchases of service	5,147,183,799	5,105,160,447	(7,482,379,092)	(6,946,100,390)
Masan MB One Member Company Limited				
Sales of goods and services	5,386,856,640	5,178,527,760	10,689,751,582	5,866,022,184
Masan HG One Member Company Limited				
Sales of goods and services	6,068,175,840	7,183,162,320	10,496,562,307	10,056,826,560
Phuc Long Heritage Corporation				
Sales of goods	3,311,669,190	-	852,932,160	829,896,716
Vinh Hao Mineral Water Corporation				
Sales of goods	-	22,333,056	-	-
Purchases of goods	3,689,199,370	8,426,687,646	(2,163,755,814)	(10,314,478,321)
Purchases of service	2,501,582,400	6,832,123,200	(2,197,559,808)	(7,375,072,320)
Key management personnel				
Remunerations	4,901,147,333	616,284,469	-	-

28 April 2022

Prepared by:

Approved by:



Nguyen Thi Ngoc Tram
General Accountant



Phan Thi Thuy Hoa
Chief Accountant



Pham Hong Son
Chairman

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