



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

Consolidated Financial Statements
for the year ended 31 December 2021



VinaCafé Bien Hoa Joint Stock Company
Corporate Information

**Enterprise Registration
Certificate No.**

3600261626

29 December 2004

The Enterprise Registration Certificate has been amended several times, the most recent of which is dated 7 May 2021. The Enterprise Registration Certificate and its amendments were issued by the Department of Planning and Investment of Dong Nai Province.

Board of Directors

Mr. Pham Hong Son	Chairman
Ms. Nguyen Hoang Yen	Member
Mr. Huynh Cong Hoan	Member
Ms. Ho Thuy Hanh	Member
Mr. Truong Cong Thang	Member (until 1 September 2021)

Board of Management

Mr. Le Huu - Thang	Chief Executive Officer (from 14 April 2021)
Mr. Doan Quoc Hung	Chief Executive Officer (until 14 April 2021)
Mr. Nguyen Thanh Tung	Deputy Chief Executive Officer (until 1 June 2021)

Registered Office

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

Auditor

KPMG Limited
Vietnam

VinaCafé Bien Hoa Joint Stock Company Statement of the Board of Management

The Board of Management of VinaCafé Bien Hoa Joint Stock Company (“the Company”) presents this statement and the accompanying consolidated financial statements of the Company and its subsidiary (collectively referred to as “the Group”) for the year ended 31 December 2021.

The Company’s Board of Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting. In the opinion of the Company’s Board of Management:

- (a) the consolidated financial statements set out on pages 5 to 45 give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and of their consolidated results of operations and their consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Group will not be able to pay its debts as and when they fall due.

The Company’s Board of Management has, on the date of this statement, authorised the accompanying consolidated financial statements for issue.

On behalf of the Board of Management



Le Hân - Thang
Chief Executive Officer

Dong Nai Province, 8 March 2022



KPMG Limited Branch
10th Floor, Sun Wah Tower
115 Nguyen Hue Street, Ben Nghe Ward
District 1, Ho Chi Minh City, Vietnam
+84 (28) 3821 9266 | kpmg.com.vn

INDEPENDENT AUDITOR'S REPORT

To the Shareholders VinaCafé Bien Hoa Joint Stock Company

We have audited the accompanying consolidated financial statements of VinaCafé Bien Hoa Joint Stock Company ("the Company") and its subsidiary (collectively referred to as "the Group"), which comprise the consolidated balance sheet as at 31 December 2021, the consolidated statements of income and cash flows for the year then ended and the explanatory notes thereto, which were authorised for issue by the Company's Board of Management on 8 March 2022, as set out on pages 5 to 45.

Management's Responsibility

The Company's Board of Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting, and for such internal control as the Board of Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Company's Board of Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Auditor's Opinion

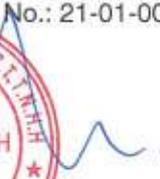
In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of VinaCafé Bien Hoa Joint Stock Company and its subsidiary as at 31 December 2021 and of their consolidated results of operations and their consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

KPMG Limited's Branch in Ho Chi Minh City

Vietnam

Audit Report No.: 21-01-00354/2-22-2




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

Trieu Tich Quyen
Practicing Auditor Registration
Certificate No. 4629-2018-007-2

Ho Chi Minh City, 8 March 2022



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

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

	Code	Note	31/12/2021 VND	1/1/2021 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		1,496,987,596,788	1,619,382,377,622
Cash and cash equivalents	110	6	1,124,040,455,859	201,559,823,160
Cash	111		14,040,455,859	20,059,823,160
Cash equivalents	112		1,110,000,000,000	181,500,000,000
Short-term financial investments	120		400,000,000	-
Held-to-maturity investments	123		400,000,000	-
Accounts receivable – short-term	130		130,526,111,432	1,172,535,183,612
Accounts receivable from customers	131	7	125,667,638,470	226,823,642,968
Prepayments to suppliers	132		972,863,400	1,088,680,415
Other short-term receivables	136	8(a)	3,885,609,562	944,622,860,229
Inventories	140	9	233,214,952,292	236,715,265,299
Inventories	141		233,859,681,449	236,725,530,632
Allowance for inventories	149		(644,729,157)	(10,265,333)
Other current assets	150		8,806,077,205	8,572,105,551
Short-term prepaid expenses	151		644,014,574	452,269,144
Deductible value added tax	152		8,159,499,875	8,115,349,938
Taxes and other receivables from State Treasury	153		2,562,756	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 December 2021 (continued)

Form B 01 – DN/HN

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

	Code	Note	31/12/2021 VND	1/1/2021 VND
Long-term assets (200 = 210 + 220 + 240 + 260)	200		448,590,081,493	512,396,964,606
Accounts receivable – long-term	210		5,000,000	5,000,000
Other long-term receivables	216	8(b)	5,000,000	5,000,000
Fixed assets	220		410,952,552,471	465,666,561,462
Tangible fixed assets	221	10	410,766,986,178	465,357,284,313
Cost	222		1,106,258,448,684	1,096,484,179,026
Accumulated depreciation	223		(695,491,462,506)	(631,126,894,713)
Intangible fixed assets	227	11	185,566,293	309,277,149
Cost	228		2,180,358,879	2,180,358,879
Accumulated amortisation	229		(1,994,792,586)	(1,871,081,730)
Long-term work in progress	240		2,341,741,814	1,611,020,720
Construction in progress	242	12	2,341,741,814	1,611,020,720
Other long-term assets	260		35,290,787,208	45,114,382,424
Long-term prepaid expenses	261	13	18,330,750,886	20,747,386,756
Deferred tax assets	262	14	4,957,255,744	9,646,604,382
Goodwill	269	15	12,002,780,578	14,720,391,286
TOTAL ASSETS (270 = 100 + 200)	270		1,945,577,678,281	2,131,779,342,228

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 December 2021 (continued)

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

	Code	Note	31/12/2021 VND	1/1/2021 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		683,087,147,133	633,342,602,272
Current liabilities	310		676,081,729,395	628,116,929,272
Accounts payable to suppliers	311	16	241,745,846,803	162,459,760,504
Advances from customers	312		8,475,585,334	1,019,768,792
Taxes payable to State Treasury	313	17	37,302,741,587	99,562,489,090
Accrued expenses	315	18	40,516,912,540	23,075,152,579
Other short-term payables	319	19(a)	4,001,185,948	3,724,116,743
Short-term borrowings	320	20	323,007,559,725	317,243,744,106
Bonus and welfare funds	322		21,031,897,458	21,031,897,458
Long-term liabilities	330		7,005,417,738	5,225,673,000
Other long-term payables	337	19(b)	279,450,000	279,450,000
Deferred tax liabilities	341	14	2,109,532,988	-
Long-term provisions	342		4,616,434,750	4,946,223,000
EQUITY (400 = 410)	400		1,262,490,531,148	1,498,436,739,956
Owners' equity	410	21	1,262,490,531,148	1,498,436,739,956
Share capital	411	22	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	22	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		751,690,869,498	1,002,800,069,975
- Undistributed profits after tax brought forward	421a		338,321,694,975	279,198,484,714
- Undistributed profit after tax for the current year/prior year	421b		413,369,174,523	723,601,585,261
Non-controlling interests	429		1,523,220,735	(13,639,770,934)
TOTAL RESOURCES (440 = 300 + 400)	440		1,945,577,678,281	2,131,779,342,228

8 March 2022

Prepared by:


 Nguyen Thi Ngoc Tram
 General Accountant

Approved by:


 Phan Thi Thuy Hoa
 Chief Accountant


 Le Hieu - Thang
 Chief Executive Officer



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 year ended 31 December 2021

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

	Code	Note	2021 VND	2020 VND
Revenue from sale of goods and provision of services	01	24	2,219,081,722,078	2,902,455,374,781
Revenue deductions	02	24	2,171,971,874	1,162,717,432
Net revenue (10 = 01 - 02)	10	24	2,216,909,750,204	2,901,292,657,349
Cost of sales and services	11	25	1,661,435,699,579	2,010,957,380,215
Gross profit (20 = 10 - 11)	20		555,474,050,625	890,335,277,134
Financial income	21	26	62,881,462,350	65,765,448,691
Financial expenses	22	27	5,552,906,411	20,383,504,195
<i>In which: Interest expense</i>	23		5,065,330,964	12,938,538,162
Selling expenses	25	28	15,680,623,301	6,900,271,350
General and administration expenses	26	29	48,731,906,164	26,727,403,421
Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		548,390,077,099	902,089,546,859
Other income	31		200,288,833	-
Other expenses	32		24,807,560	273,187,864
Results of other activities (40 = 31 - 32)	40		175,481,273	(273,187,864)
Accounting profit before tax (50 = 30 + 40)	50		548,565,558,372	901,816,358,995
Income tax expense – current	51	31	113,234,510,554	180,697,735,688
Income tax expense – deferred	52	31	6,798,881,626	274,481,489
Net profit after tax (60 = 50 - 51 - 52) (carried forward to next page)	60		428,532,166,192	720,844,141,818

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 year ended 31 December 2021 (continued)

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

	Code	Note	2021 VND	2020 VND
Net profit after tax (brought forward from previous page)	60		428,532,166,192	720,844,141,818
Attributable to:				
Equity holders of the Company	61		428,835,137,878	723,601,585,261
Non-controlling interests	62		(302,971,686)	(2,757,443,443)
Earnings per share				
Basic earnings per share	70	32	16,134	27,224

8 March 2022

Prepared by:



Nguyen Thi Ngoc Tram
General Accountant

Approved by:




Phan Thi Thuy Hoa
Chief Accountant

Le Phao - Thang
Chief Executive Officer

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

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

	Code	2021 VND	2020 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounting profit before tax	01	548,565,558,372	901,816,358,995
Adjustments for			
Depreciation and amortisation	02	68,942,148,066	69,546,384,521
Allowances and provisions	03	1,151,781,052	816,056,175
Exchange losses/(gains) arising from revaluation of monetary items dominated in foreign currencies	04	21,290,337	(527,818,896)
Profits from investing activities	05	(61,410,537,697)	(63,934,135,608)
Interest expense	06	5,065,330,964	12,938,538,162
Operating profit before changes in working capital	08	562,335,571,094	920,655,383,349
Change in receivables and other assets	09	99,068,674,289	985,746,435,955
Change in inventories	10	2,018,743,705	(28,224,787,245)
Change in payables and other liabilities	11	113,949,417,178	(144,170,687,406)
Change in prepaid expenses	12	3,769,348,440	4,810,438,733
		781,141,754,706	1,738,816,783,386
Interest paid	14	(5,040,781,018)	(14,464,431,436)
Corporate income tax paid	15	(183,922,811,404)	(158,607,916,091)
Net cash flows from operating activities	20	592,178,162,284	1,565,744,435,859
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets and other long-term assets	21	(14,549,064,061)	(11,527,743,220)
Proceeds from disposals of fixed assets	22	118,548,968	29,400,080
Payments for granting loans	23	-	(600,000,000,000)
Placements of term deposits at banks and other investing activities	23	(5,400,000,000)	(1,170,000,000,000)
Receipts from collections of loans	24	-	600,000,000,000
Receipts from collections of term deposits at banks and other investing activities	24	925,000,000,000	250,000,000,000
Receipts of interest	27	83,811,623,796	40,403,205,346
Net cash flows from investing activities	30	988,981,108,703	(891,095,137,794)

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 year ended 31 December 2021
(Indirect method – continued)

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

	Code	2021 VND	2020 VND
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	33	850,347,096,224	1,208,322,129,561
Payments to settle loan principals	34	(844,583,280,605)	(1,236,485,026,291)
Payments of dividends	36	(664,407,350,000)	(663,899,725,000)
Net cash flows from financing activities	40	(658,643,534,381)	(692,062,621,730)
Net cash flows during the year (50 = 20 + 30 + 40)	50	922,515,736,606	(17,413,323,665)
Cash and cash equivalents at beginning of the year	60	201,559,823,160	218,388,319,710
Effect of exchange rate fluctuations on cash and cash equivalents	61	(35,103,907)	584,827,115
Cash and cash equivalents at end of the year (70 = 50 + 60 + 61) (Note 6)	70	1,124,040,455,859	201,559,823,160

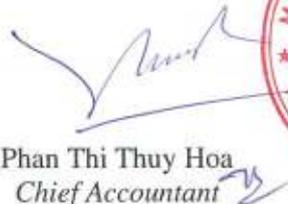
8 March 2022

Prepared by:



Nguyen Thi Ngoc Tram
General Accountant

Approved by:



Phan Thi Thuy Hoa
Chief Accountant



Le Huu - Thang
Chief Executive Officer

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 year ended 31 December 2021

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

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

1. Reporting entity

(a) Ownership structure

VinaCafé Bien Hoa Joint Stock Company (“the Company”) is a joint stock company incorporated in Vietnam. The consolidated financial statements for the year ended 31 December 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 coffee, instant cereal and non-alcoholic drinks in the domestic and oversea markets.

(c) Normal operating cycle

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

(d) The Group’s structure

As at 31 December 2021, the Company had 1 directly owned subsidiary (1/1/2021: 1 directly owned subsidiary). Detail information of the subsidiary is described as follows:

Name	Principal activities	Address	Percentage of economic interests and voting rights	
			31/12/2021	1/1/2021
Café De Nam Joint Stock Company	Beverage manufacturing and trading	Lot C.I.III-3+5+7, Long Thanh Industrial Zone, Tam An Commune, Long Thanh District, Dong Nai Province, Vietnam.	97.77%	85%

The subsidiary is incorporated in Vietnam.

As at 31 December 2021, the Group had 270 employees (1/1/2021: 262 employees).

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

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

2. Basis of preparation

(a) Statement of compliance

These consolidated 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

The 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.

(d) Accounting and presentation currency

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

3. Significant accounting policies

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

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

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

(ii) *Non-controlling interests*

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

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

(iii) *Transactions eliminated on consolidation*

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

(iv) *Business combination*

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

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

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

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

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

(b) Foreign currency transactions

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

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

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

(c) Cash and cash equivalents

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

(d) Held-to-maturity investments

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

(e) Accounts receivable

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

(f) Inventories

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

The Group applies the perpetual method of accounting for inventories.

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

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

(g) Tangible fixed assets

(i) Cost

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

(ii) Depreciation

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

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

(h) Intangible fixed assets

(i) Software

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

(ii) Brand name

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

(i) Construction in progress

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

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

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

(j) Long-term prepaid expenses

(i) Prepaid land costs

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

(ii) Tools and supplies

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

(k) Goodwill

Goodwill arising on the acquisition of a subsidiary is measured at cost less accumulated amortisation. Cost of goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. 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 the Board of 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 year ended 31 December 2021
(continued)

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

Severance allowance

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

(n) Share capital and share premium

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

(o) Taxation

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

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

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities using tax rates enacted or substantively enacted at the end of the annual 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.

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

Form B 09 – DN/HN

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

(p) Revenue

(i) Sale of goods

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

(ii) 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. 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) Processing services

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

(iv) 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 receivable and other investments, and foreign exchange gains.

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

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

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

(ii) Financial expenses

Financial expenses comprise interest expense on borrowings, foreign exchange losses and other financial activities losses.

Borrowing costs are recognised as an expense in the year 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, over the term of the lease.

(s) Earnings per share

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

(t) Segment reporting

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

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

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

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

(u) Related parties

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

(v) Comparative information

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

Comparative information as at 1 January 2021 was derived from the balances and amounts reported in the Group's audited consolidated financial statements as at and for the year ended 31 December 2020.

17
HI
N
K
P

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

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

4. Segment reporting

(a) Business segments

The Group operates in the following main business segments:

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

For the year ended 31 December 2021	Coffee and non- alcoholic drinks VND	Others (*) VND	Consolidation VND
Total segment revenue – net	1,832,431,084,314	384,478,665,890	2,216,909,750,204
Segment cost of sales and services	(1,442,304,908,876)	(219,130,790,703)	(1,661,435,699,579)
Segment gross profit	390,126,175,438	165,347,875,187	555,474,050,625
Unallocated selling expenses			(15,680,623,301)
Unallocated general and administration expenses			(48,731,906,164)
Financial income			62,881,462,350
Financial expenses			(5,552,906,411)
Net operating profit			548,390,077,099
Results of other activities			175,481,273
Income tax expense			(120,033,392,180)
Net profit after tax			428,532,166,192

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

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

For the year ended 31 December 2020	Coffee and non- alcoholic drinks VND	Others (*) VND	Consolidation VND
Total segment revenue – net	2,373,332,942,547	527,959,714,802	2,901,292,657,349
Segment cost of sales and services	(1,666,355,939,935)	(344,601,440,280)	(2,010,957,380,215)
Segment gross profit	706,977,002,612	183,358,274,522	890,335,277,134
Unallocated selling expenses			(6,900,271,350)
Unallocated general and administration expenses			(26,727,403,421)
Financial income			65,765,448,691
Financial expenses			(20,383,504,195)
Net operating profit			902,089,546,859
Results of other activities			(273,187,864)
Income tax expense			(180,972,217,177)
Net profit after tax			720,844,141,818

(*) Others include cereals and other items.

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

(b) Geographical segments

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

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

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

5. Increase of equity interests in a subsidiary

In January 2021, Café De Nam Joint Stock Company (“CDN”), a subsidiary, issued 17,000,000 new shares at par value of VND10,000 per share which were fully subscribed by the Company. As a result of this transaction, the Company’s equity interests in CDN increased from 85% to 97.77% and a difference recorded as a decrease in undistributed profits after tax amounting to VND15,465,963,355 (Note 21).

6. Cash and cash equivalents

	31/12/2021	1/1/2021
	VND	VND
Cash on hand	28,018,155	12,037,129
Cash at banks	14,012,437,704	20,047,786,031
Cash equivalents	1,110,000,000,000	181,500,000,000
	<hr/>	<hr/>
Cash and cash equivalents in the consolidated statement of cash flows	1,124,040,455,859	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.

7. Accounts receivable from customers

	31/12/2021	1/1/2021
	VND	VND
Receivable from related parties	73,510,843,653	206,961,247,368
Receivable from third parties	52,156,794,817	19,862,395,600
	<hr/>	<hr/>
	125,667,638,470	226,823,642,968
	<hr/>	<hr/>

Please see Note 33 for detailed balances with the related parties. The trade related amounts due from related parties were unsecured, interest free and are receivable within 90 days from invoice date.



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

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

8. Other receivables

(a) Other short-term receivables

	31/12/2021	1/1/2021
	VND	VND
Accrued interest receivable from deposits at banks	1,338,321,096	92,887,671
Short-term deposits	303,400,000	167,000,000
Short-term deposits for other investments	-	920,000,000,000
Accrued interest receivable from other investments	-	23,765,068,492
Others	2,243,888,466	597,904,066
	<hr/>	<hr/>
	3,885,609,562	944,622,860,229
	<hr/>	<hr/>

(b) Other long-term receivables

	31/12/2021	1/1/2021
	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 year ended 31 December 2021
(continued)

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

9. Inventories

	31/12/2021		1/1/2021	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Goods in transit	8,713,213,429	-	5,717,017,500	-
Raw materials	160,994,827,280	(644,729,157)	188,584,317,770	(10,265,333)
Tools and supplies	9,056,027,248	-	8,090,616,853	-
Finished goods	49,449,405,619	-	33,662,323,452	-
Merchandise inventories	195,050,449	-	671,255,057	-
Goods on consignment	5,451,157,424	-	-	-
	<u>233,859,681,449</u>	<u>(644,729,157)</u>	<u>236,725,530,632</u>	<u>(10,265,333)</u>

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

	2021 VND	2020 VND
Opening balance	10,265,333	990,481,625
Increase in allowance during the year	1,481,569,302	706,460,425
Allowance utilised during the year	(847,105,478)	(1,686,676,717)
Closing balance	<u>644,729,157</u>	<u>10,265,333</u>

Included in inventories of the Group as at 31 December 2021 were VND645 million (1/1/2021: VND10 million) of slow-moving inventories.

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

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

10. Tangible fixed assets

	Buildings and structures VND	Machinery and equipment VND	Office equipment VND	Motor vehicles VND	Total VND
Cost					
Opening balance	203,568,960,136	882,144,692,375	6,284,570,844	4,485,955,671	1,096,484,179,026
Additions during the year	-	-	48,993,633	-	48,993,633
Transfer from construction in progress	-	11,461,534,734	-	-	11,461,534,734
Disposals	-	(1,496,258,709)	-	(240,000,000)	(1,736,258,709)
Closing balance	203,568,960,136	892,109,968,400	6,333,564,477	4,245,955,671	1,106,258,448,684
Accumulated depreciation					
Opening balance	83,945,300,057	539,356,284,539	3,888,812,528	3,936,497,589	631,126,894,713
Charge for the year	9,883,410,817	55,534,362,717	532,893,749	150,159,219	66,100,826,502
Disposals	-	(1,496,258,709)	-	(240,000,000)	(1,736,258,709)
Closing balance	93,828,710,874	593,394,388,547	4,421,706,277	3,846,656,808	695,491,462,506
Net book value					
Opening balance	119,623,660,079	342,788,407,836	2,395,758,316	549,458,082	465,357,284,313
Closing balance	109,740,249,262	298,715,579,853	1,911,858,200	399,298,863	410,766,986,178

Included in tangible fixed assets of the Group were assets costing VND307,810 million which were fully depreciated as of 31 December 2021 (1/1/2021: VND278,826 million), but which are still in active use.

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

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

11. 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 year	-	123,710,856	123,710,856
Closing balance	1,304,073,640	690,718,946	1,994,792,586
Net book value			
Opening balance	-	309,277,149	309,277,149
Closing balance	-	185,566,293	185,566,293

Included in intangible fixed assets of the Group were assets costing VND1,304 million which were fully amortised as of 31 December 2021 (1/1/2021: VND1,304 million), but which are still in active use.

12. Construction in progress

	VND
Opening balance	1,611,020,720
Additions during the year	13,736,713,828
Transfer to tangible fixed assets	(11,461,534,734)
Transfer to long-term prepaid expenses	(1,544,458,000)
Closing balance	2,341,741,814

Major constructions in progress at the end of the annual accounting period were as follows:

	31/12/2021 VND	1/1/2021 VND
Machinery and equipment	2,341,741,814	1,611,020,720



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

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

13. 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 year	-	545,409,092	545,409,092
Transfer from construction in progress	-	1,544,458,000	1,544,458,000
Amortisation for the year	(402,788,040)	(4,103,714,922)	(4,506,502,962)
Closing balance	13,292,005,349	5,038,745,537	18,330,750,886

14. Deferred tax assets and liabilities

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

	31/12/2021		1/1/2021	
	Deferred tax assets VND	Deferred tax liabilities VND	Deferred tax assets VND	Deferred tax liabilities VND
Unrealised profits	24,469,203	-	10,876,299	-
Accrued expenses, allowances and provisions	4,932,786,541	(2,109,532,988)	9,635,728,083	-
	4,957,255,744	(2,109,532,988)	9,646,604,382	-

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

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

15. Goodwill

	VND
Cost	
Opening and closing balances	27,176,107,031
<hr/>	
Accumulated amortisation	
Opening balance	12,455,715,745
Charge for the year	2,717,610,708
<hr/>	
Closing balance	15,173,326,453
<hr/>	
Net book value	
Opening balance	14,720,391,286
Closing balance	12,002,780,578
<hr/>	

16. Accounts payable to suppliers

	31/12/2021 Cost/Amount within payment capacity VND	1/1/2021 Cost/Amount within payment capacity VND
Payable to third parties	217,351,935,943	128,737,377,390
Payable to related parties	24,393,910,860	33,722,383,114
<hr/>		
	241,745,846,803	162,459,760,504
<hr/>		

Please see Note 33 for detailed balances with the related parties. The trade related amounts due to related parties were unsecured, interest free and are payable within 90 days from invoice date.

VinaCafé Bien Hoa Joint Stock Company and its subsidiary

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

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

17. Taxes payable to State Treasury

	1/1/2021 VND	Incurred VND	Paid VND	Deducted/Refunded VND	31/12/2021 VND
Corporate income tax	88,606,067,705	113,234,510,554	(183,922,811,404)	-	17,917,766,855
Value added tax	10,785,071,719	204,718,255,356	(74,191,901,341)	(122,813,925,996)	18,497,499,738
Personal income tax	171,349,666	10,114,156,737	(9,186,577,953)	(211,453,456)	887,474,994
Import-export tax	-	1,703,303,837	(1,703,303,837)	-	-
Other taxes	-	9,390,365,337	(9,390,365,337)	-	-
	99,562,489,090	339,160,591,821	(278,394,959,872)	(123,025,379,452)	37,302,741,587

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

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

18. Accrued expenses

	31/12/2021	1/1/2021
	VND	VND
Bonus and 13 th month salary	17,877,344,465	13,101,097,327
Accrued processing fees	9,635,346,482	5,679,173,340
Purchases not yet received invoices	1,582,282,559	311,862,500
Logistic expenses	1,089,135,077	551,483,712
Accrued interest expense	834,719,494	810,169,548
Construction in progress	121,606,800	1,263,500,000
Others	9,376,477,663	1,357,866,152
	<hr/>	<hr/>
	40,516,912,540	23,075,152,579
	<hr/>	<hr/>

19. Other payables

(a) Other short-term payables

	31/12/2021	1/1/2021
	VND	VND
Dividends payable	2,534,365,000	2,463,340,000
Short-term deposits received	381,882,500	381,882,500
Social insurance, health insurance, unemployment insurance and trade union fees	312,102,657	202,588,375
Others	772,835,791	676,305,868
	<hr/>	<hr/>
	4,001,185,948	3,724,116,743
	<hr/>	<hr/>

(b) Other long-term payables

	31/12/2021	1/1/2021
	VND	VND
Long-term deposits received	279,450,000	279,450,000
	<hr/>	<hr/>

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

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

20. Short-term borrowings

	1/1/2021 Carrying amount/Amount within repayment capacity VND	Movements during the year		31/12/2021 Carrying amount/Amount within repayment capacity VND
		Addition VND	Decrease VND	
Short-term borrowings	317,243,744,106	850,347,096,224	(844,583,280,605)	323,007,559,725

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

	Currency	Annual interest rate	31/12/2021 VND	1/1/2021 VND
Unsecured bank loans	VND	2.4% – 3.2%	323,007,559,725	317,243,744,106

As at 31 December 2021 and 1 January 2021, the Group did 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 year ended 31 December 2021 (continued)

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

21. Changes in owners' equity

	Share capital VND	Share premium VND	Investment and development fund (*) VND	Undistributed profits after tax VND	Non-controlling interests VND	Total VND
Balance as at 1 January 2020	265,791,350,000	29,974,241,968	213,510,848,947	943,676,859,714	(10,882,327,491)	1,442,070,973,138
Net profit for the year	-	-	-	723,601,585,261	(2,757,443,443)	720,844,141,818
Dividends (**)	-	-	-	(664,478,375,000)	-	(664,478,375,000)
Balance as at 1 January 2021	265,791,350,000	29,974,241,968	213,510,848,947	1,002,800,069,975	(13,639,770,934)	1,498,436,739,956
Net profit for the year	-	-	-	428,835,137,878	(302,971,686)	428,532,166,192
Dividends (**)	-	-	-	(664,478,375,000)	-	(664,478,375,000)
Increase of equity interests in a subsidiary (Note 5)	-	-	-	(15,465,963,355)	15,465,963,355	-
Balance as at 31 December 2021	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

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

(**) The Company's Board of Directors on 6 December 2021 resolved to advance dividends by cash amounting to VND664,478,375,000 (2020: VND664,478,375,000).

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

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

22. Share capital and share premium

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

	31/12/2021		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 dividend 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.

Share premium represents the excess of the proceeds on issuance of shares over their par value.

There were no movements of share capital during the year.

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

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

23. Off balance sheet items

(a) Lease commitments

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

	31/12/2021	1/1/2021
	VND	VND
Within 1 year	4,796,214,000	4,944,792,000
Within 2 to 5 years	580,800,000	3,726,000
	<hr/>	<hr/>
	5,377,014,000	4,948,518,000
	<hr/>	<hr/>

(b) Foreign currency

	31/12/2021		1/1/2021	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	66,284	1,501,329,203	303,667	6,979,786,225
	<hr/>		<hr/>	

(c) Capital expenditure commitments

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

	31/12/2021	1/1/2021
	VND	VND
Approved and contracted	1,424,566,624	7,370,127,180
Approved but not contracted	5,851,028,525	685,532,100
	<hr/>	<hr/>
	7,275,595,149	8,055,659,280
	<hr/>	<hr/>

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

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

24. Revenue from sale of goods and provision of services

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

Net revenue comprised:

	2021	2020
	VND	VND
Total revenue		
▪ Sale of goods and provision of services	2,209,039,759,236	2,898,295,524,483
▪ Other sales	10,041,962,842	4,159,850,298
	<hr/>	<hr/>
	2,219,081,722,078	2,902,455,374,781
	<hr/>	<hr/>
Less revenue deductions		
▪ Sale returns	2,023,856,294	1,162,717,432
▪ Sale discounts	148,115,580	-
	<hr/>	<hr/>
	2,171,971,874	1,162,717,432
	<hr/>	<hr/>
Net revenue	2,216,909,750,204	2,901,292,657,349
	<hr/>	<hr/>

25. Cost of sales and services

	2021	2020
	VND	VND
Total cost of sales and services		
▪ Goods sold and services rendered	1,626,486,818,808	1,991,192,385,215
▪ Other cost of sales	33,467,311,469	19,058,534,575
▪ Allowance for inventories	1,481,569,302	706,460,425
	<hr/>	<hr/>
	1,661,435,699,579	2,010,957,380,215
	<hr/>	<hr/>

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

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

26. Financial income

	2021	2020
	VND	VND
Interest income from deposits at banks and other investments	61,291,988,729	34,158,010,825
Interest income from loans provided to a related party	-	29,917,808,218
Foreign exchange gains	1,589,473,621	1,689,629,648
	<hr/>	<hr/>
	62,881,462,350	65,765,448,691
	<hr/>	<hr/>

27. Financial expenses

	2021	2020
	VND	VND
Interest expense	5,065,330,964	12,938,538,162
Foreign exchange losses	487,575,447	155,938,303
Others	-	7,289,027,730
	<hr/>	<hr/>
	5,552,906,411	20,383,504,195
	<hr/>	<hr/>

28. Selling expenses

	2021	2020
	VND	VND
Advertising and promotion expenses	9,843,973,520	516,467,679
Logistic expenses	2,601,910,309	2,508,340,963
Staff costs	534,821,458	1,205,818,480
Others	2,699,918,014	2,669,644,228
	<hr/>	<hr/>
	15,680,623,301	6,900,271,350
	<hr/>	<hr/>

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

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

29. General and administration expenses

	2021	2020
	VND	VND
Staff costs	33,493,588,776	11,040,427,739
Amortisation of goodwill	2,717,610,708	2,717,610,708
Depreciation and amortisation	579,940,705	590,579,771
Leased line system and information technology services	213,047,776	203,295,606
Research and development expenses	148,974,515	355,880,381
Management fee	-	3,598,063,998
Others	11,578,743,684	8,221,545,218
	<hr/>	<hr/>
	48,731,906,164	26,727,403,421
	<hr/>	<hr/>

30. Production and business costs by elements

	2021	2020
	VND	VND
Raw material costs included in production costs	1,395,741,661,930	1,698,045,477,741
Labour and staff costs	115,638,335,252	95,993,340,550
Depreciation and amortisation	68,942,148,066	69,546,384,521
Outside services	100,703,476,507	130,010,335,944
Others	44,822,607,289	50,989,516,230
	<hr/>	<hr/>

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

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

31. Income tax

(a) Recognised in the consolidated statement of income

	2021 VND	2020 VND
Current tax expense		
Current year	113,234,510,554	184,459,176,203
Over provision in prior years	-	(3,761,440,515)
	<hr/> 113,234,510,554	<hr/> 180,697,735,688
Deferred tax expense		
Origination and reversal of temporary differences	(201,118,374)	274,481,489
Other changes in deferred tax assets	7,000,000,000	-
	<hr/> 6,798,881,626	<hr/> 274,481,489
Income tax expense	<hr/> 120,033,392,180	<hr/> 180,972,217,177

(b) Reconciliation of effective tax rate

	2021 VND	2020 VND
Accounting profit before tax	548,565,558,372	901,816,358,995
Tax at the Company's tax rate	109,713,111,674	180,363,271,799
Effect of amortisation of goodwill	543,522,140	543,522,140
Non-deductible expenses	2,522,418,575	3,635,134,640
Over provision in prior years	-	(3,761,440,515)
Change in unrecognised deferred tax assets (*)	254,339,791	191,729,113
Other changes in deferred tax assets	7,000,000,000	-
	<hr/> 120,033,392,180	<hr/> 180,972,217,177

(*) Deferred tax assets have not been recognised in respect of temporary differences and tax losses of a subsidiary because it is not probable that future taxable profit will be available against which the subsidiary can utilise the benefits therefrom. The tax losses of a subsidiary are subject to tax review and have not been finalised.



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

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

(c) Applicable tax rates

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

(d) Tax contingencies

The taxation laws and their application in Vietnam are subject to interpretation and change over time as well as from one tax office to another. The final tax position may be subject to review and investigation by a number of authorities, who are enabled by law to impose severe fines, penalties and interest charges. These facts may create tax risks in Vietnam that are substantially more significant than in other countries. Management believes that it has adequately provided for tax liabilities based on its interpretation of tax legislation, including transfer pricing requirements and computation of corporate income tax. However, the relevant authorities may have different interpretations and the effects could be significant.

32. Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share for the year ended 31 December 2021 was based on the profit attributable to ordinary shareholders of the Company after deducting the amounts appropriated to bonus and welfare funds for the year of VND428,835,137,878 (2020: VND723,601,585,261) and a weighted average number of ordinary shares outstanding of 26,579,135 (2020: 26,579,135 shares), calculated as follows:

(i) Net profit attributable to ordinary shareholders

	2021	2020
	VND	VND
Net profit attributable to ordinary shareholders after deducting the amounts appropriated to bonus and welfare funds	428,835,137,878	723,601,585,261

(ii) Weighted average number of ordinary shares

	2021	2020
Weighted average number of ordinary shares during the year	26,579,135	26,579,135

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

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

(iii) Basic earnings per share

	2021	2020
	VND	VND
Basic earnings per share	16,134	27,224

(b) Diluted earnings per share

As at 31 December 2021 and 1 January 2021, the Company did not have potential ordinary shares. Therefore, the presentation of diluted earnings per share is not applicable.

33. Significant transactions and balances with related parties

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

	Transaction value		Receivables/(Payables) as at	
	2021	2020	31/12/2021	1/1/2021
	VND	VND	VND	VND
<i>Parent of the parent company</i>				
Masan Consumer Corporation				
Sale of goods	1,959,937,337,676	2,464,386,422,912	56,748,838,119	190,431,486,780
Sale of services	-	186,746,021,000	-	10,801,005,600
Purchase of goods	65,869,022,754	102,354,154,877	-	-
Purchase of fixed assets	-	325,000,000	-	-
<i>Parent company</i>				
Masan Beverage Company Limited				
Dividends	656,449,375,000	656,449,375,000	-	-
<i>Other related parties</i>				
Masan Industrial One Member Company Limited				
Sale of goods	560,407,305	408,712,838	-	6,999,300
Sale of fixed assets	-	29,400,080	-	-
Purchase of goods	87,578,880	5,827,490,240	(13,945,294)	(3,251,498,113)
Purchase of services	16,853,415,909	32,147,402,876	(6,946,100,390)	(8,026,013,092)
Management fee	-	3,598,063,998	-	(3,957,870,398)
Loans provided	-	600,000,000,000	-	-
Collection of loans	-	600,000,000,000	-	-
Interest income from loans receivable	-	29,917,808,218	-	-

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

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

	Transaction value		Receivables/(Payables) as at	
	2021 VND	2020 VND	31/12/2021 VND	1/1/2021 VND
Vinh Hao Mineral Water Corporation				
Sale of goods	58,917,276	8,713,200	-	-
Purchase of goods	34,815,252,153	65,646,865,734	(10,314,478,321)	(13,503,776,971)
Purchase of services	26,022,240,000	51,866,079,072	(7,375,072,320)	(5,526,180,000)
Masan MB One Member Company Limited				
Sale of goods and services	22,367,299,447	20,791,403,040	5,866,022,184	1,227,113,448
Purchase of goods	2,237,664,000	10,797,540,156	-	-
Masan HG One Member Company Limited				
Sale of goods and services	32,007,382,490	5,582,670,045	10,056,826,560	4,494,642,240
Purchase of goods	1,091,376,000	75,978,496	-	-
Masan HD One Member Company Limited				
Sale of goods	4,153,625	1,980,000	-	-
Masan Brewery Distribution One Member Company Limited				
Purchase of goods	42,755,454	6,259,091	-	-
Masan JinJu Joint Stock Company				
Sale of goods	8,418,249	-	9,260,074	-
Purchase of goods	-	12,660,574	-	-
Hi-Fresh Company Limited				
Purchase of goods	7,400,000	-	(8,140,000)	-
Purchase of fixed assets	48,993,633	-	(53,892,996)	-
Phuc Long Heritage Joint Stock Company				
Sale of goods	1,442,141,560	-	829,896,716	-



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

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

	Transaction value		Receivables/(Payables) as at	
	2021 VND	2020 VND	31/12/2021 VND	1/1/2021 VND
Viet Tien Food Technology One Member Company Limited				
Purchase of goods	-	35,275,632	-	(9,460,000)
NET Detergent Joint Stock Company				
Purchase of goods	-	8,770,908	-	-
Key management personnel				
Remunerations	20,168,016,664	6,592,660,523	-	-

As at 31 December 2021 and 1 January 2021, the Group had current and term deposit accounts at Vietnam Technological and Commercial Joint Stock Bank, a related party, at normal commercial terms.

Included in the remuneration to key management personnel, the actual board fees, salary and bonus for each member of the Company's Board of Directors and the Company's Chief Executive Officer were as follows:

Name	Position	2021 VND	2020 VND
Board of Directors			
Mr. Pham Hong Son	Chairman	-	-
Ms. Nguyen Hoang Yen	Member	-	-
Mr. Huynh Cong Hoan	Member	-	-
Ms. Ho Thuy Hanh	Member	-	-
Mr. Truong Cong Thang	(until 1 September 2021)	-	-
Board of Management			
Mr. Le Huu - Thang	Chief Executive Officer (from 14 April 2021)	19,528,085,791	-
Mr. Doan Quoc Hung	Chief Executive Officer (until 14 April 2021)	-	3,598,063,998

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

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

34. Post balance sheet events

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

8 March 2022

Prepared by:



Nguyen Thi Ngoc Tram
General Accountant

Approved by:



Phan Thi Thuy Hoa
Chief Accountant



Lê Hữu - Thang
Chief Executive Officer



