

VinaCafé Bien Hoa Joint Stock Company

Quarterly Separate Financial Statements
for the period ended 31 December 2020



VinaCafé Bien Hoa Joint Stock Company
Corporate Information

**Enterprise Registration
Certificate No.**

3600261626

29 December 2004

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

Board of Directors

Pham Hong Son	Chairman (from 23 June 2020) Member (until 23 June 2020)
Pham Quang Vu	Chairman (until 23 June 2020)
Nguyen Hoang Yen	Member
Truong Cong Thang	Member
Huynh Cong Hoan	Member (from 23 June 2020)
Ho Thuy Hanh	Member (from 23 June 2020)
Pham Dinh Toai	Member (until 23 June 2020)
Nguyen Nam Hai	Member (until 23 June 2020)

Board of Management

Doan Quoc Hung	Chief Executive Officer
Nguyen Thanh Tung	Deputy Chief Executive Officer

Registered Office

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

VinaCafé Bien Hoa Joint Stock Company
Separate balance sheet as at 31 December 2020

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

	Code	Note	31/12/2020 VND	1/1/2020 VND
ASSETS				
Current assets (100 = 110 + 130 + 140 + 150)	100		1,605,869,408,836	1,635,728,210,740
Cash and cash equivalents	110	4	200,879,074,099	217,859,292,317
Cash	111		19,379,074,099	50,859,292,317
Cash equivalents	112		181,500,000,000	167,000,000,000
Accounts receivable – short-term	130		1,171,187,681,402	1,213,245,660,872
Accounts receivable from customers	131		225,492,510,858	1,207,936,039,891
Prepayments to suppliers	132		1,072,310,315	2,281,018,986
Other short-term receivables	136	6(a)	944,622,860,229	3,028,601,995
Inventories	140	7	233,387,726,798	203,851,048,072
Inventories	141		233,397,992,131	204,841,529,697
Allowance for inventories	149		(10,265,333)	(990,481,625)
Other current assets	150		414,926,537	772,209,479
Short-term prepaid expenses	151		414,926,537	772,209,479

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

VinaCafé Bien Hoa Joint Stock Company
Separate balance sheet as at 31 December 2020 (continued)

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

	Code	Note	31/12/2020 VND	1/1/2020 VND
Long-term assets (200 = 210 + 220 + 240 + 250 + 260)	200		594,425,660,895	636,764,742,506
Accounts receivable – long-term	210		158,998,867,117	150,851,606,845
Loans receivable – long-term	215	8	125,000,000,000	125,000,000,000
Other long-term receivables	216	6(b)	33,998,867,117	25,851,606,845
Fixed assets	220		410,616,629,284	460,780,053,457
Tangible fixed assets	221	9	410,307,352,135	460,347,065,452
<i>Cost</i>	222		<i>1,012,137,008,574</i>	<i>1,004,453,262,618</i>
<i>Accumulated depreciation</i>	223		<i>(601,829,656,439)</i>	<i>(544,106,197,166)</i>
Intangible fixed assets	227	10	309,277,149	432,988,005
<i>Cost</i>	228		<i>1,880,358,879</i>	<i>1,880,358,879</i>
<i>Accumulated amortisation</i>	229		<i>(1,571,081,730)</i>	<i>(1,447,370,874)</i>
Long-term work in progress	240		1,611,020,720	1,699,576,081
Construction in progress	242	11	1,611,020,720	1,699,576,081
Long-term financial investments	250	5	-	-
Investments in subsidiaries	251		35,000,000,000	35,000,000,000
Allowance for diminution in the value of long-term financial investments	254		(35,000,000,000)	(35,000,000,000)
Other long-term assets	260		23,199,143,774	23,433,506,123
Long-term prepaid expenses	261	12	20,563,415,691	20,521,378,623
Deferred tax assets	262		2,635,728,083	2,912,127,500
TOTAL ASSETS (270 = 100 + 200)	270		2,200,295,069,731	2,272,492,953,246

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

VinaCafé Bien Hoa Joint Stock Company
Separate balance sheet as at 31 December 2020 (continued)

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

	Code	Note	31/12/2020 VND	1/1/2020 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		632,745,739,858	782,417,628,889
Current liabilities	310		627,520,066,858	777,301,551,639
Accounts payable to suppliers	311		162,454,756,494	295,196,793,342
Advances from customers	312		1,019,768,792	1,433,428,343
Taxes payable to State Treasury	313	13	99,562,489,090	82,148,445,732
Accrued expenses	315	14	22,865,926,631	27,259,470,167
Other short-term payables	319	15(a)	3,341,484,287	4,824,875,761
Short-term borrowings	320	16	317,243,744,106	345,406,640,836
Bonus and welfare funds	322		21,031,897,458	21,031,897,458
Long-term liabilities	330		5,225,673,000	5,116,077,250
Other long-term payables	337	15(b)	279,450,000	279,450,000
Provisions long-term	342		4,946,223,000	4,836,627,250
EQUITY (400 = 410)	400		1,567,549,329,873	1,490,075,324,357
Owners' equity	410	17	1,567,549,329,873	1,490,075,324,357
Share capital	411	18	265,791,350,000	265,791,350,000
- Ordinary shares with voting rights	411a		265,791,350,000	265,791,350,000
Share premium	412	18	29,974,241,968	29,974,241,968
Investment and development fund	418		213,510,848,947	213,510,848,947
Undistributed profits after tax	421		1,058,272,888,958	980,798,883,442
- Undistributed profits after tax brought forward	421a		316,320,508,442	310,374,832,037
- Undistributed profit after tax for the current period/prior year	421b		741,952,380,516	670,424,051,405
TOTAL RESOURCES (440 = 300 + 400)	440		2,200,295,069,731	2,272,492,953,246

29 January 2021

Prepared by:


Nguyen Thi Ngoc Tram
General Accountant

Approved by:


Phan Thi Thuy Hoa
Chief Accountant


Huynh Viet Thang
Authorised Representative



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

VinaCafé Bien Hoa Joint Stock Company
Separate statement of income for the period ended 31 December 2020

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

	Code	Note	Quarter IV		Year to date	
			2020 VND	2019 VND	2020 VND	2019 VND
Revenue from sales of goods and provision of services	01	20	948,711,039,139	1,086,191,329,339	2,899,154,980,883	3,096,599,928,551
Revenue deductions	02	20	511,475,761	128,159,187	1,091,992,647	5,491,764,404
Net revenue (10 = 01 - 02)	10	20	948,199,563,378	1,086,063,170,152	2,898,062,988,236	3,091,108,164,147
Cost of sales	11	21	644,318,089,981	770,492,780,315	1,998,775,462,479	2,218,176,391,330
Gross profit (20 = 10 - 11)	20		303,881,473,397	315,570,389,837	899,287,525,757	872,931,772,817
Financial income	21	22	22,470,057,107	4,371,611,817	73,910,474,737	18,541,359,875
Financial expenses	22	23	2,187,801,007	16,687,205,863	20,383,504,195	41,093,826,120
<i>In which: Interest expenses</i>	23		2,142,736,490	4,513,675,361	12,938,538,162	19,262,766,855
Selling expenses	25		1,551,416,743	4,595,319,282	5,692,924,551	14,009,556,085
General and administration expenses	26		5,382,255,167	11,268,035,339	23,921,868,263	35,550,263,157
Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		317,230,057,587	287,391,441,170	923,199,703,485	800,819,487,330
Other income	31		-	-	-	13,773,434
Other expenses	32		-	6,827,896,962	273,187,864	6,856,963,623
Results of other activities (40 = 31 - 32)	40		-	(6,827,896,962)	(273,187,864)	(6,843,190,189)
Accounting profit before tax (50 = 30 + 40) (Carried forward to next page)	50		317,230,057,587	280,563,544,208	922,926,515,621	793,976,297,141

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

VinaCafé Bien Hoa Joint Stock Company
Separate statement of income for the period ended 31 December 2020 (continued)

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

	Code	Note	Quarter IV		Year to date	
			2020	2019	2020	2019
			VND	VND	VND	VND
Accounting profit before tax (brought forward from previous page)	50		317,230,057,587	280,563,544,208	922,926,515,621	793,976,297,141
Income tax expense – current	51		58,784,159,187	28,668,706,526	180,697,735,688	120,785,908,465
Income tax expense – deferred	52		637,328,116	6,693,938,624	276,399,417	2,766,337,271
Net profit after tax (60 = 50 - 51 - 52)	60		<u>257,808,570,284</u>	<u>245,200,899,058</u>	<u>741,952,380,516</u>	<u>670,424,051,405</u>

29 January 2021

Prepared by:


 Nguyen Thi Ngoc Tram
 General Accountant

Approved by:


 Phan Thi Thuy Hoa
 Chief Accountant


 Huỳnh Viet Thang
 Authorised Representative

The accompanying notes are an integral part of these financial statements

VinaCafé Bien Hoa Joint Stock Company
Separate statement of cash flows for the period ended 31 December 2020
(Indirect method)

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

	Code	2020 VND	2019 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounting profit before tax	01	922,926,515,621	793,976,297,141
Adjustments for			
Depreciation and amortisation	02	58,130,020,239	70,475,646,501
Allowances and provisions	03	814,447,583	21,595,823,796
Exchange gains arising from revaluation of monetary items dominated in foreign currencies	04	(527,818,896)	(565,943,443)
Profit from investing activities	05	(72,079,543,361)	(16,445,572,569)
Interest expense	06	12,938,538,162	19,262,766,855
Operating profit before changes in working capital	08	922,202,159,348	888,299,018,281
Change in receivables and other assets	09	985,830,090,367	(119,979,929,140)
Change in inventories	10	(30,241,530,559)	62,335,792,677
Change in payables and other liabilities	11	(143,927,314,593)	(61,127,484,733)
Change in prepaid expenses	12	4,803,509,674	4,540,908,935
		1,738,666,914,237	774,068,306,020
Interest paid	14	(14,464,431,436)	(18,658,104,293)
Corporate income tax paid	15	(158,607,916,091)	(91,140,550,982)
Net cash flows from operating activities	20	1,565,594,566,710	664,269,650,745

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

VinaCafé Bien Hoa Joint Stock Company
Separate statement of cash flows for the period ended 31 December 2020
(Indirect method - continued)

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

	Code	2020 VND	2019 VND
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets	21	(11,527,743,220)	(10,278,478,034)
Proceeds from disposals of fixed assets	22	29,400,080	176,453,572
Payment for granting loans	23	(600,000,000,000)	(5,000,000,000)
Collection for granting loans	24	600,000,000,000	-
Proceeds from other investments	23	(1,170,000,000,000)	-
Payment for other investments	24	250,000,000,000	-
Receipts of interests	27	40,401,352,827	8,845,426,063
Net cash flows from investing activities	30	(891,096,990,313)	(6,256,598,399)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	33	1,208,322,129,561	1,359,631,943,583
Payments to settle loan principals	34	(1,236,485,026,291)	(1,356,872,668,079)
Payments of dividend to owners	36	(663,899,725,000)	(637,666,728,000)
Net cash flows from financing activities	40	(692,062,621,730)	(634,907,452,496)
Net cash flows during the period (50 = 20 + 30 + 40)	50	(17,565,045,333)	23,105,599,850
Cash and cash equivalents at the beginning of the period	60	217,859,292,317	194,188,479,024
Effect of exchange rate fluctuations on cash and cash equivalents	61	584,827,115	565,213,443
Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61) (Note 4)	70	200,879,074,099	217,859,292,317

29 January 2021

Prepared by:



Nguyen Thi Ngoc Tram
General Accountant

Approved by:




Phan Thi Thuy Hoa
Chief Accountant

Huỳnh Việt Thang
Authorised Representative

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

VinaCafé Bien Hoa Joint Stock Company
Notes to the separate financial statements for the period ended 31 December 2020

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

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

1. Reporting entity

(a) Ownership structure

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

(b) Principal activities

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

(c) Normal operating cycle

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

(d) Company structure

As at 31 December 2020, the Company has 1 subsidiary (1/1/2020: 1 subsidiary) as listed at Notes 5.

As at 31 December 2020, the Company had 258 employees (1/1/2020: 281 employees).

2. Basis of preparation

(a) Statement of compliance

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

(b) Basis of measurement

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

(c) Annual accounting period

The annual accounting period of the Company is from 1 January to 31 December. These quarterly separate financial statements are prepared for the period ended 31 December 2020

(d) Accounting and presentation currency

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

VinaCafé Bien Hoa Joint Stock Company
Notes to the separate financial statements for the period ended 31 December 2020
(continued)

Form B 09a – DN
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(e) Corresponding figures

The corresponding figures as at 1 January 2020 were brought forward from the audited figures as at 31 December 2019.

3. Summary of significant accounting policies

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

(a) Foreign currency transactions

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

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

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

(b) Cash and cash equivalents

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

(c) Investments

(i) *Held-to-maturity investments*

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

(ii) *Investments in subsidiaries*

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

VinaCafé Bien Hoa Joint Stock Company
Notes to the separate financial statements for the period ended 31 December 2020
(continued)

Form B 09a – DN
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(d) Trade and other receivables

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

(e) Inventories

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

The Company applies the perpetual method of accounting for inventories.

(f) Tangible fixed assets

(i) Cost

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

(ii) Depreciation

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

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

(g) Intangible fixed assets

(i) Software

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

(ii) Brand name

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

VinaCafé Bien Hoa Joint Stock Company
Notes to the separate financial statements for the period ended 31 December 2020
(continued)

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

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

(i) Long-term prepaid expenses

(i) Prepaid land costs

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

(ii) Tools and supplies

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

(j) Trade and other payables

Trade and other payables are stated at their costs.

(k) Provisions

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

Severance allowance

Under the Vietnamese Labour Code, when an employee who has worked for 12 months or more (“the eligible employees”) voluntarily terminates his/her labour contract, the employer is required to pay the eligible employee severance allowance calculated based on years of service and employee’s compensation at termination. Provision for severance allowance has been provided based on employees’ years of service and their average salary for the six-month period prior to 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 Company are excluded.

VinaCafé Bien Hoa Joint Stock Company
Notes to the separate financial statements for the period ended 31 December 2020
(continued)

Form B 09a – DN
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(l) Share capital and share premium

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

(m) Taxation

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

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted at the end of the annual 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 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.

(n) Revenue

(i) Sales of goods

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

(ii) Provision of services

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

(iii) Rental income

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

VinaCafé Bien Hoa Joint Stock Company
Notes to the separate financial statements for the period ended 31 December 2020
(continued)

Form B 09a – DN
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(o) Financial income and financial expenses

(i) Financial income

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

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

(ii) Financial expenses

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

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

(p) Operating lease payments

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

(q) Related parties

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

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

4. Cash and cash equivalents

	31/12/2020	1/1/2020
	VND	VND
Cash on hand	12,037,129	65,403,819
Cash at banks	19,367,036,970	50,793,888,498
Cash equivalents	181,500,000,000	167,000,000,000
Cash and cash equivalents in the separate statement of cash flows	200,879,074,099	217,859,292,317

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

VinaCafé Bien Hoa Joint Stock Company**Notes to the separate financial statements for the period ended 31 December 2020 (continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***5. Long-term investment****Investment in a subsidiary**

	% of equity owned and voting rights	31/12/2020		% of equity owned and voting rights	1/1/2020	
		Cost	Allowance for diminution in value		Cost	Allowance for diminution in value
		VND	VND		VND	VND
Café De Nam Joint Stock Company("CDN")	85%	35,000,000,000	(35,000,000,000)	85%	35,000,000,000	(35,000,000,000)

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

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6. Other receivables

(a) Other short-term receivables

	31/12/2020	1/1/2020
	VND	VND
Accrued interest from deposits at banks	92,887,671	185,342,466
Accrued interest from other investments	23,765,068,492	-
Short-term deposits for operating activities	167,000,000	2,337,656,100
Short-term deposits for investing activities	920,000,000,000	-
Other non-trade receivables	597,904,066	505,603,429
	<u>944,622,860,229</u>	<u>3,028,601,995</u>

(b) Other long-term receivables

	31/12/2020	1/1/2020
	VND	VND
Accrued interest receivable from a subsidiary (note 8)	33,993,867,117	25,846,606,845
Long-term deposits	5,000,000	5,000,000
	<u>33,998,867,117</u>	<u>25,851,606,845</u>

7. Inventories

	31/12/2020		1/1/2020	
	Cost	Allowance	Cost	Allowance
	VND	VND	VND	VND
Goods in transit	5,717,017,500	-	3,392,741,499	-
Raw materials	185,925,581,256	(10,265,333)	147,754,994,919	(225,704,420)
Tools and supplies	8,090,616,853	-	8,906,182,488	(764,777,205)
Finished goods	33,634,085,152	-	44,642,777,739	-
Merchandise inventories	30,691,370	-	144,833,052	-
	<u>233,397,992,131</u>	<u>(10,265,333)</u>	<u>204,841,529,697</u>	<u>(990,481,625)</u>

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

	2020	2019
	VND	VND
Opening balance	990,481,625	1,294,019,791
Increase in allowance during the period	704,851,833	2,731,937,397
Allowance utilised during the period	(1,685,068,125)	(2,996,730,061)
Written back	-	(38,745,502)
	<hr/>	<hr/>
Closing balance	10,265,333	990,481,625
	<hr/>	<hr/>

Included in inventories as at 31 December 2020 was VND10 million (1/1/2020: VND990 million) of slow-moving inventories.

8. Receivables on long-term lending loans

	31/12/2020	1/1/2020
	VND	VND
Long-term loans receivable from CDN, a subsidiary	125,000,000,000	125,000,000,000
	<hr/>	<hr/>

These long-term loans receivable of the Company was unsecured, bore fixed interest rate at 6.5% per annum as at 31 December 2020 (1/1/2020: 6.5% per annum) and matures on 31 December 2022. The interest is receivable on the maturity of the loan agreement.

9. Tangible fixed assets

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
Cost					
Opening balance	203,391,022,636	790,427,183,744	4,397,487,235	6,237,569,003	1,004,453,262,618
Additions during the period	-	325,000,000	-	-	325,000,000
Transfers from construction in progress	177,937,500	7,634,742,081	-	-	7,812,679,581
Disposals	-	(273,733,625)	-	(180,200,000)	(453,933,625)
Closing balance	203,568,960,136	798,113,192,200	4,397,487,235	6,057,369,003	1,012,137,008,574
Accumulated depreciation					
Opening balance	73,831,982,997	463,098,793,905	3,697,869,934	3,477,550,330	544,106,197,166
Charge for the period	10,113,317,060	47,235,762,481	150,159,219	507,070,623	58,006,309,383
Disposals	-	(102,650,110)	-	(180,200,000)	(282,850,110)
Closing balance	83,945,300,057	510,231,906,276	3,848,029,153	3,804,420,953	601,829,656,439
Net book value					
Opening balance	129,559,039,639	327,328,389,839	699,617,301	2,760,018,673	460,347,065,452
Closing balance	119,623,660,079	287,881,285,924	549,458,082	2,252,948,050	410,307,352,135

Included in the cost of tangible fixed assets were assets costing VND278,789 million which were fully depreciated as of 31 December 2020 (1/1/2020: VND272,352 million), but are still in active use.

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10. Intangible fixed assets

	Software VND	Brand name VND	Total VND
Cost			
Opening and closing balances	1,004,073,640	876,285,239	1,880,358,879
Accumulated amortisation			
Opening balance	1,004,073,640	443,297,234	1,447,370,874
Charge for the period	-	123,710,856	123,710,856
Closing balance	1,004,073,640	567,008,090	1,571,081,730
Net book value			
Opening balance	-	432,988,005	432,988,005
Closing balance	-	309,277,149	309,277,149

Included in the cost of intangible fixed assets were assets costing VND1,004 million which were fully depreciated as of 31 December 2020 (1 January 2020: VND1,004 million), but are still in active use.

11. Construction in progress

	2020 VND
Opening balance	1,699,576,081
Additions during the period	12,212,388,020
Transfers to tangible fixed assets	(7,812,679,581)
Transfers to long-term prepaid expenses	(4,488,263,800)
Closing balance	1,611,020,720

During the period ended 31 December 2020, there was no borrowing cost capitalised into construction in progress of the Company.

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12. Long-term prepaid expenses

	Prepaid land costs VND	Tools and supplies VND	Total VND
Opening balance	14,097,581,429	6,423,797,194	20,521,378,623
Additions during the period	-	131,869,000	131,869,000
Transfer from construction in progress	-	4,488,263,800	4,488,263,800
Amortisation for the period	(402,788,040)	(4,175,307,692)	(4,578,095,732)
Closing balance	13,694,793,389	6,868,622,302	20,563,415,691

13. Taxes payable to State Treasury

	31/12/2020 VND	1/1/2020 VND
Corporate income tax	88,606,067,705	66,516,248,108
Value added tax	10,785,071,719	15,484,919,988
Personal income tax	171,349,666	147,277,636
	99,562,489,090	82,148,445,732

14. Accrued expenses

	31/12/2020 VND	1/1/2020 VND
Bonus and 13 th month salary	12,911,122,383	11,801,070,165
Accrued processing fee	5,679,173,340	826,373,453
Construction in progress	1,263,500,000	89,600,000
Accrued interest expenses	810,169,548	2,336,062,822
Logistics expense	551,483,712	1,057,947,193
Purchases not yet received invoices	311,862,500	4,106,896,652
Others	1,338,615,148	7,041,519,882
	22,865,926,631	27,259,470,167

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15. Other payables

(a) Other short-term payables

	31/12/2020	1/1/2020
	VND	VND
Dividend payables	2,463,340,000	1,884,690,000
Short-term deposits received	381,882,500	289,442,500
Social insurance, health insurance, unemployment insurance and trade union fees	221,888,577	217,655,601
Others	274,373,210	2,433,087,660
	<hr/>	<hr/>
	3,341,484,287	4,824,875,761
	<hr/>	<hr/>

(b) Other long-term payables

	31/12/2020	1/1/2020
	VND	VND
Long-term deposits received	279,450,000	279,450,000
	<hr/>	<hr/>

16. Short-term borrowings

	31/12/2020		1/1/2020	
	Carrying amount	Amount within repayment capacity	Carrying amount	Amount within repayment capacity
	VND	VND	VND	VND
Short-term borrowings	317,243,744,106	317,243,744,106	345,406,640,836	345,406,640,836
	<hr/>	<hr/>	<hr/>	<hr/>

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

	Currency	Annual interest rate	31/12/2020	1/1/2020
			VND	VND
Unsecured bank loans	VND	2.3% - 2.7%	317,243,744,106	345,406,640,836
			<hr/>	<hr/>

As at 31 December 2020 and 1 January 2020, the Company does not have any overdue borrowings including principal and interest.

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17. Changes in owners' equity

	Share capital VND	Share premium VND	Investment and development fund VND	Undistributed profits after tax VND	Total owners' equity VND
Balance as at 1 January 2019	265,791,350,000	29,974,241,968	213,510,848,947	948,274,072,037	1,457,550,512,952
Net profit for the period	-	-	-	670,424,051,405	670,424,051,405
Dividend	-	-	-	(637,899,240,000)	(637,899,240,000)
Balance as at 31 December 2019	265,791,350,000	29,974,241,968	213,510,848,947	980,798,883,442	1,490,075,324,357
Balance as at 1 January 2020	265,791,350,000	29,974,241,968	213,510,848,947	980,798,883,442	1,490,075,324,357
Net profit for the period	-	-	-	741,952,380,516	741,952,380,516
Dividend	-	-	-	(664,478,375,000)	(664,478,375,000)
Balance as at 31 December 2020	265,791,350,000	29,974,241,968	213,510,848,947	1,058,272,888,958	1,567,549,329,873

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

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18. Share capital and share premium

The Company's authorised and issued share capitals are:

	31/12/2020		1/1/2020	
	Number of shares	VND	Number of shares	VND
Authorised and issued share capital				
Ordinary shares	26,579,135	265,791,350,000	26,579,135	265,791,350,000
Shares in circulation				
Ordinary shares	26,579,135	265,791,350,000	26,579,135	265,791,350,000
Share premium	-	29,974,241,968	-	29,974,241,968

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

There were no movements in share capital during the period.

19. Off balance sheet item

Foreign currency

	31/12/2020		1/1/2020	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	303,667	6,979,786,225	1,638,521	37,866,230,016

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20. Revenue from sales of goods

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

Net revenue comprised:

	2020 VND	2019 VND
Total revenue	2,899,154,980,883	3,096,599,928,551
Less revenue deductions		
▪ Sales returns	1,091,992,647	5,491,764,404
	<u>1,091,992,647</u>	<u>5,491,764,404</u>
Net revenue	<u>2,898,062,988,236</u>	<u>3,091,108,164,147</u>

21. Cost of sales

	2020 VND	2019 VND
Total cost of sales		
▪ Goods sold	1,998,070,610,646	2,215,483,199,435
▪ Allowance for inventories	704,851,833	2,693,191,895
	<u>1,998,775,462,479</u>	<u>2,218,176,391,330</u>

22. Financial income

	2020 VND	2019 VND
Interest income from deposits at banks and other investments	34,156,158,306	8,394,576,748
Interest income from loans to a subsidiary	8,147,260,272	8,052,698,628
Interest income from loans to a related party	29,917,808,218	-
Foreign exchange gains	1,689,247,941	1,055,262,099
Others	-	1,038,822,400
	<u>73,910,474,737</u>	<u>18,541,359,875</u>

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23. Financial expenses

	2020	2019
	VND	VND
Interest expense	12,938,538,162	19,262,766,855
Foreign exchange losses	155,938,303	566,767,814
Allowance for diminution in value of long-term financial investment	-	20,470,606,651
Others	7,289,027,730	793,684,800
	<u>20,383,504,195</u>	<u>41,093,826,120</u>

24. Significant transactions with related parties

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

	Transaction value		Receivables/(payables)	
	2020	2019	as at	
	VND	VND	31/12/2020	1/1/2020
			VND	VND
Parent of parent company				
Masan Consumer Corporation				
Sales of goods	2,460,262,538,069	2,707,135,064,147	189,093,993,744	1,054,136,253,023
Sales of services	186,746,021,000	128,438,345,000	10,801,005,600	123,797,050,300
Purchases of goods	101,973,274,178	109,864,662,462	-	-
Purchases of assets	325,000,000	-	-	-
Parent company				
Masan Beverage One Member Company Limited				
Dividend declared	656,449,375,000	628,275,240,000	-	-
Related parties				
Masan Industrial One Member Company Limited				
Sales of goods	395,986,838	1,107,924,270	-	-
Sales of fixed asset	29,400,080	155,544,481	-	-
Purchases of goods	5,827,490,240	618,910,612	(3,251,498,113)	(182,793,171)
Purchases of service	32,147,402,876	28,714,697,366	(8,026,013,092)	(9,378,428,200)
Management fee	3,598,063,998	480,000,000	(3,957,870,398)	-
Loans receivable	600,000,000,000	-	-	-
Collection of loans	600,000,000,000	-	-	-
Interest income from loans	29,917,808,218	-	-	-

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	Transaction value		Receivables/(payables) as at	
	2020 VND	2019 VND	31/12/2020 VND	1/1/2020 VND
Vinh Hao Mineral Water Corporation				
Sales of goods and services	8,713,200	20,042,719,830	-	-
Purchases of goods	65,646,865,734	135,225,318,819	(13,503,776,971)	(37,487,475,792)
Purchases of service	51,866,079,072	74,163,238,704	(5,526,180,000)	(42,278,028,250)
Masan MB One Member Company Limited				
Sales of goods and services	20,791,403,040	18,429,305,391	1,227,113,448	-
Purchases of goods	10,797,540,156	51,700,000	-	-
Masan HG One Member Company Limited				
Sales of goods and services	5,582,670,045	70,335,900	4,494,642,240	77,369,490
Purchases of goods	75,978,496	-	-	-
Subsidiary				
Café De Nam Joint stock Company				
Sales of goods	11,206,882	107,149,915	5,298,810	98,335,996
Sales of services	895,734,848	927,935,100	195,568,516	315,769,410
Purchases of goods	3,006,385,668	13,431,026	-	-
Loans receivable	-	5,000,000,000	125,000,000,000	125,000,000,000
Interest income from loans	8,147,260,272	8,052,698,628	33,993,867,117	25,846,606,845
Key management personnel				
Remunerations	6,592,660,523	7,067,379,527	-	-

25. Post balance sheet event

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

There has been no other significant event occurring after the balance sheet date which would require adjustments or disclosures to be made in the separate financial statements.

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29 January 2020

Prepared by:



Nguyen Thi Ngoc Tram
General Accountant

Approved by:



Phan Thi Thuy Hoa
Chief Accountant



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Huynh Viet Thang
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