



VinaCafé Bien Hoa Joint Stock Company

Separate Financial Statements
for the nine-month period ended
30 September 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 Hai Nam	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 30 September 2020

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

	Code	Note	30/9/2020 VND	1/1/2020 VND
ASSETS				
Current assets (100 = 110 + 130 + 140 + 150)	100		1,448,748,889,817	1,635,728,210,740
Cash and cash equivalents	110	4	191,998,736,641	217,859,292,317
Cash	111		50,498,736,641	50,859,292,317
Cash equivalents	112		141,500,000,000	167,000,000,000
Accounts receivable – short-term	130		1,020,438,383,183	1,213,245,660,872
Accounts receivable from customers	131		338,566,776,134	1,207,936,039,891
Prepayments to suppliers	132		121,105,200	2,281,018,986
Other short-term receivables	136	6(a)	681,750,501,849	3,028,601,995
Inventories	140	7	235,988,383,547	203,851,048,072
Inventories	141		236,015,717,758	204,841,529,697
Allowance for inventories	149		(27,334,211)	(990,481,625)
Other current assets	150		323,386,446	772,209,479
Short-term prepaid expenses	151		323,386,446	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 30 September 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	30/9/2020 VND	1/1/2020 VND
Long-term assets (200 = 210 + 220 + 240 + 250 + 260)	200		1,231,324,125,246	636,764,742,506
Accounts receivable – long-term	210		781,526,264,377	150,851,606,845
Loans receivable – long-term	215	8	725,000,000,000	125,000,000,000
Other long-term receivables	216	6(b)	56,526,264,377	25,851,606,845
Fixed assets	220		424,702,473,792	460,780,053,457
Tangible fixed assets	221	9	424,362,268,929	460,347,065,452
<i>Cost</i>	222		<i>1,011,814,271,074</i>	<i>1,004,453,262,618</i>
<i>Accumulated depreciation</i>	223		<i>(587,452,002,145)</i>	<i>(544,106,197,166)</i>
Intangible fixed assets	227	10	340,204,863	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>(1,540,154,016)</i>	<i>(1,447,370,874)</i>
Long-term work in progress	240		3,222,001,520	1,699,576,081
Construction in progress	242	11	3,222,001,520	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		21,873,385,557	23,433,506,123
Long-term prepaid expenses	261	12	18,600,329,358	20,521,378,623
Deferred tax assets	262		3,273,056,199	2,912,127,500
TOTAL ASSETS (270 = 100 + 200)	270		2,680,073,015,063	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 30 September 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	30/9/2020 VND	1/1/2020 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		705,853,880,474	782,417,628,889
Current liabilities	310		700,625,362,474	777,301,551,639
Accounts payable to suppliers	311		211,853,549,889	295,196,793,342
Advances from customers	312		1,777,433,963	1,433,428,343
Taxes payable to State Treasury	313	13	149,199,677,510	82,148,445,732
Payables to employees	314		3,743,597,022	-
Accrued expenses	315	14	27,607,021,805	27,259,470,167
Other short-term payables	319	15(a)	5,160,883,428	4,824,875,761
Short-term borrowings	320	16	280,251,301,399	345,406,640,836
Bonus and welfare funds	322		21,031,897,458	21,031,897,458
Long-term liabilities	330		5,228,518,000	5,116,077,250
Other long-term payables	337	15(b)	279,450,000	279,450,000
Provisions long-term	342		4,949,068,000	4,836,627,250
EQUITY (400 = 410)	400		1,974,219,134,589	1,490,075,324,357
Owners' equity	410	17	1,974,219,134,589	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		1,464,942,693,674	980,798,883,442
- Undistributed profits after tax brought forward	421a		980,798,883,442	310,374,832,037
- Undistributed profit after tax for the current period/prior year	421b		484,143,810,232	670,424,051,405
TOTAL RESOURCES (440 = 300 + 400)	440		2,680,073,015,063	2,272,492,953,246

30 October 2020

Prepared by:



Nguyen Thi Ngoc Tram
General Accountant

Approved by:





Phan Thi Thuy Hoa
Chief Accountant

Doan Quoc Hung
Chief Executive Officer

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

VinaCafé Bien Hoa Joint Stock Company

Separate statement of income for the nine-month period ended 30 September 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 III		Year to date	
			2020 VND	2019 VND	2020 VND	2019 VND
Revenue from sales of goods and provision of services	01	20	799,290,575,146	767,738,989,277	1,950,443,941,744	2,010,408,599,212
Revenue deductions	02	20	116,975,503	4,528,157,693	580,516,886	5,363,605,217
Net revenue (10 = 01 - 02)	10	20	799,173,599,643	763,210,831,584	1,949,863,424,858	2,005,044,993,995
Cost of sales	11	21	543,549,942,889	560,986,898,530	1,354,457,372,498	1,447,683,611,015
Gross profit (20 = 10 - 11)	20		255,623,656,754	202,223,933,054	595,406,052,360	557,361,382,980
Financial income	21	22	23,514,496,841	5,642,504,299	51,440,417,630	14,169,748,058
Financial expenses	22	23	2,907,772,810	4,040,026,084	18,195,703,188	24,406,620,257
<i>In which: Interest expense</i>	23		2,901,227,810	3,644,298,705	10,795,801,672	14,749,091,494
Selling expenses	25		1,842,277,192	1,562,005,738	4,141,507,808	9,414,236,803
General and administration expenses	26		6,063,230,579	7,570,520,218	18,539,613,095	24,282,227,818
Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		268,324,873,014	194,693,885,313	605,969,645,899	513,428,046,160
Other income	31		-	13,723,430	-	13,773,434
Other expenses	32		273,138,065	1,800,037	273,187,865	29,066,661
Results of other activities (40 = 31 - 32)	40		(273,138,065)	11,923,393	(273,187,865)	(15,293,227)
Accounting profit before tax (50 = 30 + 40) (Carried forward to next page)	50		268,051,734,949	194,705,808,706	605,696,458,034	513,412,752,933

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

VinaCafé Bien Hoa Joint Stock Company

Separate statement of income for the nine-month period ended 30 September 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 III		Year to date	
			2020 VND	2019 VND	2020 VND	2019 VND
Accounting profit before tax (brought forward from previous page)	50		268,051,734,949	194,705,808,706	605,696,458,034	513,412,752,933
Income tax expense – current	51		53,724,394,191	36,199,665,257	121,913,576,501	92,117,201,939
Income tax expense/(benefit) – deferred	52		230,077,220	(2,397,389,235)	(360,928,699)	(3,927,601,353)
Net profit after tax (60 = 50 - 51 - 52)	60		214,097,263,538	160,903,532,684	484,143,810,232	425,223,152,347

30 October 2020

Prepared by:



Nguyen Thi Ngoc Tram
General Accountant

Approved by:



Phan Thi Thuy Hoa
Chief Accountant



Doãn Quốc Hưng
Chief Executive Officer

The accompanying notes are an integral part of these financial statements

VinaCafé Bien Hoa Joint Stock Company
Separate statement of cash flows for the nine-month period ended 30 September 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	For the nine-month period ended 30/9/2020 VND	30/9/2019 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounting profit before tax	01	605,696,458,034	513,412,752,933
Adjustments for			
Depreciation and amortisation	02	43,541,238,231	53,521,479,014
Allowances and provisions	03	521,740,779	9,940,523,242
Exchange gains arising from revaluation of monetary items dominated in foreign currencies	04	(77,147,044)	(380,854,287)
Profit from investing activities	05	(50,080,263,887)	(13,325,568,669)
Interest expense	06	10,795,801,672	14,749,091,494
Operating profit before changes in working capital	08	610,397,827,785	577,917,423,727
Change in receivables and other assets	09	873,418,231,518	247,372,092,999
Change in inventories	10	(32,546,635,504)	26,053,767,665
Change in payables and other liabilities	11	(49,819,054,965)	(130,339,500,598)
Change in prepaid expenses	12	3,758,819,298	2,866,638,692
		1,405,209,188,132	723,870,422,485
Interest paid	14	(12,047,565,359)	(14,079,683,410)
Corporate income tax paid	15	(82,553,668,581)	(71,180,818,777)
Net cash flows from operating activities	20	1,310,607,954,192	638,609,920,298

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 nine-month period ended 30 September 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	For the nine-month period ended 30/9/2020 VND	30/9/2019 VND
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets	21	(9,609,969,720)	(7,771,226,896)
Proceeds from disposals of fixed assets	22	29,400,080	155,544,481
Payment for granting loans	23	(600,000,000,000)	(5,000,000,000)
Payment from other investments	23	(920,000,000,000)	-
Withdraws other investments	24	250,000,000,000	-
Receipts of interests	27	8,190,591,161	7,495,905,025
Net cash flows from investing activities	30	(1,271,389,978,479)	(5,119,777,390)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	33	869,404,321,905	1,014,225,302,747
Payments to settle loan principals	34	(934,559,661,342)	(1,013,107,504,377)
Payments of dividend	36	-	(637,666,728,000)
Net cash flows from financing activities	40	(65,155,339,437)	(636,548,929,630)
Net cash flows during the period (50 = 20 + 30 + 40)	50	(25,937,363,724)	(3,058,786,722)
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	76,808,048	372,714,461
Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61)	70	191,998,736,641	191,502,406,763

30 October 2020

Prepared by:



Nguyen Thi Ngoc Tram
General Accountant

Approved by:



Phan Thi Thuy Hoa
Chief Accountant




Doan Quoc Hung
Chief Executive Officer

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 nine-month period ended 30
September 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 oversea markets.

(c) Normal operating cycle

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

(d) Company structure

As at 30 September 2020, the Company has 1 subsidiary (1/1/2020: 1 subsidiary) as listed at Note 5.

As at 30 September 2020, the Company had 261 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 separate financial statements are prepared for the nine-month period ended 30 September 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 nine-month period ended 30
September 2020 (continued)

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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 the 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 nine-month period ended 30
September 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 nine-month period ended 30
September 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 year 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 accounting period. For the purpose of determining the number of years of service by an employee, the year 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 nine-month period ended 30
September 2020 (continued)

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(l) Share capital and share premium

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

(m) Taxation

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

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

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

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

(n) Revenue

(i) Sales of goods

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

(ii) Provision of services

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

(iii) Rental income

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

VinaCafé Bien Hoa Joint Stock Company
Notes to the separate financial statements for the nine-month period ended 30
September 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

	30/9/2020	1/1/2020
	VND	VND
Cash on hand	54,350,259	65,403,819
Cash at banks	50,444,386,382	50,793,888,498
Cash equivalents	141,500,000,000	167,000,000,000
	<hr/>	<hr/>
	191,998,736,641	217,859,292,317
	<hr/>	<hr/>

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 nine-month period ended 30 September 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	30/9/2020		% 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

	30/9/2020	1/1/2020
	VND	VND
Accrued interest from deposits at banks	445,739,726	185,342,466
Accrued interest from other investments	11,096,301,369	-
Short-term deposits for operating activities	167,000,000	2,337,656,100
Short-term deposits for financial activities	670,000,000,000	-
Other non-trade receivables	41,460,754	505,603,429
	<u>681,750,501,849</u>	<u>3,028,601,995</u>

(b) Other long-term receivables

	30/9/2020	1/1/2020
	VND	VND
Accrued interest receivable from a subsidiary (Note 8)	31,945,921,912	25,846,606,845
Accrued interest receivable from a related party (Note 8)	24,575,342,465	-
Long-term deposits	5,000,000	5,000,000
	<u>56,526,264,377</u>	<u>25,851,606,845</u>

7. Inventories

	30/9/2020		1/1/2020	
	Cost	Allowance	Cost	Allowance
	VND	VND	VND	VND
Goods in transit	1,381,952,000	-	3,392,741,499	-
Raw materials	144,773,936,532	(27,334,211)	147,754,994,919	(225,704,420)
Tools and supplies	8,593,129,114	-	8,906,182,488	(764,777,205)
Finished goods	79,300,095,766	-	44,642,777,739	-
Merchandise inventories	66,597,921	-	144,833,052	-
Goods on consignment	1,900,006,425	-	-	-
	<u>236,015,717,758</u>	<u>(27,334,211)</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:

	For the nine-month period ended	
	30/9/2020	30/9/2019
	VND	VND
Opening balance	990,481,625	1,294,019,791
Increase in allowance during the period	409,300,029	2,542,871,218
Allowance utilised during the period	(1,372,447,443)	(2,645,640,171)
Closing balance	27,334,211	1,191,250,838

Included in inventories as at 30 September 2020 was VND27 million (1/1/2020: VND990 million) of slow-moving inventories.

8. Receivables on long-term lending loans

	30/9/2020	1/1/2020
	VND	VND
Long-term loans receivable from a subsidiary	125,000,000,000	125,000,000,000
Long-term loans receivable from a related party	600,000,000,000	-
	725,000,000,000	125,000,000,000

These long-term loans receivable of the Company was unsecured, bore fixed interest rate at 6.5% per annum as at 30 September 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
Transfers from construction in progress	-	7,634,742,081	-	-	7,634,742,081
Disposals	-	(273,733,625)	-	-	(273,733,625)
Closing balance	203,391,022,636	797,788,192,200	4,397,487,235	6,237,569,003	1,011,814,271,074
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	7,647,407,058	35,305,125,654	112,619,412	383,302,965	43,448,455,089
Disposals	-	(102,650,110)	-	-	(102,650,110)
Closing balance	81,479,390,055	498,301,269,449	3,810,489,346	3,860,853,295	587,452,002,145
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	121,911,632,581	299,486,922,751	586,997,889	2,376,715,708	424,362,268,929

Included in the cost of tangible fixed assets were assets costing VND278,969 million which were fully depreciated as of 30 September 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	-	92,783,142	92,783,142
Closing balance	1,004,073,640	536,080,376	1,540,154,016
Net book value			
Opening balance	-	432,988,005	432,988,005
Closing balance	-	340,204,863	340,204,863

Included in the cost of intangible fixed assets were assets costing VND1,004 million which were fully depreciated as of 30 September 2020 (1 January 2020: VND1,004 million), but are still in active use.

11. Construction in progress

For the nine-month period ended	30/9/2020 VND
Opening balance	1,699,576,081
Additions during the period	10,546,114,520
Transfers to tangible fixed assets	(7,634,742,081)
Transfers to long-term prepaid expenses	(1,388,947,000)
Closing balance	3,222,001,520

During the nine-month period ended 30 September 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	-	1,388,947,000	1,388,947,000
Amortisation for the period	(302,091,030)	(3,139,774,235)	(3,441,865,265)
Closing balance	13,795,490,399	4,804,838,959	18,600,329,358

13. Taxes payable to State Treasury

	30/9/2020 VND	1/1/2020 VND
Corporate income tax	105,876,156,028	66,516,248,108
Value added tax	43,249,466,304	15,484,919,988
Personal income tax	74,055,178	147,277,636
	149,199,677,510	82,148,445,732

14. Accrued expenses

	30/9/2020 VND	1/1/2020 VND
Bonus and 13 th month salary	10,827,022,140	11,801,070,165
Accrued processing fees	6,426,541,538	826,373,453
Purchases not yet received invoices	2,776,415,840	4,106,896,652
Accrued interest expenses	1,084,299,135	2,336,062,822
Logistics expense	1,081,841,658	1,057,947,193
Construction in progress	280,000,000	89,600,000
Others	5,130,901,494	7,041,519,882
	27,607,021,805	27,259,470,167

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15. Other payables

(a) Other short-term payables

	30/9/2020	1/1/2020
	VND	VND
Dividend payables	1,884,690,000	1,884,690,000
Short-term deposits received	381,882,500	289,442,500
Social insurance, health insurance, unemployment insurance and trade union fees	239,594,579	217,655,601
Others	2,654,716,349	2,433,087,660
	<hr/>	<hr/>
	5,160,883,428	4,824,875,761
	<hr/>	<hr/>

(b) Other long-term payables

	30/9/2020	1/1/2020
	VND	VND
Long-term deposits received	279,450,000	279,450,000
	<hr/>	<hr/>

16. Short-term borrowings

	30/9/2020		1/1/2020	
	Carrying amount VND	Amount within repayment capacity VND	Carrying amount VND	Amount within repayment capacity VND
Short-term borrowings	280,251,301,399	280,251,301,399	345,406,640,836	345,406,640,836
	<hr/>		<hr/>	

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

	Currency	Annual interest rate	30/9/2020 VND	1/1/2020 VND
Unsecured bank loans	VND	2.8% - 4.6%	280,251,301,399	345,406,640,836
			<hr/>	

As at 30 September 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	-	-	-	425,223,152,347	425,223,152,347
Dividend	-	-	-	(637,899,240,000)	(637,899,240,000)
Balance as at 30 September 2019	265,791,350,000	29,974,241,968	213,510,848,947	735,597,984,384	1,244,874,425,299
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	-	-	-	484,143,810,232	484,143,810,232
Balance as at 30 September 2020	265,791,350,000	29,974,241,968	213,510,848,947	1,464,942,693,674	1,974,219,134,589

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.

The Annual General Meeting of Shareholders of the Company on 23 June 2020 resolved to the advance of dividends of 2020 and authorized for the Board of Directors of the Company to implement. On 6 October 2020, the Board of Directors announced the advance of dividends by cash amounting to VND664,478 million and the date to finalise the list of shareholders to entitle for dividends which is on 20 October 2020.

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18. Share capital and share premium

The Company's authorised and issued share capitals are:

	30/9/2020		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

	30/9/2020		1/1/2020	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	1,155,222	26,678,703,565	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:

	For the nine-month period ended	
	30/9/2020	30/9/2019
	VND	VND
Total revenue	1,950,443,941,744	2,010,408,599,212
Less revenue deductions		
▪ Sales returns	580,516,886	5,363,605,217
	<u>580,516,886</u>	<u>5,363,605,217</u>
Net revenue	<u>1,949,863,424,858</u>	<u>2,005,044,993,995</u>

21. Cost of sales

	For the nine-month period ended	
	30/9/2020	30/9/2019
	VND	VND
Total cost of sales		
▪ Goods sold	1,354,048,072,469	1,445,140,739,797
▪ Allowance for inventories	409,300,029	2,542,871,218
	<u>1,354,457,372,498</u>	<u>1,447,683,611,015</u>

22. Financial income

	For the nine-month period ended	
	30/9/2020	30/9/2019
	VND	VND
Interest income from deposits at banks and other investments	19,547,289,790	7,343,427,144
Interest income from loans to a subsidiary	6,099,315,067	6,004,753,423
Interest income from loans to a related party	24,575,342,465	-
Foreign exchange gains	1,218,470,308	821,567,491
	<u>51,440,417,630</u>	<u>14,169,748,058</u>

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23. Financial expenses

	For the nine-month period ended	
	30/9/2020	30/9/2019
	VND	VND
Interest expense	10,795,801,672	14,749,091,494
Allowance for diminution in value of long-term financial investment	-	8,818,763,024
Foreign exchange losses	110,873,786	546,395,339
Others	7,289,027,730	292,370,400
	18,195,703,188	24,406,620,257

24. Significant transactions with related parties

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

	Transaction value		Receivables/(payables)	
	For the nine-month period ended		as at	
	30/9/2020	30/9/2019	30/9/2020	1/1/2020
	VND	VND	VND	VND
Parent of parent company				
Masan Consumer Corporation				
Sales of goods	1,652,306,956,428	1,765,383,797,134	287,078,127,692	1,054,136,253,023
Sales of services	148,556,009,000	83,194,517,000	33,511,901,500	123,797,050,300
Purchases of goods	80,639,228,017	56,245,242,498	(13,880,814,588)	-
Parent company				
Masan Beverage One Member Company Limited				
Dividend declared	-	628,275,240,000	-	-
Related parties				
Masan Industrial One Member Company Limited				
Sales of goods	365,866,498	979,468,350	-	-
Purchases of goods	1,443,407,610	415,413,802	(87,897,438)	(182,793,171)
Purchase of service	24,664,748,667	22,399,657,937	(13,815,521,597)	(9,378,428,200)
Management fee	2,692,116,999	480,000,000	(2,692,116,999)	-
Sales of fixed asset	29,400,080	155,544,481	-	-
Loans receivable	600,000,000,000	-	600,000,000,000	-
Interest income from loans	24,575,342,465	-	24,575,342,465	-

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	Transaction value		Receivables/(payables)	
	For the nine-month period ended 30/9/2020 VND	30/9/2019 VND	as at 30/9/2020 VND	1/1/2020 VND
Vinh Hao Mineral Water Corporation				
Sales of goods and services	-	20,042,719,830	-	-
Purchases of goods	49,664,388,382	101,249,872,371	(21,696,414,658)	(37,487,473,792)
Purchases of service	37,825,920,672	46,977,643,440	(24,978,195,581)	(42,278,028,250)
Masan MB One Member Company Limited				
Sales of goods and services	16,091,018,640	11,549,044,009	2,738,313,065	-
Purchases of goods	10,741,503,606	51,700,000	-	-
Masan HG One Member Company Limited				
Sales of goods and services	1,496,631,645	-	1,105,117,358	77,369,490
Subsidiary				
Café De Nam Joint stock Company				
Sales of goods	11,206,882	10,607,255	7,073,440	98,335,996
Sales of services	640,872,000	640,872,000	234,986,400	315,769,410
Purchases of goods	2,929,312,380	6,284,726	-	-
Loans receivable	-	5,000,000,000	125,000,000,000	125,000,000,000
Interest income from loans	6,099,315,067	6,004,753,423	31,945,921,912	25,846,606,845
Key management personnel				
Remunerations	5,043,942,218	5,591,632,775	-	-

30 October 2020

Prepared by:


 Nguyen Thi Ngoc Tram
 General Accountant

Approved by:


 Phan Thi Thuy Hoa
 Chief Accountant


 Doan Quoc Hung
 Chief Executive Officer

