

VinaCafé Bien Hoa Joint Stock Company

Quarterly Financial Statements
for the period ended 30 September 2022



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 7 July 2022. The Enterprise Registration certificate and its amendments were issued by the Planning and Investment Department of Dong Nai Province.

Board of Directors

| | |
|------------------|----------|
| Pham Hong Son | Chairman |
| Nguyen Hoang Yen | Member |
| Huynh Cong Hoan | Member |
| Ho Thuy Hanh | Member |

Board of Management

| | |
|----------------|---|
| Doan Quoc Hung | Chief Executive Officer (from 30 June 2022) |
| Le Huu - Thang | Chief Executive Officer (until 30 June 2022) |

Registered Office

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

VinaCafé Bien Hoa Joint Stock Company
Balance sheet as at 30 September 2022

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

| | Code | Note | 30/9/2022 VND | 1/1/2022 VND |
|--|------------|----------|--------------------------|--------------------------|
| ASSETS | | | | |
| Current assets (100 = 110 + 120 + 130 + 140 + 150) | 100 | | 1,596,753,567,993 | 1,474,605,295,591 |
| Cash and cash equivalents | 110 | 4 | 130,496,179,364 | 1,112,648,169,018 |
| Cash | 111 | | 12,496,179,364 | 12,648,169,018 |
| Cash equivalents | 112 | | 118,000,000,000 | 1,100,000,000,000 |
| Short-term financial investments | 120 | | 400,000,000 | 400,000,000 |
| Held-to-maturity investments | 123 | | 400,000,000 | 400,000,000 |
| Accounts receivable – short-term | 130 | | 1,124,517,165,111 | 130,024,726,672 |
| Accounts receivable from customers | 131 | | 404,711,746,869 | 125,183,349,600 |
| Prepayments to suppliers | 132 | | 500,228,425 | 972,863,400 |
| Other short-term receivables | 136 | 6(a) | 719,305,189,817 | 3,868,513,672 |
| Inventories | 140 | 7 | 340,146,642,199 | 230,920,483,717 |
| Inventories | 141 | | 340,912,812,911 | 231,565,212,874 |
| Allowance for inventories | 149 | | (766,170,712) | (644,729,157) |
| Other current assets | 150 | | 1,193,581,319 | 611,916,184 |
| Short-term prepaid expenses | 151 | | 1,193,581,319 | 611,916,184 |

The accompanying notes are an integral part of these financial statements

VinaCafé Bien Hoa Joint Stock Company
Balance sheet as at 30 September 2022 (continued)

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

| | Code | Note | 30/9/2022 VND | 1/1/2022 VND |
|---|------------|----------|--------------------------|--------------------------|
| Long-term assets (200 = 210 + 220 + 240 + 250 + 260) | 200 | | 350,350,461,133 | 549,307,827,758 |
| Accounts receivable – long-term | 210 | | 5,000,000 | 5,000,000 |
| Other long-term receivables | 216 | 6(b) | 5,000,000 | 5,000,000 |
| Fixed assets | 220 | | 323,833,857,274 | 364,489,552,753 |
| Tangible fixed assets | 221 | 8 | 323,741,074,123 | 364,303,986,460 |
| Cost | 222 | | 1,022,606,355,894 | 1,021,911,278,232 |
| Accumulated depreciation | 223 | | (698,865,281,771) | (657,607,291,772) |
| Intangible fixed assets | 227 | 9 | 92,783,151 | 185,566,293 |
| Cost | 228 | | 1,880,358,879 | 1,880,358,879 |
| Accumulated amortisation | 229 | | (1,787,575,728) | (1,694,792,586) |
| Long-term work in progress | 240 | | 4,090,711,507 | 2,341,741,814 |
| Construction in progress | 242 | 10 | 4,090,711,507 | 2,341,741,814 |
| Long-term financial investments | 250 | 5 | - | 159,452,335,058 |
| Investments in a subsidiary | 251 | | - | 205,000,000,000 |
| Allowance for diminution in the value of long-term financial investments | 254 | | - | (45,547,664,942) |
| Other long-term assets | 260 | | 22,420,892,352 | 23,019,198,133 |
| Long-term prepaid expenses | 261 | 11 | 17,755,108,827 | 18,086,411,592 |
| Deferred tax assets | 262 | | 4,665,783,525 | 4,932,786,541 |
| TOTAL ASSETS (270 = 100 + 200) | 270 | | 1,947,104,029,126 | 2,023,913,123,349 |

The accompanying notes are an integral part of these financial statements

VinaCafé Bien Hoa Joint Stock Company
Balance sheet as at 30 September 2022 (continued)

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

| | Code | Note | 30/9/2022 VND | 1/1/2022 VND |
|--|------------|-----------|--------------------------|--------------------------|
| RESOURCES | | | | |
| LIABILITIES (300 = 310 + 330) | 300 | | 391,571,250,603 | 680,187,909,160 |
| Current liabilities | 310 | | 386,654,199,353 | 675,292,024,410 |
| Accounts payable to suppliers | 311 | | 172,797,820,910 | 241,592,096,803 |
| Advances from customers | 312 | | 39,288,545 | 8,475,585,334 |
| Taxes payable to State Treasury | 313 | 12 | 78,783,687,149 | 37,302,741,587 |
| Accrued expenses | 315 | 13 | 32,810,765,545 | 40,285,651,288 |
| Other short-term payables | 319 | 14(a) | 2,988,701,241 | 3,596,492,215 |
| Short-term borrowings | 320 | 15 | 78,202,038,505 | 323,007,559,725 |
| Bonus and welfare funds | 322 | | 21,031,897,458 | 21,031,897,458 |
| Long-term liabilities | 330 | | 4,917,051,250 | 4,895,884,750 |
| Other long-term payables | 337 | 14(b) | 279,450,000 | 279,450,000 |
| Provisions long-term | 342 | | 4,637,601,250 | 4,616,434,750 |
| EQUITY (400 = 410) | 400 | | 1,555,532,778,523 | 1,343,725,214,189 |
| Owners' equity | 410 | 16 | 1,555,532,778,523 | 1,343,725,214,189 |
| Share capital | 411 | 17 | 265,791,350,000 | 265,791,350,000 |
| - Ordinary shares with voting rights | 411a | | 265,791,350,000 | 265,791,350,000 |
| Share premium | 412 | 17 | 29,974,241,968 | 29,974,241,968 |
| Investment and development fund | 418 | | 213,510,848,947 | 213,510,848,947 |
| Undistributed profits after tax | 421 | | 1,046,256,337,608 | 834,448,773,274 |
| - Undistributed profits after tax brought forward | 421a | | 834,448,773,274 | 393,794,513,958 |
| - Undistributed profit after tax for the current period/prior period | 421b | | 211,807,564,334 | 440,654,259,316 |
| TOTAL RESOURCES (440 = 300 + 400) | 440 | | 1,947,104,029,126 | 2,023,913,123,349 |

18 October 2022

Prepared by:



Nguyen Thanh Luan
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 financial statements

VinaCafé Bien Hoa Joint Stock Company
Statement of income for the period ended 30 September 2022

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 | | Period to date | |
|---|------|------|-----------------|-----------------|-------------------|-------------------|
| | | | 2022 VND | 2021 VND | 2022 VND | 2021 VND |
| Revenue from sales of goods and provision of services | 01 | 19 | 547,947,268,388 | 402,754,939,328 | 1,501,833,765,340 | 1,207,821,488,236 |
| Revenue deductions | 02 | 19 | 2,410,727,336 | 363,710,715 | 3,784,501,465 | 1,804,910,855 |
| Net revenue (10 = 01 - 02) | 10 | 19 | 545,536,541,052 | 402,391,228,613 | 1,498,049,263,875 | 1,206,016,577,381 |
| Cost of sales | 11 | 20 | 449,000,858,173 | 308,241,758,652 | 1,137,485,068,187 | 906,606,223,005 |
| Gross profit (20 = 10 - 11) | 20 | | 96,535,682,879 | 94,149,469,961 | 360,564,195,688 | 299,410,354,376 |
| Financial income | 21 | 21 | 10,402,191,393 | 16,136,794,853 | 29,606,257,445 | 48,611,445,516 |
| Financial expenses | 22 | 22 | 2,052,574,930 | 808,522,314 | 88,452,313,398 | 9,775,469,701 |
| <i>In which: Interest expenses</i> | 23 | | 1,544,748,998 | 688,755,561 | 4,675,574,751 | 3,572,802,616 |
| Selling expenses | 25 | | 4,693,978,378 | 1,007,726,114 | 10,015,873,758 | 8,737,364,161 |
| General and administration expenses | 26 | | 6,130,166,558 | 11,730,320,822 | 26,218,746,910 | 32,529,947,691 |
| Net operating profit {30 = 20 + (21 - 22) - (25 + 26)} | 30 | | 94,061,154,406 | 96,739,695,564 | 265,483,519,067 | 296,979,018,339 |
| Other income | 31 | | 1,328 | - | 1,328 | 35,017,707 |
| Other expenses | 32 | | 434,346,661 | - | 530,892,158 | - |
| Results of other activities (40 = 31 - 32) | 40 | | (434,345,333) | - | (530,890,830) | 35,017,707 |
| Accounting profit before tax (50 = 30 + 40) (Carried forward to next page) | 50 | | 93,626,809,073 | 96,739,695,564 | 264,952,628,237 | 297,014,036,046 |

The accompanying notes are an integral part of these financial statements

VinaCafé Bien Hoa Joint Stock Company
Statement of income for the period ended 30 September 2022 (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 | | Period to date | |
|--|------|------|----------------|----------------|-----------------|-----------------|
| | | | 2022 VND | 2021 VND | 2022 VND | 2021 VND |
| Accounting profit before tax (brought forward from previous page) | 50 | | 93,626,809,073 | 96,739,695,564 | 264,952,628,237 | 297,014,036,046 |
| Income tax expense – current | 51 | | 18,245,478,686 | 20,781,400,211 | 52,878,060,887 | 63,498,982,248 |
| Income tax expense/(benefit) – deferred | 52 | | 578,546,285 | 40,974,303 | 267,003,016 | (2,028,781,101) |
| Net profit after tax (60 = 50 - 51 - 52) | 60 | | 74,802,784,102 | 75,917,321,050 | 211,807,564,334 | 235,543,834,899 |
| Earnings per share | | | | | | |
| Basic earnings per share | 70 | 23 | 2,814 | 2,856 | 7,969 | 8,862 |

18 October 2022

Prepared by:



Nguyen Thanh Luan
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 financial statements

VinaCafé Bien Hoa Joint Stock Company
Statement of cash flows for the period ended 30 September 2022
(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 period ended | |
|--|-----------|--------------------------|------------------------|
| | | 30/9/2022 VND | 30/9/2021 VND |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Accounting profit before tax | 01 | 264,952,628,237 | 297,014,036,046 |
| Adjustments for | | | |
| Depreciation and amortisation | 02 | 41,700,114,868 | 43,612,422,853 |
| Allowances and provisions | 03 | 84,581,503,326 | 5,994,305,947 |
| Exchange losses/(gains) arising from revaluation of monetary items dominated in foreign currencies | 04 | 234,954,737 | (101,428,169) |
| Profit from investing activities | 05 | (27,973,464,117) | (47,847,024,604) |
| Interest expense | 06 | 4,675,574,751 | 3,572,802,616 |
| Operating profit before changes in working capital | 08 | 368,171,311,802 | 302,245,114,689 |
| Change in receivables and other assets | 09 | (277,437,802,661) | 46,978,961,645 |
| Change in inventories | 10 | (110,844,778,395) | (78,147,725,677) |
| Change in payables and other liabilities | 11 | (72,295,662,929) | 14,842,986,925 |
| Change in prepaid expenses | 12 | 1,584,437,630 | 1,752,279,466 |
| | | (90,822,494,553) | 287,671,617,048 |
| Interest paid | 14 | (4,731,621,073) | (3,980,905,873) |
| Corporate income tax paid | 15 | (25,055,348,113) | (104,454,035,538) |
| Net cash flows from operating activities | 20 | (120,609,463,739) | 179,236,675,637 |

The accompanying notes are an integral part of these financial statements

VinaCafé Bien Hoa Joint Stock Company
Statement of cash flows for the period ended 30 September 2022
(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 period ended | |
|---|-----------|--------------------------|--------------------------|
| | | 30/9/2022 VND | 30/9/2021 VND |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payments for additions to fixed assets | 21 | (3,125,983,382) | (9,579,195,245) |
| Payment for other investments | 23 | (700,000,000,000) | - |
| Collection of other investments | 24 | - | 125,000,000,000 |
| Payment for investment in a subsidiary | 25 | - | (170,000,000,000) |
| Proceeds from disposal of a subsidiary | 26 | 76,536,040,000 | - |
| Receipts of interests from deposits at banks and loans | 27 | 10,256,943,084 | 36,978,716,382 |
| Net cash flows from investing activities | 30 | (616,333,000,298) | (17,600,478,863) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from borrowings | 33 | 438,407,865,930 | 498,908,238,044 |
| Payments to settle loan principals | 34 | (683,213,387,150) | (668,345,210,333) |
| Payments of dividends to owners | 36 | (427,700,000) | (431,250,000) |
| Net cash flows from financing activities | 40 | (245,233,221,220) | (169,868,222,289) |
| Net cash flows during the period (50 = 20 + 30 + 40) | 50 | (982,175,685,257) | (8,232,025,515) |
| Cash and cash equivalents at the beginning of the period | 60 | 1,112,648,169,018 | 200,879,074,099 |
| Effect of exchange rate fluctuations on cash and cash equivalents | 61 | 23,695,603 | 99,122,915 |
| Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61) | 70 | 130,496,179,364 | 192,746,171,499 |

18 October 2022

Prepared by:



Nguyen Thanh Luan
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 financial statements

VinaCafé Bien Hoa Joint Stock Company
Notes to the financial statements for the period ended 30 September 2022

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 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 2022, the Company have no subsidiary (1/1/2022: 1 subsidiary) as listed at Notes 5.
As at 30 September 2022, the Company had 247 employees (1/1/2022: 266 employees).

2. Basis of preparation

(a) Statement of compliance

The 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.

During the period, the Company completed the transfer of all equity interests in a subsidiary. As a result of this transaction, the Company is not required to prepare the consolidated financial statements as of and for the period ended 30 September 2022.

(b) Basis of measurement

The financial statements, except for the statement of cash flows, are prepared on the accrual basis using the historical cost concept. The 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 financial statements are prepared for the period ended 30 September 2022.

(d) Accounting and presentation currency

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

VinaCafé Bien Hoa Joint Stock Company
Notes to the financial statements for the period ended 30 September 2022 (continued)

Form B 09a – DN

*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

(e) Corresponding figures

The corresponding figures as at 1 January 2022 were brought forward from the audited figures as at 31 December 2021.

3. Summary of significant accounting policies

The following significant accounting policies have been adopted by the Company in the preparation of these 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 accounting period quoted by the commercial bank where the Company most frequently conduct transactions.

All foreign exchange differences are recorded in the 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 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 financial statements for the period ended 30 September 2022 (continued)

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

(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 financial statements for the period ended 30 September 2022 (continued)

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

(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 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 at the end of 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 financial statements for the period ended 30 September 2022 (continued)

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

(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 profit or loss for the period comprises current and deferred tax. Income tax is recognised in the 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 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 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 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 financial statements for the period ended 30 September 2022 (continued)

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

(o) Financial income and financial expenses

(i) Financial income

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

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

(ii) Financial expenses

Financial expenses comprise interest expenses on borrowings, 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 statement of income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the 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

| | 30/9/2022 | 1/1/2022 |
|------------------|------------------------|--------------------------|
| | VND | VND |
| Cash on hand | 30,140,151 | 28,018,155 |
| Cash at banks | 12,466,039,213 | 12,620,150,863 |
| Cash equivalents | 118,000,000,000 | 1,100,000,000,000 |
| | 130,496,179,364 | 1,112,648,169,018 |

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 financial statements for the period ended 30 September 2022 (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 financial investment

Investment in a subsidiary

| | % of equity owned and voting rights | 30/9/2022 | | % of equity owned and voting rights | 1/1/2022 | |
|---|---|-------------|---|---|-----------------|---|
| | | Cost VND | Allowance for diminution in value VND | | Cost VND | Allowance for diminution in value VND |
| Café De Nam Joint Stock Company("CDN") | - | - | - | 97.77% | 205,000,000,000 | (45,547,664,942) |

The Company has not determined the fair value of this investment for disclosure in the 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.

During the period, the Company completed the transfer of all equity interests in CDN.

VinaCafé Bien Hoa Joint Stock Company

Notes to the financial statements for the period ended 30 September 2022 (continued)

Form B 09a – DN

(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

6. Other receivables

(a) Other short-term receivables

| | 30/9/2022 VND | 1/1/2022 VND |
|--|------------------------|----------------------|
| Accrued interest from deposits at banks | 89,036,713 | 1,321,225,206 |
| Accrued interest from other investments | 18,923,287,671 | - |
| Short-term deposits for investing activities | 700,000,000,000 | - |
| Short-term deposits for operating activities | 220,715,000 | 303,400,000 |
| Other receivables | 72,150,433 | 2,243,888,466 |
| | <u>719,305,189,817</u> | <u>3,868,513,672</u> |

(b) Other long-term receivables

| | 30/9/2022 VND | 1/1/2022 VND |
|--------------------|------------------|------------------|
| Long-term deposits | 5,000,000 | 5,000,000 |
| | <u>5,000,000</u> | <u>5,000,000</u> |

7. Inventories

| | 30/9/2022 | | 1/1/2022 | |
|-------------------------|------------------------|----------------------|------------------------|----------------------|
| | Cost VND | Allowance VND | Cost VND | Allowance VND |
| Goods in transit | 257,506,504 | - | 8,713,213,429 | - |
| Raw materials | 213,702,169,014 | (766,170,712) | 158,907,331,516 | (644,729,157) |
| Tools and supplies | 9,201,729,394 | - | 9,056,027,248 | - |
| Finished goods | 117,747,723,454 | - | 49,426,113,212 | - |
| Merchandise inventories | 3,684,545 | - | 11,370,045 | - |
| Goods on consignment | - | - | 5,451,157,424 | - |
| | <u>340,912,812,911</u> | <u>(766,170,712)</u> | <u>231,565,212,874</u> | <u>(644,729,157)</u> |

VinaCafé Bien Hoa Joint Stock Company

Notes to the financial statements for the period ended 30 September 2022 (continued)

Form B 09a – DN

*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

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

| | For the period ended | |
|---|----------------------|-------------------|
| | 30/9/2022 | 30/9/2021 |
| | VND | VND |
| Opening balance | 644,729,157 | 10,265,333 |
| Increase in allowance during the period | 1,618,619,913 | 368,636,922 |
| Allowance utilised during the period | (1,497,178,358) | (300,217,261) |
| Closing balance | <u>766,170,712</u> | <u>78,684,994</u> |

Included in inventories as at 30 September 2022 was VND766 million (1/1/2022: VND645 million) of slow-moving inventories.

8. Tangible fixed assets

| | Buildings and structures VND | Machinery and equipment VND | Motor vehicles VND | Office equipment VND | Total VND |
|---|---------------------------------|--------------------------------|-----------------------|-------------------------|-------------------|
| Cost | | | | | |
| Opening balance | 203,568,960,136 | 808,078,468,225 | 4,157,487,235 | 6,106,362,636 | 1,021,911,278,232 |
| Addition in the period | - | 235,390,000 | - | - | 235,390,000 |
| Transfers from construction in progress | - | 809,029,389 | - | - | 809,029,389 |
| Disposal | - | - | - | (349,341,727) | (349,341,727) |
| Closing balance | 203,568,960,136 | 809,122,887,614 | 4,157,487,235 | 5,757,020,909 | 1,022,606,355,894 |
| Accumulated depreciation | | | | | |
| Opening balance | 93,828,710,874 | 555,719,540,016 | 3,758,188,372 | 4,300,852,510 | 657,607,291,772 |
| Charge for the period | 7,305,598,044 | 33,809,176,229 | 112,619,412 | 379,938,041 | 41,607,331,726 |
| Disposal | - | - | - | (349,341,727) | (349,341,727) |
| Closing balance | 101,134,308,918 | 589,528,716,245 | 3,870,807,784 | 4,331,448,824 | 698,865,281,771 |
| Net book value | | | | | |
| Opening balance | 109,740,249,262 | 252,358,928,209 | 399,298,863 | 1,805,510,126 | 364,303,986,460 |
| Closing balance | 102,434,651,218 | 219,594,171,369 | 286,679,451 | 1,425,572,085 | 323,741,074,123 |

Included in the cost of tangible fixed assets were assets costing VND322,948 million which were fully depreciated as of 30 September 2022 (1/1/2022: VND307,505 million), but are still in active use.

VinaCafé Bien Hoa Joint Stock Company

Notes to the financial statements for the period ended 30 September 2022 (continued)

Form B 09a – DN*(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***9. 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 | 690,718,946 | 1,694,792,586 |
| Charge for the period | - | 92,783,142 | 92,783,142 |
| Closing balance | 1,004,073,640 | 783,502,088 | 1,787,575,728 |
| Net book value | | | |
| Opening balance | - | 185,566,293 | 185,566,293 |
| Closing balance | - | 92,783,151 | 92,783,151 |

Included in the cost of intangible fixed assets were assets costing VND1,004 million which were fully depreciated as of 30 September 2022 (1 January 2022: VND1,004 million), but are still in active use.

10. Construction in progress

| For the period ended | 30/9/2022 VND |
|---|--------------------------|
| Opening balance | 2,341,741,814 |
| Additions during the period | 4,392,799,082 |
| Transfers to tangible fixed assets | (809,029,389) |
| Transfers to long-term prepaid expenses | (1,834,800,000) |
| Closing balance | 4,090,711,507 |

VinaCafé Bien Hoa Joint Stock Company
Notes to the financial statements for the period ended 30 September 2022 (continued)

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

11. Long-term prepaid expenses

| | Prepaid land costs VND | Tools and supplies VND | Total VND |
|---|---------------------------------------|---------------------------------------|----------------------|
| Opening balance | 13,292,005,349 | 4,794,406,243 | 18,086,411,592 |
| Additions during the period | - | 1,077,479,264 | 1,077,479,264 |
| Transfers from construction in progress | - | 1,834,800,000 | 1,834,800,000 |
| Amortisation for the period | (302,091,030) | (2,941,490,999) | (3,243,582,029) |
| Closing balance | 12,989,914,319 | 4,765,194,508 | 17,755,108,827 |

12. Taxes payable to State Treasury

| | 30/9/2022 VND | 1/1/2022 VND |
|----------------------|--------------------------|-------------------------|
| Corporate income tax | 45,740,479,629 | 17,917,766,855 |
| Value added tax | 32,962,480,606 | 18,497,499,738 |
| Personal income tax | 80,726,914 | 887,474,994 |
| | 78,783,687,149 | 37,302,741,587 |

13. Accrued expenses

| | 30/9/2022 VND | 1/1/2022 VND |
|---|--------------------------|-------------------------|
| Accrued processing fee | 5,607,746,373 | 9,635,346,482 |
| Bonus and 13 th month salary | 10,937,674,032 | 17,669,383,217 |
| Purchases not yet received invoices | 1,415,758,016 | 1,582,282,559 |
| Logistics expense | 1,538,654,027 | 1,089,135,077 |
| Construction in progress | 987,349,100 | 121,606,800 |
| Accrued interest expenses | 778,673,172 | 834,719,494 |
| Others | 11,544,910,825 | 9,353,177,659 |
| | 32,810,765,545 | 40,285,651,288 |

VinaCafé Bien Hoa Joint Stock Company
Notes to the financial statements for the period ended 30 September 2022 (continued)

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

14. Other payables

(a) Other short-term payables

| | 30/9/2022 VND | 1/1/2022 VND |
|---|------------------|-----------------|
| Dividend payables | 2,361,992,946 | 2,534,365,000 |
| Short-term deposits received | 381,882,500 | 381,882,500 |
| Social insurance, health insurance, unemployment insurance and trade union fees | 232,410,181 | 309,929,857 |
| Others | 12,415,614 | 370,314,858 |
| | 2,988,701,241 | 3,596,492,215 |

(b) Other long-term payables

| | 30/9/2022 VND | 1/1/2022 VND |
|-----------------------------|------------------|-----------------|
| Long-term deposits received | 279,450,000 | 279,450,000 |

15. Short-term borrowings

| | 30/9/2022 | | 1/1/2022 | |
|-----------------------|------------------------|---|------------------------|---|
| | Carrying amount VND | Amount within repayment capacity VND | Carrying amount VND | Amount within repayment capacity VND |
| Short-term borrowings | 78,202,038,505 | 78,202,038,505 | 323,007,559,725 | 323,007,559,725 |

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

| | Currency | Annual interest rate | 30/9/2022 VND | 1/1/2022 VND |
|----------------------|----------|----------------------|------------------|-----------------|
| Unsecured bank loans | VND | 3.0% - 4.6% | 78,202,038,505 | 323,007,559,725 |

As at 30 September 2022 and 1 January 2022, the Company does not have any overdue borrowings including principal and interest.

VinaCafé Bien Hoa Joint Stock Company
Notes to the financial statements for the period ended 30 September 2022 (continued)

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

16. Changes in owners' equity

| | Share capital VND | Share premium VND | Investment and development fund (*) VND | Undistributed profits after tax VND | Total owners' equity VND |
|---------------------------------|----------------------|----------------------|---|---|--------------------------------|
| Balance as at 1 January 2021 | 265,791,350,000 | 29,974,241,968 | 213,510,848,947 | 1,058,272,888,958 | 1,567,549,329,873 |
| Net profit for the period | - | - | - | 235,543,834,899 | 235,543,834,899 |
| Balance as at 30 September 2021 | 265,791,350,000 | 29,974,241,968 | 213,510,848,947 | 1,293,816,723,857 | 1,803,093,164,772 |
| Balance as at 1 January 2022 | 265,791,350,000 | 29,974,241,968 | 213,510,848,947 | 834,448,773,274 | 1,343,725,214,189 |
| Net profit for the period | - | - | - | 211,807,564,334 | 211,807,564,334 |
| Balance as at 30 September 2022 | 265,791,350,000 | 29,974,241,968 | 213,510,848,947 | 1,046,256,337,608 | 1,555,532,778,523 |

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

VinaCafé Bien Hoa Joint Stock Company
Notes to the financial statements for the period ended 30 September 2022 (continued)

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

17. Share capital and share premium

The Company's authorised and issued share capitals are:

| | 30/9/2022 | | 1/1/2022 | |
|--|------------------|-----------------|------------------|-----------------|
| | Number of shares | VND | Number of shares | VND |
| Authorised and issued share capital | | | | |
| Ordinary shares | 26,579,135 | 265,791,350,000 | 26,579,135 | 265,791,350,000 |
| Shares in circulation | | | | |
| Ordinary shares | 26,579,135 | 265,791,350,000 | 26,579,135 | 265,791,350,000 |
| Share premium | - | 29,974,241,968 | - | 29,974,241,968 |

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

There were no movements in share capital during the period.

18. Off balance sheet item

Foreign currency

| | 30/9/2022 | | 1/1/2022 | |
|-----|-------------------|----------------|-------------------|----------------|
| | Original currency | VND equivalent | Original currency | VND Equivalent |
| USD | 100,136 | 2,377,805,247 | 66,284 | 1,501,329,203 |

VinaCafé Bien Hoa Joint Stock Company
Notes to the financial statements for the period ended 30 September 2022 (continued)

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

19. Revenue from sales of goods and provision of services

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

Net revenue comprised:

| | For the period ended | |
|-------------------------|-----------------------------|-------------------------|
| | 30/9/2022 | 30/9/2021 |
| | VND | VND |
| Total revenue | 1,501,833,765,340 | 1,207,821,488,236 |
| Less revenue deductions | | |
| ▪ Sales returns | 2,484,010,825 | 1,730,197,888 |
| ▪ Sales discounts | 1,300,490,640 | 74,712,967 |
| | <hr/> 3,784,501,465 | <hr/> 1,804,910,855 |
| Net revenue | <hr/> 1,498,049,263,875 | <hr/> 1,206,016,577,381 |

20. Cost of sales

| | For the period ended | |
|-----------------------------|-----------------------------|-----------------------|
| | 30/9/2022 | 30/9/2021 |
| | VND | VND |
| Total cost of sales | | |
| ▪ Goods sold | 1,135,866,448,274 | 906,237,586,083 |
| ▪ Allowance for inventories | 1,618,619,913 | 368,636,922 |
| | <hr/> 1,137,485,068,187 | <hr/> 906,606,223,005 |

21. Financial income

| | For the period ended | |
|--|-----------------------------|----------------------|
| | 30/9/2022 | 30/9/2021 |
| | VND | VND |
| Interest income from deposits at banks and other investments | 27,948,042,262 | 47,535,380,768 |
| Interest income from loan to a subsidiary | - | 311,643,836 |
| Foreign exchange gains | 1,632,793,328 | 764,420,912 |
| Others | 25,421,855 | - |
| | <hr/> 29,606,257,445 | <hr/> 48,611,445,516 |

22. Financial expenses

| | For the period ended | |
|------------------------------------|----------------------|---------------|
| | 30/9/2022 | 30/9/2021 |
| | VND | VND |
| Interest expense | 4,675,574,751 | 3,572,802,616 |
| Allowance for long-term investment | 82,941,716,913 | 5,955,457,275 |
| Foreign exchange losses | 835,021,734 | 247,209,810 |
| | <hr/> | <hr/> |
| | 88,452,313,398 | 9,775,469,701 |
| | <hr/> | <hr/> |

23. Basic earnings per share

The calculation of basic earnings per share for the period ended 30 September 2022 was based on the consolidated profit attributable to ordinary shareholders of the Company, after deducting the amounts appropriated to bonus and welfare fund, and a weighted average number of ordinary shares during the period – currently in circulation calculated as follows:

(i) Net profit attributable to ordinary shareholders

| | For the period ended | |
|--|----------------------|-----------------|
| | 30/9/2022 | 30/9/2021 |
| | VND | VND |
| Net profit attributable to ordinary shareholders | 211,807,564,334 | 235,543,834,899 |
| | <hr/> | <hr/> |

(ii) Weighted average number of ordinary shares

| | For the period ended | |
|---|----------------------|------------|
| | 30/9/2022 | 30/9/2021 |
| Weighted average number of ordinary shares during the period - currently in circulation | 26,579,135 | 26,579,135 |
| | <hr/> | <hr/> |

(iii) Basic earnings per share

| | For the period ended | |
|--------------------------|----------------------|-----------|
| | 30/9/2022 | 30/9/2021 |
| | VND | VND |
| Basic earnings per share | 7,969 | 8,862 |
| | <hr/> | <hr/> |

VinaCafé Bien Hoa Joint Stock Company

Notes to the financial statements for the period ended 30 September 2022 (continued)

Form B 09a – DN

(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

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 its related parties:

| | Transaction value | | Receivables/(payables) | |
|--|----------------------|----------------------|------------------------|------------------|
| | For the period ended | For the period ended | as at | as at |
| | 30/9/2022 | 30/9/2021 | 30/9/2022 | 1/1/2022 |
| | VND | VND | VND | VND |
| Parent of parent company | | | | |
| Masan Consumer Corporation | | | | |
| Sales of goods | 1,290,056,814,324 | 1,072,212,884,606 | 351,725,762,249 | 56,024,667,533 |
| Purchases of goods | 35,021,621,997 | 36,971,022,976 | - | - |
| Related parties | | | | |
| Masan Industrial One Member Company Limited | | | | |
| Sales of goods | 21,129,352 | 414,457,037 | - | - |
| Purchases of goods | 150,531,524 | 74,901,340 | (12,187,670) | (13,945,294) |
| Purchases of services | 13,867,534,282 | 13,038,052,096 | (9,115,577,838) | (6,946,100,390) |
| Vinh Hao Mineral Water Corporation | | | | |
| Sales of goods | - | 58,917,276 | - | - |
| Purchases of goods | 13,429,568,119 | 25,438,453,681 | (8,455,736,243) | (10,314,478,321) |
| Purchases of services | 6,003,302,400 | 19,317,628,800 | (2,464,292,160) | (7,375,072,320) |
| Masan MB One Member Company Limited | | | | |
| Sales of goods and services | 19,931,304,960 | 14,796,888,007 | 11,428,042,872 | 5,866,022,184 |
| Purchases of goods | 2,686,684,000 | - | - | - |
| Masan HG One Member Company Limited | | | | |
| Sales of goods and services | 22,437,695,720 | 21,773,436,890 | 9,338,044,192 | 10,056,826,560 |
| Purchases of goods | 69,400,161 | - | - | - |
| Phuc Long Heritage Corporation | | | | |
| Sales of goods | 9,392,220,183 | 181,550,160 | 482,826,141 | 829,896,716 |
| Purchases of goods | 861,204,000 | - | - | - |
| Café De Nam Joint Stock Company | | | | |
| Sales of goods | - | 2,653,480 | 174,730,287 | 5,296,830 |
| Sales of services | 640,872,000 | 640,872,000 | 313,315,200 | 234,584,886 |
| Purchases of goods | 375,836,924 | 29,515,611 | - | - |
| Loans collections | - | 125,000,000,000 | - | - |
| Interest income from loans | - | 311,643,836 | - | - |
| Capital contribution | - | 170,000,000,000 | - | - |
| Key management personnel | | | | |
| Remunerations | 10,516,028,710 | 10,624,763,706 | - | - |

VinaCafé Bien Hoa Joint Stock Company

Notes to the financial statements for the period ended 30 September 2022 (continued)

Form B 09a – DN

*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

18 October 2022

Prepared by:



Nguyen Thanh Luan
General Accountant

Approved by:



Phan Thi Thuy Hoa
Chief Accountant



Doan Quoc Hung
Chief Executive Officer

