

VINH HOAN CORPORATION

SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

VINH HOAN CORPORATION

**SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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VINH HOAN CORPORATION

CORPORATE INFORMATION

Enterprise registration certificate

No. 1400112623 dated 17 April 2007 was initially issued by the Department of Planning and Investment of Dong Thap Province with the latest amendment dated 14 January 2020.

Board of Directors

Mrs. Truong Thi Le Khanh	Chairperson
Mrs. Nguyen Ngo Vi Tam	Member
Mr. Vo Phu Duc	Member
Mrs. Truong Tuyet Hoa	Member
Mrs. Nguyen Thi Kim Dao	Member
Mr. Nguyen Van Khanh	Member (from 15 May 2020)

Board of Supervision

Mrs. Nguyen Thi Cam Van	Chief Superison
Mr. Nguyen Quang Vinh	Member
Mrs. Phan Thi Kim Hoa	Member

Board of Management

Mrs. Nguyen Ngo Vi Tam	General Director
Mr. Huynh Duc Trung	Permanent Director
Mrs. Nguyen Thi Kim Dao	Director – Finance
Mrs. Ho Thanh Hue	Director – Production
Mrs. Truong Tuyet Hoa	Director – Sales
Mrs. Dang Thi Thuong	Director – Sustainable development
Mrs. Le Thi Dieu Thi	Director – Quality

Legal representative

Mrs. Truong Thi Le Khanh	Chairperson
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Registered office

National Highway 30, Ward 11, Cao Lanh City, Dong Thap Province, Vietnam

Auditor

PwC (Vietnam) Limited

VINH HOAN CORPORATION

STATEMENT OF RESPONSIBILITY OF THE BOARD OF MANAGEMENT OF THE COMPANY IN RESPECT OF THE SEPARATE FINANCIAL STATEMENTS

The Board of Management of Vinh Hoan Corporation ("the Company") is responsible for preparing separate financial statements which give a true and fair view of the separate financial position of the Company as at 31 December 2020, and the separate results of its operations and its separate cash flows for the year then ended. In preparing these separate financial statements, the Board of Management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the separate financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

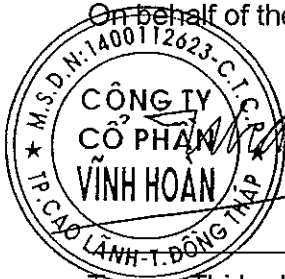
The Board of Management of the Company is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the separate financial position of the Company and enable separate financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the separate financial statements. The Board of Management is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud or errors.

APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS

We hereby, approve the accompanying separate financial statements as set out on pages 5 to 46 which give a true and fair view of the separate financial position of the Company as at 31 December 2020, and of the separate results of its operations and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of separate financial statements.

Users of these separate financial statements of the Company should read them together with the consolidated financial statements of the Company and its subsidiaries (together referred to as "the Group") for the year ended 31 December 2020 in order to obtain full information of the consolidated financial position, consolidated results of operations and consolidated cash flows of the Group.

On behalf of the Board of Management



Trương Thị Lê Khanh
Chairperson
Legal Representative

Dong Thap Province, SR Vietnam
23 March 2021



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VINH HOAN CORPORATION

We have audited the accompanying separate financial statements of Vinh Hoan Corporation ("the Company") which were prepared on 31 December 2020 and approved by the Board of Management on 23 March 2021. The separate financial statements comprise the separate balance sheet as at 31 December 2020, the separate income statement and the separate cash flow statement for the year then ended, and explanatory notes to the separate financial statements including significant accounting policies, as set out on pages 5 to 46.

Responsibility of the Board of Management

The Board of Management of the Company is responsible for the preparation and the true and fair presentation of these separate financial statements of the Company in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of separate financial statements; and for such internal control which the Board of Management determines as necessary to enable the preparation and fair presentation of separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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



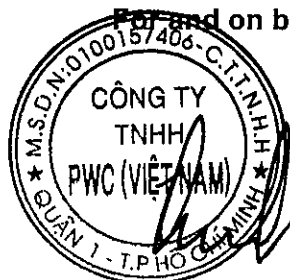
Auditor's Opinion

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of the Company as at 31 December 2020, its separate financial performance and separate cash flows of the Company for the year then ended in accordance with the Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of separate financial statements.

Other Matters

The independent auditor's report is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English versions, the Vietnamese version shall take precedence.

For and on behalf of PwC (Vietnam) Limited



Quach Thanh Chau
Audit Practising Licence No.
0875-2018-006-1
Authorised signatory

Tran Do Vy Ha
Audit Practising Licence No.
3780-2021-006-1

Report reference number: HCM10299
Ho Chi Minh City, 23 March 2021

VINH HOAN CORPORATION

Form B 01 – DN

SEPARATE BALANCE SHEET

Code	ASSETS	Note	As at 31 December	
			2020 VND	2019 VND
100	CURRENT ASSETS		4,620,705,925,112	4,542,958,413,264
110	Cash	3	13,761,729,948	7,461,435,390
111	Cash		13,761,729,948	7,461,435,390
120	Short-term investments		1,322,509,116,682	1,491,779,322,456
121	Trading securities		9,009,562,792	-
123	Investments held to maturity	4(a)	1,313,499,553,890	1,491,779,322,456
130	Short-term receivables		2,246,388,499,813	1,887,832,839,137
131	Short-term trade accounts receivable	5	1,364,280,696,799	1,437,654,055,293
132	Short-term prepayments to suppliers	6	393,227,789,790	13,862,756,885
135	Short-term lendings	7	451,985,000,000	413,728,746,000
136	Other short-term receivables	8	39,964,217,550	25,656,485,285
137	Provision for doubtful debts – short term		(3,069,204,326)	(3,069,204,326)
140	Inventories	9	1,003,787,995,804	1,121,254,825,927
141	Inventories		1,073,597,198,292	1,180,693,131,631
149	Provision for decline in value of inventories		(69,809,202,488)	(59,438,305,704)
150	Other current assets		34,258,582,865	34,629,990,354
151	Short-term prepaid expenses		2,233,319,608	2,561,239,268
152	Value added tax ("VAT") to be reclaimed		32,025,263,257	32,068,751,086

The notes on pages 11 to 46 are an integral part of these separate financial statements.

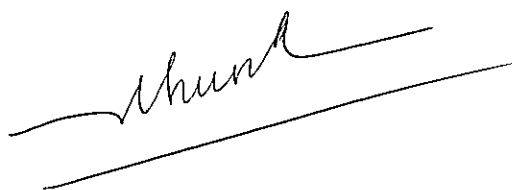
SEPARATE BALANCE SHEET
(continued)

Code	ASSETS (continued)	Note	As at 31 December	
			2020 VND	2019 VND
200	LONG-TERM ASSETS		1,704,362,045,934	1,476,548,948,310
210	Long-term receivables		1,409,400,875	1,384,206,875
216	Other long-term receivables		1,409,400,875	1,384,206,875
220	Fixed assets		414,938,818,751	386,337,226,066
221	Tangible fixed assets	11(a)	364,760,793,021	335,758,397,821
222	Historical cost		1,037,375,603,421	959,682,211,945
223	Accumulated depreciation		(672,614,810,400)	(623,923,814,124)
227	Intangible fixed assets	11(b)	50,178,025,730	50,578,828,245
228	Historical cost		55,909,820,871	55,148,886,911
229	Accumulated amortisation		(5,731,795,141)	(4,570,058,666)
240	Long-term assets in progress		160,968,365,193	150,762,863,950
242	Construction in progress	12	160,968,365,193	150,762,863,950
250	Long-term investments		1,012,194,839,873	858,512,147,173
251	Investments in subsidiaries	4(b)	995,543,345,033	877,543,345,033
253	Investments in other entities		1,414,429,978	1,414,429,978
254	Provision for long-term investments	4(b)	(34,762,935,138)	(20,445,627,838)
255	Investments held to maturity	4(a)	50,000,000,000	
260	Other long-term assets		114,850,621,242	79,552,504,246
261	Long-term prepaid expenses	10	113,445,002,790	78,282,027,484
262	Deferred income tax assets	21	1,405,618,452	1,270,476,762
270	TOTAL ASSETS		6,325,067,971,046	6,019,507,361,574

The notes on pages 11 to 46 are an integral part of these separate financial statements.

SEPARATE BALANCE SHEET
(continued)

Code	RESOURCES	Note	As at 31 December	
			2020 VND	2019 VND
300	LIABILITIES		2,067,051,405,616	1,783,020,692,010
310	Short-term liabilities		2,056,345,973,121	1,766,617,291,235
311	Short-term trade accounts payable	13	213,669,177,254	266,276,445,038
312	Short-term advances from customers	14	72,930,948,400	18,258,730,797
313	Tax and other payables to the State	15	31,264,483,266	118,844,077,357
314	Payables to employees	16	111,554,687,152	80,034,251,396
315	Short-term accrued expenses		6,090,083,970	8,444,761,936
319	Other short-term payables	17	936,085,487,819	667,484,013,769
320	Short-term borrowings	18	610,104,068,084	579,524,397,027
322	Bonus and welfare fund	19	74,647,037,176	27,750,613,915
330	Long-term liabilities		10,705,432,495	16,403,400,775
342	Provision for long-term liabilities	20	6,973,035,000	7,208,887,000
343	Fund for scientific and technological development		3,732,397,495	9,194,513,775
400	OWNERS' EQUITY		4,258,016,565,430	4,236,486,669,564
410	Capital and reserves		4,258,016,565,430	4,236,486,669,564
411	Owners' capital	22, 23	1,833,769,560,000	1,833,769,560,000
411a	- Ordinary shares with voting rights		1,833,769,560,000	1,833,769,560,000
412	Share premium	23	223,774,789,900	223,774,789,900
415	Treasury shares	23	(114,215,880,222)	(114,215,880,222)
421	Undistributed earnings	23	2,314,688,095,752	2,293,158,199,886
421a	- Undistributed post-tax profits of previous years		1,870,310,021,625	1,595,045,689,304
421b	- Post-tax profits of current year		444,378,074,127	698,112,510,582
440	TOTAL RESOURCES		6,325,067,971,046	6,019,507,361,574



Ha Thi Phuong Thuy Hong Nhung
Preparer/Chief Accountant



Truong Thi Le Khanh
Chairperson
23 March 2021

The notes on pages 11 to 46 are an integral part of these separate financial statements.

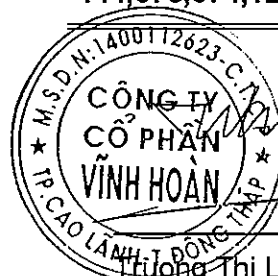
VINH HOAN CORPORATION

Form B 02 – DN

SEPARATE INCOME STATEMENT

Code	Note	Year ended 31 December	
		2020 VND	2019 VND
01	Revenue from sales of goods and rendering of services	5,210,451,194,523	6,428,028,470,746
02	Less deductions	(96,977,324,205)	(22,827,464,356)
10	Net revenue from sales of goods and rendering of services	5,113,473,870,318	6,405,201,006,390
11	Cost of goods sold and services rendered	(4,664,116,310,106)	(5,393,210,298,778)
20	Gross profit from sales of goods and rendering of services	449,357,560,212	1,011,990,707,612
21	Financial income	430,896,597,448	256,241,155,988
22	Financial expenses	(95,453,593,575)	(85,748,125,287)
23	- Including: Interest expense	(26,898,365,957)	(46,144,147,038)
25	Selling expenses	(193,402,810,085)	(272,190,323,561)
26	General and administration expenses	(89,039,963,401)	(97,759,817,271)
30	Net operating profit	502,357,790,599	812,533,597,481
31	Other income	10,113,693,929	13,338,596,999
32	Other expenses	(13,079,791,337)	(9,879,557,917)
40	Net other (expenses)/Income	(2,966,097,408)	3,459,039,082
50	Net accounting profit before tax	499,391,693,191	815,992,636,563
51	Business income tax ("BIT") - current	(55,148,760,754)	(116,893,833,343)
52	BIT - deferred	135,141,690	(986,292,638)
60	Net profit after tax	444,378,074,127	698,112,510,582


Ha Thi Phuong Thuy Hong Nhung
Preparer/Chief Accountant




Trương Thị Lê Khanh
Chairperson
23 March 2021

The notes on pages 11 to 46 are an integral part of these separate financial statements.

SEPARATE CASH FLOW STATEMENT
(Indirect method)

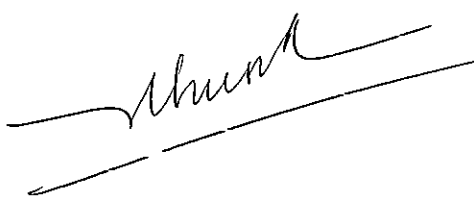
Code	Note	Year ended 31 December	
		2020 VND	2019 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01		499,391,693,191	815,992,636,563
	Adjustments for:		
02	Depreciation and amortisation	55,664,921,288	50,397,709,752
03	Provisions/(reversal of provisions)	24,452,352,084	(29,921,807,081)
04	Unrealised foreign exchange losses	4,951,136,104	2,105,234,827
05	Profits from investing activities	(355,328,867,381)	(206,925,618,924)
06	Interest expense	26,898,365,957	46,144,147,038
08	Operating profit before changes in working capital	256,029,601,243	677,792,302,175
09	(Increase)/decrease in receivables	(268,802,665,666)	571,344,035,811
10	Decrease in inventories	107,095,933,339	23,664,241,111
11	Increase in payables	304,602,240,181	56,689,923,901
12	Increase in prepaid expenses	(34,835,055,646)	(43,332,594,694)
13	Increase in trading securities	(9,009,562,792)	-
14	Interest paid	(27,178,436,733)	(46,849,662,932)
15	BIT paid	(141,683,781,816)	(224,801,713,486)
17	Other payments on operating activities	(12,059,703,000)	(23,639,517,275)
20	Net cash inflows from operating activities	174,158,569,110	990,867,014,611
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets	(123,909,304,739)	(120,167,558,887)
22	Proceeds from disposals of fixed assets and other long-term assets	203,636,364	20,022,828,708
23	Loans granted and term deposits placed at banks	(2,844,872,650,689)	(2,471,559,435,000)
24	Collection of loans and term deposits at banks	2,934,896,165,255	1,878,830,000,000
25	Investments in other entities	(118,000,000,000)	(128,900,000,000)
26	Proceeds from divestment in other entities	-	430,453,567,064
27	Dividends and interest received	317,103,869,000	193,561,746,172
30	Net cash inflows/(outflows) from investing activities	165,421,715,191	(197,758,851,943)

The notes on pages 11 to 46 are an integral part of these separate financial statements.

SEPARATE CASH FLOW STATEMENT (continued)
(Indirect method)


Code	Note	Year ended 31 December	
		2020 VND	2019 VND
CASH FLOWS FROM FINANCING ACTIVITIES			
32	Payments for purchase of treasury shares	-	(114,215,880,222)
33	Proceeds from borrowings	2,623,568,456,413	3,380,555,120,282
34	Repayments of borrowings	(2,592,988,785,356)	(3,889,011,936,748)
36	Dividends paid	(363,859,660,800)	(184,987,352,875)
40	Net cash outflows from financing activities	(333,279,989,743)	(807,660,049,563)
50	Net increase/(decrease) in cash	6,300,294,558	(14,551,886,895)
60	Cash at beginning of year	7,461,435,390	22,028,681,359
61	Effect of foreign exchange differences	-	(15,359,074)
70	Cash at end of year	13,761,729,948	7,461,435,390

Additional information relating to the separate cash flow statement is presented in Note 35.



 Ha Thi Phuong Thuy Hong Nhung
 Preparer/Chief Accountant





 Trương Thị Lê Khanh
 Chairperson
 23 March 2021

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1 GENERAL INFORMATION

Vinh Hoan Corporation (“the Company”) is a joint stock company which was transformed from Vinh Hoan Co., Ltd. established in SR Vietnam pursuant to Enterprise registration certificate No. 1400112623 issued by the Department of Planning and Investment of Dong Thap Province on 17 April 2007 with the latest amendment dated 14 January 2020.

The Company’s shares were listed on Ho Chi Minh Stock Exchange (“HOSE”) on 24 December 2007 in accordance with Decision No. 179/QĐ-SGDHCM issued by Ho Chi Minh Stock Exchange with stock code is VHC.

The principal activities of the Company are growing domestic aquaculture; processing and preserving aquatic products and products making from aquatic products; trading aquatic products, materials serving the production and processing of aquatic products and processing of aquatic feed.

The normal business cycle of the Company is within 12 months.

As at 31 December 2020, the Company had 5 subsidiaries and 1 indirect associate. Details of the Company’s subsidiaries and associate are presented below:

Company name	Principal activities	Address of registered office	Percentage of ownership and voting rights	
			2020	2019
Subsidiaries				
Vinh Phuoc Food Co., Ltd.	Manufacturing and preserving aquatic products and products making from aquatic products	An Phu Hamlet, An Nhon Commune, Chau Thanh District, Dong Thap Province	100%	100%
Vinh Hoan Collagen Co., Ltd.	Extracting and manufacturing of collagen and gelatin	National Highway 30, Ward 11, Cao Lanh City, Dong Thap Province	100%	100%
Thanh Binh Dong Thap One Member Co., Ltd.	Manufacturing and trading aquatic products	Industrial Cluster Thanh Binh, Binh Thanh Commune, Thanh Binh District, Dong Thap Province	100%	100%
Vinh Hoan Fish Hatchery Co., Ltd. (*)	Manufacturing and trading fish hatchery	Vinh Buong Hamlet, Vinh Hoa Commune, Tan Chau Town, An Giang Province	98%	96%
Feed One Co., Ltd. (**)	Trading food	Industrial Cluster My Hiep, My Hiep Commune, Cao Lanh District, Dong Thap Province	96%	-
Indirect Associate				
Mai Thien Thanh Co., Ltd. (***)	Processing and disposing non-hazardous waste	My Tay Hamlet, My Phu Ward, Cao Lanh District, Dong Thap Province	27.5%	-

1 GENERAL INFORMATION (continued)

- (*) Pursuant to the resolution of the Board of Directors dated 21 May 2020, the Board of Directors approved the resolution to increase the capital commitment by VND50,000,000,000 accounting for 98% the registered charter capital of Vinh Hoan Fish Hatchery Co., Ltd., which locates in Vinh Buong Hamlet, Vinh Hoa Commune, Tan Chau Town, An Giang Province, whose main industry is manufacturing domestic aquaculture. As at 31 December 2020, the actual contributed capital and the capital commitment are VND46,900,000,000 (Note 4(b)) and VND51,100,000,000 respectively.
- (**) Feed One Co., Ltd. which was transformed from Vinh Hoan 4 Co., Ltd., established pursuant to Enterprise registration certificate No. 1401711796 issued by the Department of Planning and Investment of Dong Thap Province on 5 April 2012. Within the year, the Company has made full charter capital contribution to the associate pursuant to capital commitment of associate establishment.
- (***) Pursuant to the Resolution of the Board of Directors dated 21 July 2020, the Board of Directors approved the resolution to permit Vinh Hoan Collagen Co., Ltd. to contribute VND11,000,000,000 accounting for 27.5% the registered charter capital of Mai Thien Thanh Co., Ltd., which is located at My Tay Hamlet, My Phu Ward, Cao Lanh District, Dong Thap Province, whose principal activities are processing and disposing non-hazardous waste. As at 31 December 2020, the actual contributed capital and the capital commitment are VND11,000,000,000.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**2.1 Basis of preparation of separate financial statements**

The separate financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of separate financial statements. The separate financial statements have been prepared under the historical cost convention.

The accompanying separate financial statements are not intended to present the separate financial position and separate results of its operations and separate cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam. The accounting principles and practices utilised in Vietnam may differ from those generally accepted in countries and jurisdictions other than Vietnam.

The separate financial statements in the Vietnamese language are the official statutory separate financial statements of the Company. The separate financial statements in the English language have been translated from the Vietnamese version.

Separately, the Company has also prepared consolidated financial statements for the Company and its subsidiaries (together, "the Group") in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements. In the consolidated financial statements, subsidiary undertakings – which are those companies over which the Group has the power to govern the financial and operating policies, have been fully consolidated.

Users of these separate financial statements of the Company should read them together with the consolidated financial statements of the Group for the year ended 31 December 2020 in order to obtain full information of the consolidated financial position and consolidated results of operations and consolidated cash flows of the Group.

2.2 Fiscal year

The Company's fiscal year is from 1 January to 31 December.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.3 Currency**

The separate financial statements are measured and presented in Vietnamese Dong (“VND”). The Company determines its accounting currency based on the currency which is mainly used in sales of goods and rendering of services, which has a significant impact on selling prices of goods and services, which is normally used to list selling prices and receive payments; which is mainly used in purchases of goods or services, which has a significant impact on cost of labor, materials, and other production or operating costs; and normally used as payments of those costs.

2.4 Exchange rates

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction dates. Foreign exchange differences arising from these transactions are recognized as income or expenses in the separate income statement.

Monetary assets and liabilities denominated in foreign currencies at the separate balance sheet date are respectively translated at the buying and selling exchange rates at the separate balance sheet date of the commercial banks where the Company regularly transacts. Foreign currencies deposited in banks at the separate balance sheet date are translated at the buying exchange rate of the commercial bank where the Company opens its foreign currency accounts. Foreign exchange differences arising from these translations are recognised in the separate income statement.

2.5 Cash

Cash comprises cash on hand and cash in banks.

2.6 Receivables

Receivables represent trade receivables from customers arising from sales of goods and rendering of services or non-trade receivables from others and are stated at cost. Provision for doubtful debts is made for each outstanding amount based on overdue days in payment according to the initial payment commitment (exclusive of the payment rescheduling between parties), or based on the estimated loss that may arise. Bad debts are written off when identified.

Receivables are classified into long-term and short-term receivables on the separate balance sheet based on the remaining period from the separate balance sheet date to the maturity date.

2.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured products, cost includes all direct expenditure and production overheads based on normal levels of operating activity. Net realisable value is the estimated selling price in the normal course of business, less the estimated costs of completion and selling expenses.

The Company applies the perpetual system for inventories.

Provision is made, when necessary, for obsolete, slow-moving and defective inventory items. The difference between the provision of this year and the provision of the previous year is recognised as an increase or decrease of cost of goods sold in the year.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Investments

(a) Trading securities

Trading securities are securities, which are held for trading to earn profits.

Trading securities are initially recorded at historical cost including cost of acquisition and any expenditure that is directly attributable to the acquisition. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the year end. The provision for diminution in value of trading securities is made when their cost is higher than their fair value. Changes in the provision balance during the fiscal year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

The Company recognises trading securities when it has ownership of the assets, specifically as follows:

- Listed securities are recognised at the time of order matching; and
- Unlisted securities are recognised at the time when official ownership is established in accordance with regulations.

Profit or loss from liquidation or disposal of trading securities is recognised in the separate income statement. The costs of trading securities disposed of are determined by using the moving weighted average method.

(b) Investments held to maturity

Investments held to maturity are investments which the Company has a positive intention and ability to hold until maturity.

Investments held to maturity include bank term deposits and bonds. Those investments are initially accounted for at cost. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the year end.

Provision for diminution in value of investments held-t-maturity is made when there is evidence that the investment is uncollectible in whole or in part. Changes in the provision balance during the fiscal year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

Investments held to maturity are classified into short-term and long-term investments held to maturity on the balance sheet based on the remaining period from the separate balance sheet date to the maturity date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.8 Investments (continued)****(c) Investments in subsidiaries**

Subsidiaries are all entities over the financial and operating policies of which the Company has the power to govern in order to gain future benefits from their activities generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

Investments in subsidiaries are initially recorded at cost of acquisition including purchase cost or capital contribution value plus other expenditures directly attributable to the investment. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the year end.

(d) Investments in other entities

Investments in other entities are investments in equity instruments of other entities without controlling rights or co-controlling rights, or without significant influence over the investee. These investments are accounted for initially at cost. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the year end.

(e) Provision for investments in subsidiaries, associates, and other entities

Provision for investments in subsidiaries, associates and joint ventures, and other entities is made when there is a diminution in value of the investments at the year end. Regarding investments in listed shares or those whose fair value can be determined reliably, the provision for diminution in value is made when cost is higher than market value. For other investments, provision for diminution in value is made when the investees make losses, except when the loss is anticipated by the Board of Management before the date of investment.

Changes in the provision balance during the fiscal year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

2.9 Lendings

Lendings are loans for interest earning granted under agreements among parties but not being traded as securities.

Lendings are initially recognised at cost. Subsequently, the Board of Management reviews all outstanding amounts to determine the amount of provision for doubtful lendings to recognise at the year end. Provision for doubtful lendings is made for each lending based on overdue days in payment of principals according to the initial payment commitment (exclusive of the payment rescheduling between parties) or based on the expected loss that may arise. Changes in the provision balance during the fiscal year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

Lendings are classified into short-term and long-term lending on the separate balance sheet based on the remaining term of the lending as at the separate balance sheet date to the maturity date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.10 Fixed assets***Tangible and intangible fixed assets*

Fixed assets are stated at historical cost less accumulated depreciation or amortisation. Historical cost includes expenditure that is directly attributable to the acquisition of the fixed assets bringing them to suitable conditions for their intended use. Expenditure incurred subsequently which has resulted in an increase in the future economic benefits expected to be obtained from the use of fixed assets, can be capitalised as an additional historical cost. Otherwise, such expenditure is charged to the separate income statement when incurred.

Depreciation and amortisation

Fixed assets are depreciated and amortised using the straight-line method so as to write off the historical cost of the fixed assets over their estimated useful lives. The estimated useful lives are as follows:

Plants and structures	6 – 25 years
Machinery and equipment	3 – 10 years
Motor vehicles	4 – 10 years
Office equipment	3 – 6 years
Computer software	4 – 5 years

Land use rights are comprised of land use rights with an indefinite useful life, land use rights with a definite useful life, and prepayments for land rental contracts which are in effective before 2003 and are granted land use right certificates as follows:

- Land use rights with indefinite useful life are recorded at historical cost and are not amortised;
- Land use rights with definite useful life are recorded in accordance with the terms indicated in the land use rights certificate and amortised using the straight-line method in accordance with the terms indicated in the land use right certificate;
- Prepayments for land rental contracts, which became effective before or in 2003 and are granted lands use rights certificates, are recorded in accordance with the guidance of Circular No. 45/2013/TT-BTC dated 25 April 2013 issued by Ministry of Finance and allocated using the straight-line method from 8 to 20 years in accordance with such land use rights certificates.

Disposals

Gains or losses on disposals are determined by comparing net disposal proceeds with the carrying amount of the fixed assets and are recognised as income or expense in the separate income statement.

Construction in progress

Construction in progress represents the cost of assets in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, which are recorded at cost and are comprised of such necessary costs to newly construct, to repair and maintain, to upgrade, to renew or equip the projects with technologies as construction costs; costs of tools and equipments; compensation and resettlement costs; project management expenditure; construction consulting expenditure; and capitalised borrowing costs for qualifying assets in accordance with the Company's accounting policies. Depreciation of these assets, on the same basis as other fixed assets, commences when they are ready for their intended use.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.11 Leased assets**

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the term of the lease.

2.12 Prepaid expenses

Prepaid expenses include short-term and long-term prepayments on the separate balance sheet. Prepaid expenses are recorded at historical cost and allocated on the straight-line basis over estimated useful lives.

2.13 Payables

Classifications of payables are based on their nature as follows:

- Trade accounts payable are trade payables arising from purchase of goods and services; and
- Other payables are non-trade payables and payables not related to purchases of goods and services.

Payables are classified into long-term and short-term payables on the separate balance sheet based on the remaining period from the separate balance sheet date to the maturity date.

2.14 Borrowings

Borrowings include borrowings from banks.

Borrowings are classified into short-term and long-term borrowings on the separate balance sheet based on their remaining terms from the separate balance sheet date to the maturity date.

Borrowing costs that are directly attributable to the construction or production of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. In respect of general-purpose borrowings, a portion of which is used for the purpose of construction or production of any qualifying assets, the Company determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the weighted average expenditure on the assets. The capitalisation rate is the weighted average of the interest rates applicable to the Company's borrowings that are outstanding during the year, other than borrowings made specifically for the purpose of obtaining a qualifying asset. Other borrowing costs are recognised in the separate income statement when incurred.

2.15 Accrued expenses

Accrued expenses include liabilities for goods and services received in the year but not yet paid for due to pending invoices or insufficient records and documents. Accrued expenses are recorded as expenses in the reporting year.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.16 Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provision is not recognised for future operating losses.

Provisions are measured at the expenditures expected to be required to settle the obligation. If the time value of money is material, provision will be measured at the present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a financial expense. Changes in the provision balance during the fiscal year are recorded as an increase or decrease in operating expenses.

2.17 Fund for Science and Technology development

Fund for Science and Technology development is appropriated for the purpose of scientific and technological development activities. The fund is set up on the basis of maximum 10% of profit before tax and charged to operating expenses in the year when appropriated.

2.18 Provision for severance allowances

In accordance with Vietnamese labour laws, employees of the Company who have worked regularly for full 12 months or longer are entitled to a severance allowance. The working period used for the calculation of severance allowance is the period during which the employee actually works for the Company less the period during which the employee participates in the unemployment insurance scheme in accordance with the labour regulations and the working period for which the employee has received severance allowance from the Company.

The severance allowance is accrued at the end of the reporting year on the basis that each employee is entitled half of an average monthly salary for each working year. The average monthly salary used for calculating the severance allowance is the employee contract's average salary for the six-month period prior to the separate balance sheet date.

This allowance will be paid as a lump sum when the employees terminate their labour contracts in accordance with current regulations.

2.19 Capital

Owners' capital is recorded according to the actual amounts contributed at the par value of the shares.

Share premium is the difference between the par value and the issue price of shares; and the difference between the repurchase price and re-issuing price of treasury shares.

Treasury shares are shares issued by the Company and bought back by itself, but these are not cancelled and may be re-issued subsequently in accordance with the Law on Securities.

Undistributed earnings record the Company's accumulated results after BIT at the reporting date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.20 Appropriation of profit***Dividends*

The Company's dividends are recognised as a liability in the Company's separate financial statements in the year in which the dividends are approved by the Company's at General Meeting of shareholders.

Net profit after BIT could be distributed to shareholders after approval at the Company's General Meeting, and after appropriation to other funds in accordance with the Company's charter and Vietnamese regulations.

Bonus and welfare fund

The bonus and welfare fund is appropriated from the Company's profit after BIT and subject to shareholders' approval at the Company's Annual General Meeting of shareholders. This fund is presented as a liability on the separate balance sheet. This fund is used for the purpose of rewarding, encouragement, increasing common benefits and improvement of the employees' welfare and is recognised as a liability item in the separate balance sheet.

2.21 Revenue recognition**(a) Revenue from sales of goods**

Revenue from sale of goods is recognised in the separate income statement when all five (5) following conditions are satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods.

Revenue is recognised in accordance with the "substance over form" principle and allocated to each sale obligation. In cases where the Company gives promotional goods to customers associated with their purchases, the Company allocates the total considerations received between goods sold and promotional goods. The cost of promotional goods is recognised as cost of sales in the separate income statement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.21 Revenue recognition (continued)****(b) Revenue from rendering of services**

Revenue from rendering of services is recognised in the separate income statement when the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Revenue from the rendering of services is only recognised when all four (4) following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company;
- The percentage of completion of the transaction at the separate balance sheet date can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

(c) Interest income

Interest income is recognised on an earned basis.

(d) Dividend income

Income from dividends is recognised when the Company has established the receiving right from investees.

2.22 Sales deductions

Sales deductions include sales returns and allowances. Sales deductions incurred in the same year of the related revenue from sales of products, goods and rendering of services are recorded as deduction of revenue of that year.

Sales deductions for sales of products, goods or rendering of services which are sold in the year but are incurred after the separate balance sheet date but before the issuance of the separate financial statements are recorded as deduction of revenue of the year.

2.23 Cost of goods sold and services rendered

Cost of goods sold and cost of services provided are cost of finished goods, merchandises, materials sold or services rendered during the year, and recorded on the basis of matching with revenue and on a prudence basis.

2.24 Financial expenses

Financial expenses are expenses incurred in the year for financial activities including interest expenses, provision for diminution in value of investments in other entities, losses from foreign exchange differences and other financial expense.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.25 Selling expenses

Selling expenses represent expenses that are incurred in the process of selling products, goods and providing services.

2.26 General and administration expenses

General and administration expenses represent expenses for administrative purposes.

2.27 Current and deferred income tax

Income taxes include all income taxes which are based on taxable profits including profits generated from production and trading activities in other countries with which the Socialist Republic of Vietnam has not signed any double taxation agreement. Income tax expense comprises current tax expense and deferred tax expense.

Current income tax is the amount of income tax payable or recoverable in respect of the current year taxable profits at the current year tax rates. Current and deferred income tax should be recognised as an income or an expense and included in the separate profit or loss of the year, except to the extent that the income tax arises from a transaction or event which is recognised, in the same or a different year, directly in equity.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the separate financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the separate balance sheet date.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.28 Related parties**

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company, key management personnel, including directors of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering its relationship with each related party, the Company considers the substance of the relationship not merely the legal form.

2.29 Accounting estimates

The preparation of separate financial statements in conformity with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of separate financial statements requires the Board of Management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the separate financial statements and the reported amounts of revenues and expenses during the financial year.

Such estimates and assumptions are continually evaluated. They are based on historical experiences and other factors, including expectations of future events that may have a financial impact on the Company's separate financial statements and that are believed to be reasonable under the circumstances.

3 CASH

	2020 VND	2019 VND
Cash on hand	2,599,010,688	259,501,065
Cash at bank	11,162,719,260	7,201,934,325
	<u>13,761,729,948</u>	<u>7,461,435,390</u>

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4 INVESTMENTS

(a) Investments held to maturity

	2020		2019	
	Cost VND	Book value VND	Cost VND	Book value VND
Term deposits at banks (i)	1,313,499,553,890	1,313,499,553,890	1,491,779,322,456	1,491,779,322,456
Bonds (ii)	50,000,000,000	50,000,000,000	-	-
	<u>1,363,499,553,890</u>	<u>1,363,499,553,890</u>	<u>1,491,779,322,456</u>	<u>1,491,779,322,456</u>

(i) Including the bank deposits with maturity of more than three months and less than one year and earn interest at the fixed interest rate in Vietnamese Dong.

As at 31 December 2020, some bank deposits were pledged as security for borrowing granted to the Company with detail as follows:

- The term deposits amounting to VND45,000,000,000 at Asia Commercial Bank (“ACB”) – Cao Lanh Transaction office were pledged to Vietnam Joint Stock Commercial Bank for Industry and Trade (“Vietinbank”) – Dong Thap Branch as a security for a credit facility (Note 18(i)).
- The term deposits amounting at VND50,000,000,000 at ACB – Dong Thap Branch were pledged to BIDV – Tien Giang Branch as a security (Note 18(v)).
- The term deposits amounting at VND50,000,000,000 at Vietnam Maritime Commercial Joint Stock Bank (“MSB”) – Dong Thap Branch were pledged to BIDV – Tien Giang Branch as a security of Thanh Binh Dong Thap One Member Co., Limited.

(ii) Including bonds with maturity of 7 years from issue date and earn interest at floating interest rate in Vietnamese Dong.

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4 INVESTMENTS (continued)

(b) Investments in subsidiaries

	2020		2019	
	Cost VND	Provision VND	Cost VND	Provision VND
Vinh Phuoc Food Co., Ltd.	450,000,000,000	(34,762,935,138)	400,000,000,000	(20,445,627,838)
Thanh Binh Dong Thap One Member Co., Ltd.	341,143,345,033	-	341,143,345,033	-
Vinh Hoan Collagen Co., Ltd.	107,500,000,000	-	107,500,000,000	-
Feed One Co., Ltd.	50,000,000,000	-	-	-
Vinh Hoan Fish Hatchery Co., Ltd.	46,900,000,000	-	28,900,000,000	-
	<u>995,543,345,033</u>	<u>(34,762,935,138)</u>	<u>877,543,345,033</u>	<u>(20,445,627,838)</u>

Details of principal activities and voting rights in these subsidiaries are presented in Note 1.

Capital commitment

Pursuant to the resolution of the Board of Directors dated 16 December 2020, the Board of Directors approved the resolution to establish Vinh Technology Pte Ltd. in Singapore; the main activities are investing, trading, importing and exporting seafood products, chemicals, raw materials and auxiliary materials of the food industry and functional foods (including Collagen and Gelatine); with the charter capital of USD150,000. As at 31 December 2020, the Company has not made capital contribution to this subsidiary.

Fair value

As at the issuance of the separate financial statements, the Company has not determined the fair value of these investments for disclosure in the separate financial statements because they do not have listed prices and Vietnamese Accounting Standards, the Vietnamese (Corporate) Accounting System and applicable regulations on preparation and presentation of separate financial statements do not provide detailed guidance on the methods to determine fair value.

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	2020 VND	2019 VND
Third parties (*)	1,262,820,649,396	1,402,354,858,459
Related parties (Note 36(b))	101,460,047,403	35,299,196,834
	<u>1,364,280,696,799</u>	<u>1,437,654,055,293</u>

(*) Details of customers accounting for 10% or more of the total balance:

	2020 VND	2019 VND
Coast Beacon	854,744,090,758	805,245,602,134
Octogone (Guangzhou) Trading Co., Ltd.	198,766,872,286	270,801,406,432
	<u>1,053,510,963,044</u>	<u>1,076,047,008,566</u>

As at 31 December 2020, trade accounts receivable of VND300,000,000,000 was pledged to HSBC Bank (Vietnam) Ltd. ("HSBC Bank") (Note 18(iii)).

As at 31 December 2020, trade accounts receivable of USD10,000,000 (equivalent to VND230,350,000,000 as translated using the exchange rate as at 31 December 2020) was pledged to ANZ Bank ("ANZ Bank") – Ho Chi Minh Branch as security for a credit facility (Note 18(iv)).

As at 31 December 2020 and 31 December 2019, the balances of short-term trade accounts receivable which were past due over 3 years amounting to VND3,202,360,444.

6 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	2020 VND	2019 VND
Third parties (*)	366,366,420,974	13,862,756,885
Related parties (Note 36(b))	26,861,368,816	-
	<u>393,227,789,790</u>	<u>13,862,756,885</u>

(*) Details of suppliers accounting for 10% or more of the total balance:

	2020 VND	2019 VND
State Capital Investment Corporation (i)	347,661,502,500	-
	<u>347,661,502,500</u>	<u>-</u>

(i) This balance comprises the prepayment for the transfer of shares of Sa Giang Export Import Joint Stock Company from State Capital Investment Corporation (Note 38(i)).

7 SHORT-TERM LENDING

The balance represents short-term lending to related parties (Note 36(b)).

8 OTHER SHORT-TERM RECEIVABLES

	2020 VND	2019 VND
Interest receivables from lendings	19,852,051,784	20,766,485,776
Advances	2,139,647,480	1,877,002,644
Others	2,372,186,901	479,975,862
Related parties (Note 36(b))	15,600,331,385	2,533,021,003
	<u>39,964,217,550</u>	<u>25,656,485,285</u>

As at 31 December 2020 and 31 December 2019, there was no balance of other receivables that was past due or not past due but doubtful.

9 INVENTORIES

	2020		2019	
	Cost VND	Provision VND	Cost VND	Provision VND
Raw materials	41,648,164,149	-	42,578,247,255	-
Tools and supplies	2,278,488,735	-	1,795,908,384	-
Work in progress	605,639,116,419	-	606,771,314,312	-
Finished goods	286,807,730,250	(69,809,202,488)	468,275,744,245	(59,438,305,704)
Merchandises	40,212,800,431	-	5,784,706,931	-
Properties for sales	24,883,486,647	-	24,700,569,047	-
Goods on consignment	72,127,411,655	-	30,785,641,457	-
	<u>1,073,597,198,292</u>	<u>(69,809,202,488)</u>	<u>1,180,693,131,631</u>	<u>(59,438,305,704)</u>

As at 31 December 202, inventories amounting to VND206,500,000,000 were pledged to HSBC Bank as a security for a credit facility (Note 18(iii)).

As at 31 December 2020, inventories amounting to USD4,000,000 (equivalent to VND92,140,000,000 as translated using the exchange rate as at 31 December 2020) were pledged to ANZ Bank – Ho Chi Minh Branch as a security for a credit facility (Note 18(iv)).

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9 INVENTORIES (continued)

Movements in the provision for decline in value of inventories during the year were as follows:

	2020 VND	2019 VND
Beginning of year	59,438,305,704	100,189,739,746
Increase/(reversal of provision)	10,370,896,784	(40,751,434,042)
End of year	<u>69,809,202,488</u>	<u>59,438,305,704</u>

Provision was made for inventories whose net realisable value was lower than their costs.

10 LONG-TERM PREPAID EXPENSES

	2020 VND	2019 VND
Reinforcing fisheries	63,770,891,094	32,232,706,592
Land rental	21,227,733,658	23,818,206,801
Professional services fee	20,683,743,864	12,846,344,149
Others	7,762,634,174	9,384,769,942
	<u>113,445,002,790</u>	<u>78,282,027,484</u>

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11	FIXED ASSETS	Plants and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
(a)	Tangible fixed assets					
	Historical cost					
	As at 1 January 2020	409,004,700,494	517,917,546,213	23,674,526,365	9,085,428,873	959,682,211,945
	New purchases	1,803,042,000	7,865,151,818	260,000,000	512,467,273	10,440,661,091
	Transfers from construction in progress (Note 12)	44,120,401,939	24,872,310,760	3,806,227,273	265,978,950	73,064,918,922
	Disposals	(100,000,000)	(4,775,470,355)	(936,718,182)	-	(5,812,188,537)
	As at 31 December 2020	454,828,154,433	545,879,538,436	26,804,035,456	5,863,875,096	1,037,375,603,421
	Accumulated depreciation					
	As at 1 January 2020	218,267,228,728	387,258,215,891	13,534,485,859	4,863,883,646	623,923,814,124
	Charge for the year	21,395,540,305	27,887,564,339	3,476,770,509	1,743,309,660	54,503,184,813
	Disposals	(100,000,000)	(4,775,470,355)	(936,718,182)	-	(5,812,188,537)
	As at 31 December 2020	239,562,769,033	410,370,309,875	16,074,538,186	6,607,193,306	672,614,810,400
	Net book value					
	As at 1 January 2020	190,737,481,766	130,659,330,322	10,140,040,506	4,221,545,227	335,758,397,821
	As at 31 December 2020	215,265,385,400	135,509,228,561	10,729,497,270	3,256,681,790	364,760,793,021

As at 31 December 2020, tangible fixed assets with a carrying value of VND50,717,497,868 (as at 31 December 2019: VND54,575,639,396) were pledged to banks as a security for borrowings granted to the Company (Note 18).

Historical cost of fully depreciated tangible fixed assets but still in use as at 31 December 2020 was VND485,337,565,724 (as at 31 December 2019: VND451,075,491,727).

11 FIXED ASSETS (continued)

(b) Intangible fixed assets

	Land use rights VND	Computer software VND	Total VND
Historical cost			
As at 1 January 2020	52,266,626,500	2,882,260,411	55,148,886,911
New purchases	-	313,500,000	313,500,000
Transfers from construction in progress (Note 12)	-	499,775,000	499,775,000
Other decrease	(52,341,040)	-	(52,341,040)
As at 31 December 2020	<u>52,214,285,460</u>	<u>3,695,535,411</u>	<u>55,909,820,871</u>
Accumulated amortisation			
As at 1 January 2020	3,146,650,940	1,423,407,726	4,570,058,666
Charge for the year	647,238,664	514,497,811	1,161,736,475
As at 31 December 2020	<u>3,793,889,604</u>	<u>1,937,905,537</u>	<u>5,731,795,141</u>
Net book value			
As at 1 January 2020	<u>49,119,975,560</u>	<u>1,458,852,685</u>	<u>50,578,828,245</u>
As at 31 December 2020	<u>48,420,395,856</u>	<u>1,757,629,874</u>	<u>50,178,025,730</u>

As at 31 December 2020, the Company's land use rights with carrying value of VND11,462,343,867 (as at 31 December 2019: VND11,672,176,671) were pledged to banks as a security for borrowings granted to the Company (Note 18).

Historical cost of fully amortised intangible fixed assets as at 31 December 2020 was VND942,106,790 (as at 31 December 2019: VND942,106,790).

12 CONSTRUCTION IN PROGRESS

Details of construction in progress by projects were as follows:

	2020 VND	2019 VND
Expenses related to fishponds	80,849,941,493	140,673,185,682
Machineries and equipments	49,580,599,331	5,176,442,613
Other construction at the main office of the Company	30,537,824,369	4,913,235,655
	<u>160,968,365,193</u>	<u>150,762,863,950</u>

12 CONSTRUCTION IN PROGRESS (continued)

Movements in construction in progress during the year were as follows:

	2020 VND	2019 VND
Beginning of year	150,762,863,950	204,076,830,694
Purchase	119,545,959,171	112,883,788,049
Transfers to tangible fixed assets (Note 11(a))	(73,064,918,922)	(75,389,600,698)
Transfers to intangible fixed assets (Note 11(b))	(499,775,000)	(9,025,909,203)
Others	(35,775,764,006)	(81,782,244,892)
End of year	<u>160,968,365,193</u>	<u>150,762,863,950</u>

13 SHORT-TERM TRADE ACCOUNTS PAYABLE

	2020		2019	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Third parties	138,571,017,988	138,571,017,988	164,258,455,158	164,258,455,158
Related parties (Note 36(b))	75,098,159,266	75,098,159,266	102,017,989,880	102,017,989,880
	<u>213,669,177,254</u>	<u>213,669,177,254</u>	<u>266,276,445,038</u>	<u>266,276,445,038</u>

As at 31 December 2020, and 31 December 2019, the Company has no supplier accounting for 10% or more of the total balance.

As at 31 December 2020 and 31 December 2019, there was no balance of short-term trade accounts payable that was past due.

14 ADVANCES FROM CUSTOMERS

	2020 VND	2019 VND
Third parties	32,640,074,044	18,258,730,797
Related parties (Note 36(b))	40,290,874,356	-
	<u>72,930,948,400</u>	<u>18,258,730,797</u>

(*) Details of customers accounting for 10% or more of the total balance:

	2020 VND	2019 VND
Boi Anh One Member Co., Ltd.	<u>17,595,707,005</u>	<u>-</u>

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15 TAX AND OTHER PAYABLES TO THE STATE

	2020 VND	2019 VND
BIT	30,030,450,493	116,565,471,555
Personal income tax ("PIT")	1,234,032,773	2,278,605,802
	<u>31,264,483,266</u>	<u>118,844,077,357</u>

Movements in tax and other payables to the State were as follows:

	As at 1.1.2020 VND	Payable during the year VND	Payment during the year VND	As at 31.12.2020 VND
BIT	116,565,471,555	55,148,760,754	(141,683,781,816)	30,030,450,493
PIT	2,278,605,802	17,762,212,453	(18,806,785,482)	1,234,032,773
	<u>118,844,077,357</u>	<u>72,910,973,207</u>	<u>(160,490,567,298)</u>	<u>31,264,483,266</u>

16 PAYABLES TO EMPLOYEES

As at 31 December 2020 and 31 December 2019, the balance respectively represents the December 2020 and 2019 salary and performance bonus payable to the Company's employees.

17 OTHER SHORT-TERM PAYABLES

	2020 VND	2019 VND
Union fees	25,850,984,297	22,625,201,864
Dividend payable (Note 24)	182,529,975	150,138,775
Other payables	26,405,440,116	31,158,757,338
Related parties (Note 36(b))	883,646,533,431	613,549,915,792
	<u>936,085,487,819</u>	<u>667,484,013,769</u>

As at 31 December 2020 and 31 December 2019, there was no balance of other short-term payables that was past due.

18 BORROWINGS

	As at 1.1.2020 VND	Increase VND	Decrease VND	As at 31.12.2020 VND
Short-term bank loans	<u>579,524,397,027</u>	<u>2,623,568,456,413</u>	<u>(2,592,988,785,356)</u>	<u>610,104,068,084</u>

Details of short-term borrowings were as follows:

	2020 VND	2019 VND
Vietnam Joint Stock Commercial Bank for Industry and Trade - Dong Thap Branch (i)	203,162,357,977	161,163,449,822
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ho Chi Minh City Branch (ii)	173,656,506,452	72,250,000,000
HSBC Bank (Vietnam) Limited (iii)	85,723,695,900	85,092,473,566
ANZ Bank (Vietnam) Limited - Ho Chi Minh City Branch (iv)	83,090,000,000	102,386,146,557
Joint Stock Commercial Bank for Investment and Development of Vietnam - Tien Giang Branch (v)	64,471,507,755	158,632,327,082
	<u>610,104,068,084</u>	<u>579,524,397,027</u>

As at 31 December 2020 and 31 December 2019, there was no balance of short-term borrowings that was past due.

- (i) The balance represents borrowings in VND with applicable interest rates being specified for each drawdown to finance the Company's working capital. The borrowing is secured by the short-term deposits and the associated interest at ACB bank – Cao Lanh Transaction Office (Note 4(a)).
- (ii) The balance represents borrowings in VND with applicable interest rates being specified for each drawdown to finance the Company's working capital. The borrowing is secured by land use rights and fixed assets belong to the factory 1,2 and 3 of the Company (Note 11).
- (iii) The balance represents borrowings in VND. The applicable interest rates will be determined and announced for each drawdown. The borrowings are secured by accounts receivable (Note 5) and inventories (Note 9).
- (iv) The balance represents borrowings in VND. The applicable interest rates will be determined and announced for each drawdown. The borrowings are secured by accounts receivable (Note 5) and inventories (Note 9).
- (v) The balance represents represents borrowings in VND with applicable interest rates being specified for each drawdown to finance the Company's working capital. The borrowing is secured by the short-term deposits and the associated interest at ACB bank – Dong Thap Branch (Note 4(a)).

19 BONUS AND WELFARE FUND

Movements of bonus and welfare fund during the year were as follows:

	2020 VND	2019 VND
Beginning of year	27,750,613,915	33,230,654,765
Appropriation (Note 23)	58,956,126,261	20,000,000,000
Utilisation	(12,059,703,000)	(22,810,040,850)
Allocation to the Group's other entities	-	(2,670,000,000)
End of year	<u>74,647,037,176</u>	<u>27,750,613,915</u>

20 PROVISION FOR LONG-TERM LIABILITIES

The balance represents provision for severance allowance.

21 DEFERRED INCOME TAX

	2020 VND	2019 VND
Deferred income tax assets:		
Deferred income tax assets to be recovered after more than 12 months	1,045,955,250	1,081,333,050
Deferred income tax assets to be recovered within 12 months	359,663,202	189,143,712
	<u>1,405,618,452</u>	<u>1,270,476,762</u>

Movements in the deferred income tax, taking into consideration the offsetting of balances within the same tax jurisdiction, were as follows:

	2020 VND	2019 VND
Beginning of year	1,270,476,762	2,256,769,400
Separate income statement charge (Note 33)	135,141,690	(986,292,638)
End of year	<u>1,405,618,452</u>	<u>1,270,476,762</u>

Deferred assets mainly come from provision for severance allowance and temporary differences due to foreign currency translation at year-end.

The Company uses tax rate of 15% for determining deferred tax assets and deferred tax liabilities.

Deferred income tax assets are recognised to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilised.

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22 OWNERS' CAPITAL

(a) Number of shares

	2020		2019	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
Number of shares registered	183,376,956	-	183,376,956	-
Number of shares issued	183,376,956	-	183,376,956	-
Number of shares repurchased	1,430,930	-	1,430,930	-
Number of existing shares in circulation	181,946,026	-	181,946,026	-

(b) Movements of share capital

	Number of shares	Ordinary shares VND	Treasury share VND	Total VND
As at 1 January 2019	92,403,943	924,039,430,000	-	924,039,430,000
Treasury share	(1,430,930)	-	(114,215,880,222)	(114,215,880,222)
New shares issued	90,973,013	909,730,130,000	-	909,730,130,000
As at 31 December 2020 and as at 31 December 2019	181,946,026	1,833,769,560,000	(114,215,880,222)	1,719,553,679,778

Par value per share: VND10,000.

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23 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Share premium VND	Treasury shares VND	Undistributed earnings VND	Total VND
As at 1 January 2019	924,039,430,000	223,774,789,900	-	2,709,583,705,304	3,857,397,925,204
Net profit for the year	-	-	-	698,112,510,582	698,112,510,582
Treasury shares re-issued	-	-	(114,215,880,222)	-	(114,215,880,222)
2018 dividends declared	-	-	-	(184,807,886,000)	(184,807,886,000)
2019 interim dividends declared	909,730,130,000	-	-	(909,730,130,000)	-
Appropriation to bonus and welfare fund	-	-	-	(20,000,000,000)	(20,000,000,000)
As at 31 December 2019	1,833,769,560,000	223,774,789,900	(114,215,880,222)	2,293,158,199,886	4,236,486,669,564
Net profit for the year	-	-	-	444,378,074,127	444,378,074,127
Appropriation to bonus and welfare fund (Note 19) (*)	-	-	-	(58,956,126,261)	(58,956,126,261)
2020 interim dividends declared (Note 24) (**)	-	-	-	(363,892,052,000)	(363,892,052,000)
As at 31 December 2020	1,833,769,560,000	223,774,789,900	(114,215,880,222)	2,314,688,095,752	4,258,016,565,430

(*) In accordance with the Resolution No. 01/DHCD/NQ/20 of the Annual General Meeting dated 15 May 2020, the Company's shareholders approved the appropriation to bonus and welfare fund amounting to VND58,956,126,261 equivalent to 5% of the profit after tax of the Company in 2019.

(**) In accordance with the Resolution of the Board of Directors on 24 September 2020, the Board of Directors approved the interim dividend payment of 2020 with a ratio of 20% of par value, equivalent to VND363,892,052,000.

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24 DIVIDENDS

	2020 VND	2019 VND
Beginning of year	150,138,775	329,605,650
Dividends payable during the year (Note 23)	363,892,052,000	184,807,886,000
Dividends paid in cash	<u>(363,859,660,800)</u>	<u>(184,987,352,875)</u>
End of year	<u>182,529,975</u>	<u>150,138,775</u>

25 OFF SEPARATE BALANCE SHEET ITEMS

(a) Operating leases commitments

The Company as a lessee and the future minimum lease receipts under non-cancellable operating leases were presented in Note 37.

(b) Foreign currencies

	2020 VND	2019 VND
United States Dollar ("USD")	376,415	199,122
Euro ("EUR")	1	1
Chinese Yuan Renminbi ("CNY")	2,920	3,114
	<u>379,336</u>	<u>202,237</u>

26 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	2020 VND	2019 VND
Revenue		
Revenue from sales of finished goods	3,395,099,477,884	4,495,594,465,921
Revenue from sales of merchandises	798,939,356,961	1,185,994,447,805
Revenue from sales of by-products	707,147,768,777	630,686,899,724
Revenue from rendering of services	109,895,689,796	105,943,015,116
Revenue from sales of raw materials	199,368,901,105	9,809,642,180
	<u>5,210,451,194,523</u>	<u>6,428,028,470,746</u>
Sales deductions		
Sales allowances	(43,743,207,415)	(15,703,044,111)
Sales returns	(53,234,116,790)	(7,124,420,245)
	<u>(96,977,324,205)</u>	<u>(22,827,464,356)</u>
Net revenue from sales of goods and rendering of services	<u><u>5,113,473,870,318</u></u>	<u><u>6,405,201,006,390</u></u>

27 COST OF GOODS SOLD AND SERVICES RENDERED

	2020 VND	2019 VND
Cost of finished goods sold	2,937,395,471,223	3,650,906,231,363
Cost of merchandises sold	730,022,921,595	1,132,810,670,330
Cost of by-products sold	707,974,103,395	630,052,388,258
Cost of services rendered	78,434,964,104	5,790,261,891
Cost of raw materials sold	199,917,953,005	14,402,182,978
Provision/(reversal of provision) for decline in value of inventories	10,370,896,784	(40,751,434,042)
	<u><u>4,664,116,310,106</u></u>	<u><u>5,393,210,298,778</u></u>

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28 FINANCIAL INCOME

	2020 VND	2019 VND
Dividends, profits income	202,279,655,000	92,380,864,998
Interest income from deposits	95,474,317,008	75,713,043,798
Income from trading securities	64,448,793,921	-
Realised foreign exchange gains	45,237,625,480	38,686,626,784
Interest income from lending (Note 36(a))	23,008,801,000	26,564,129,000
Interest income on the advances for purchases of raw materials	447,405,039	5,994,174,344
Income from disposal of investment in associate	-	16,902,317,064
	<u>430,896,597,448</u>	<u>256,241,155,988</u>

29 FINANCIAL EXPENSES

	2020 VND	2019 VND
Realised foreign exchange losses	33,070,350,563	24,676,039,622
Interest expenses	26,898,365,957	46,144,147,038
Loss from trading securities	16,216,433,651	-
Provision for diminution in value of investments	14,317,307,300	12,340,092,397
Net loss from foreign currency translation at year-end	4,951,136,104	2,105,234,827
Others	-	482,611,403
	<u>95,453,593,575</u>	<u>85,748,125,287</u>

30 SELLING EXPENSES

	2020 VND	2019 VND
Transportation, storage and other outsourced service expenses	144,181,170,880	211,087,784,917
Exhibition and advertising expenses	12,801,453,807	17,102,210,254
Staff costs	11,772,999,205	8,938,319,798
Other expenses	24,647,186,193	35,062,008,592
	<u>193,402,810,085</u>	<u>272,190,323,561</u>

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31 GENERAL AND ADMINISTRATION EXPENSES

	2020 VND	2019 VND
Staff costs	41,608,907,325	35,846,395,276
Office tools and supplies	11,663,425,021	12,307,168,265
Depreciation and amortisation	5,265,127,744	5,998,289,108
Other expenses	30,502,503,311	43,607,964,622
	<u>89,039,963,401</u>	<u>97,759,817,271</u>

32 NET OTHER INCOME AND EXPENSES

	2020 VND	2019 VND
Other income		
Income from sales of scraps	7,761,383,980	1,906,233,731
Net gains on disposal of fixed assets	203,636,364	7,705,356,461
Others	2,148,673,585	3,727,006,807
	<u>10,113,693,929</u>	<u>13,338,596,999</u>
Other expenses		
Support and donations	9,526,265,025	5,226,846,560
Others	3,553,526,312	4,652,711,357
	<u>13,079,791,337</u>	<u>9,879,557,917</u>

33 BIT

In accordance with Circular No. 96/2015/TT-BTC dated 22 June 2015 issued by the Ministry of Finance, the Company is subject to BIT ("BIT") at the rate of 15% for aquaculture processing activities.

The Company's other activities are subject to the BIT rate of 20%.

The BIT tax on the Company's accounting profit before tax differs from the theoretical amount that would arise using the applicable tax rate of 20% as follows:

	2020 VND	2019 VND
Net accounting profit before tax	499,391,693,191	815,992,636,563
Tax calculated at a rate of 20%	99,878,338,638	163,198,527,313
Effect of:		
Income not subject to tax	(40,455,931,000)	(18,476,173,000)
Non-deductible expenses	1,045,374,256	1,296,440,121
Tax incentive	(5,454,162,830)	(28,138,668,453)
BIT charge (*)	<u>55,013,619,064</u>	<u>117,880,125,981</u>
Charged to the separate income statement:		
BIT – current	55,148,760,754	116,893,833,343
BIT – deferred (Note 21)	(135,141,690)	986,292,638
	<u>55,013,619,064</u>	<u>117,880,125,981</u>

(*) The BIT charge for the year is based on estimated taxable income and is subject to review and possible adjustments by the tax authorities.

34 COSTS OF OPERATION BY FACTOR

Costs of operation by factor represent all costs incurred during the year from the Company's operating activities, excluding cost of merchandises for trading activities. The details are as follows:

	2020 VND	2019 VND
Raw materials	1,789,583,473,632	2,363,010,663,863
Outsourced service expenses	860,027,866,748	1,000,367,364,801
Labour	528,052,447,623	462,251,108,118
Depreciation and amortisation expenses	53,442,505,422	48,239,893,684
Others	134,388,902,277	71,539,899,704
	<u>3,365,495,195,702</u>	<u>3,945,408,930,170</u>

35 ADDITIONAL INFORMATION ON CERTAIN ITEMS OF THE SEPARATE STATEMENT OF CASH FLOWS

	Year ended 31 December	
	2020 VND	2019 VND
(a) Non-cash transactions affecting the separate cash flow statement		
Purchase of fixed assets and other long-term assets that have not been settled	<u>6,338,474,483</u>	<u>9,958,831,461</u>
(b) Amount of borrowings actually drawn down during the year		
Proceeds from borrowings following normal borrowing contracts	<u>2,623,568,456,413</u>	<u>3,380,555,120,282</u>
(c) Amount of borrowings actually repaid during the year		
Repayments of borrowings following normal borrowing contracts	<u>2,592,988,785,356</u>	<u>3,889,011,936,748</u>

36 RELATED PARTY DISCLOSURES

The Company has transactions and balances with below related parties:

Related parties	Relationship
Thanh Binh Dong Thap One Member Co., Ltd.	Subsidiaries
Vinh Hoan Collagen Co., Ltd	Subsidiaries
Vinh Phuoc Food Co., Ltd	Subsidiaries
Vinh Hoan Fish Hatchery Manufacturing Co., Ltd.	Subsidiaries
Feed One Co., Ltd.	Subsidiaries
Mai Thien Thanh Co., Ltd.	Associate
Van Duc Tien Giang Food Export Co., Ltd.	Related company of Chairperson
Van Duc Food Co., Ltd.	Related company of Chairperson
Individuals	Shareholders and other individuals related of Chairperson

36 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions

During the year, the following major transactions were carried out with related parties:

	2020 VND	2019 VND
<i>i) Revenue from sales of goods and rendering of services</i>		
Thanh Binh Dong Thap One Member Co., Ltd.	658,072,871,432	490,621,761,096
Vinh Phuoc Food Co., Ltd.	209,713,724,831	23,377,089,573
Van Duc Tien Giang Food Export Co., Ltd.	17,284,000,884	22,336,214,683
Vinh Hoan Collagen Co., Ltd.	10,483,112,460	18,349,904,073
Van Duc Food Co., Ltd.	5,492,218,596	7,929,237,114
Vinh Hoan Fish Hatchery Manufacturing Co., Ltd.	18,717,225	-
Individuals	8,273,000	-
	<u>901,072,918,428</u>	<u>562,614,206,539</u>

ii) Purchases of goods and services

Vinh Phuoc Food Co., Ltd.	882,505,199,127	500,800,301,456
Vinh Hoan Collagen Co., Ltd.	622,784,829,435	534,598,295,195
Individuals	44,821,827,360	26,622,495,360
Van Duc Tien Giang Food Export Co., Ltd.	4,492,650,402	8,440,846,799
Mai Thien Thanh Co., Ltd. (*)	3,014,568,000	-
Thanh Binh Dong Thap One Member Co., Ltd.	1,772,769,700	14,284,160,440
Van Duc Food Co., Ltd.	-	116,200
	<u>1,559,391,844,024</u>	<u>1,084,746,215,450</u>

(*) These are transactions for the period from July 2020 in which Mai Thien Thanh Co., Ltd. became an associate of the Company.

iii) Sales of fixed assets

Thanh Binh Dong Thap One Member Co., Ltd.	-	3,033,373,022
Van Duc Food Co., Ltd.	-	15,191,995,392
	<u>-</u>	<u>18,225,368,414</u>

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36 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	2020 VND	2019 VND
iv) Purchases of fixed assets		
Van Duc Tien Giang Food Export Co., Ltd.	-	2,481,818,182
v) Capital contribution to subsidiaries		
Vinh Phuoc Food Co., Ltd.	50,000,000,000	100,000,000,000
Feed One Co., Ltd.	50,000,000,000	-
Vinh Hoan Fish Hatchery	18,000,000,000	28,900,000,000
	<u>118,000,000,000</u>	<u>128,900,000,000</u>
vi) Dividends, profits income from		
Thanh Binh Dong Thap One Member Co., Ltd.	100,000,000,000	-
Vinh Hoan Collagen Co., Ltd	100,000,000,000	-
Van Duc Tien Giang Food Export Co., Ltd.	-	92,380,864,998
	<u>200,000,000,000</u>	<u>92,380,864,998</u>
vii) Short-term lending		
Vinh Phuoc Food Co., Ltd	553,000,000,000	282,700,000,000
Vinh Hoan Collagen Co., Ltd	150,700,000,000	137,200,000,000
Thanh Binh Dong Thap One Member Co., Ltd.	19,000,000,000	74,200,000,000
Van Duc Tien Giang Food Export Co., Ltd.	-	6,000,000,000
	<u>722,700,000,000</u>	<u>500,100,000,000</u>

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36 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	2020 VND	2019 VND
<i>viii) Interest income from short-term lending (Note 28)</i>		
Vinh Phuoc Food Co., Ltd	19,691,415,000	11,675,792,000
Vinh Hoan Collagen Co., Ltd	3,263,733,000	8,241,706,000
Thanh Binh Dong Thap One Member Co., Ltd.	53,653,000	6,617,075,000
Van Duc Tien Giang Food Export Co., Ltd.	-	29,556,000
	<u>23,008,801,000</u>	<u>26,564,129,000</u>
<i>ix) Compensation of key management</i>		
Gross salaries and other benefits	<u>18,842,150,345</u>	<u>20,298,087,383</u>

(b) Year-end balances with related parties

	2020 VND	2019 VND
<i>Short-term trade accounts receivable (Note 5)</i>		
Vinh Phuoc Food Co., Ltd	95,294,409,236	-
Van Duc Tien Giang Food Export Co., Ltd.	5,265,705,225	15,920,896,591
Van Duc Food Co., Ltd.	899,932,942	1,191,276,429
Thanh Binh Dong Thap One Member Co., Ltd.	-	18,187,023,814
	<u>101,460,047,403</u>	<u>35,299,196,834</u>
<i>Short-term prepayments to suppliers (Note 6)</i>		
Vinh Phuoc Food Co., Ltd.	<u>26,861,368,816</u>	<u>-</u>
<i>Short-term lendings (Note 7)</i>		
Vinh Phuoc Food Co., Ltd.	451,985,000,000	317,485,000,000
Vinh Hoan Collagen Co., Ltd.	-	88,350,000,000
Thanh Binh Dong Thao One Member Co., Ltd.	-	7,893,746,000
	<u>451,985,000,000</u>	<u>413,728,746,000</u>

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36 RELATED PARTY DISCLOSURES (continued)

(b) Year-end balances with related parties (continued)

	2020 VND	2019 VND
Other short-term receivables (Note 8)		
Vinh Phuoc Food Co., Ltd.	15,600,331,385	2,108,600,000
Vinh Hoan Collagen Co., Ltd.	-	330,369,000
Thanh Binh Dong Thap One Member Co., Ltd.	-	69,886,000
Board of Management and Directors	-	24,166,003
	<u>15,600,331,385</u>	<u>2,533,021,003</u>
Short-term trade accounts payable (Note 13)		
Vinh Hoan Collagen Co., Ltd.	74,580,212,226	60,238,949,837
Mai Thien Thanh Co., Ltd.	517,862,400	-
Individuals	84,640	-
Vinh Phuoc Food Co., Ltd.	-	41,779,040,043
	<u>75,098,159,266</u>	<u>102,017,989,880</u>
Short-term advances from customers (Note 14)		
Thanh Binh Dong Thap One Member Co., Ltd.	<u>40,290,874,356</u>	<u>-</u>
Other short-term payables (Note 17)		
Thanh Binh Dong Thap One Member Co., Ltd.	620,478,068,867	449,435,728,661
Vinh Phuoc Food Co., Ltd.	193,915,983,784	-
Van Duc Tien Giang Food Export Co., Ltd.	54,338,932,630	147,350,241,563
Van Duc Food Co., Ltd.	14,913,548,150	14,093,945,568
Vinh Hoan Collagen Co., Ltd.	-	2,670,000,000
	<u>883,646,533,431</u>	<u>613,549,915,792</u>

37 OPERATING LEASES COMMITMENTS

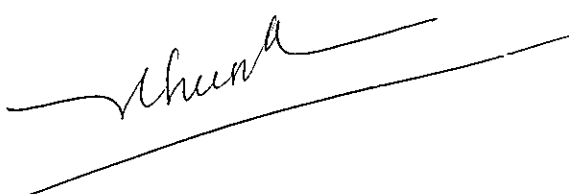
The future minimum lease payment under non-cancellable operating leases are as follows:

	2020 VND	2019 VND
Within one year	8,512,704,913	8,475,952,356
Between one and five years	27,361,108,730	31,738,275,305
Over five years	28,961,878,351	33,065,424,857
Total minimum payments	<u>64,835,691,994</u>	<u>73,279,652,518</u>

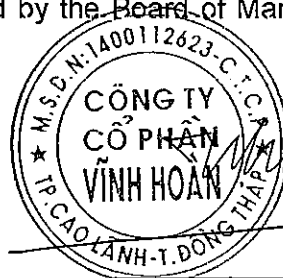
38 EVENTS AFTER THE SEPARATE BALANCE SHEET DATE

- (i) On 22 January 2021, the Company has received the transfer of 3,565,759 shares of Sa Giang Export Import JSC. (stock code is SGC and listed on Hanoi Stock Exchange) from State Capital Investment Corporation, therefore becomes the parent company holding 3,665,759 shares with ownership of 51.29%.
- (ii) Pursuant to the Resolution of the Board of Directors dated 9 February 2021, the Board of Directors approved the capital commitment of VND70,000,000,000 accounting to 70% of the registered charter capital of Thanh Ngoc Agricultural Food Co., Ltd., located at An Phu Hamlet, An Nhon Commune, Chau Thanh District, Dong Thap Province, whose main industry is producing juice from fruits.

The separate financial statements were approved by the Board of Management on 23 March 2021.



Ha Thi Phuong Thuy Hong Nhung
Preparer/Chief Accountant




Trương Thị Lê Khanh
Chairperson
23 March 2021