



Ngon Coffee Company Limited

**Financial Statements for the year ended
31 March 2018**

Ngon Coffee Company Limited
Corporate Information

Investment Certificate No. 401043000062

3 February 2009

The Company's Investment Certificate has been amended several times, the most recent of which is by the Investment Certificate No. 401043000062 dated 25 April 2015. The Investment Certificate and its amendments were issued by the People's Committee of Dak Lak province and are valid for 50 years from the date of the initial Investment Certificate.

Members' Council

Mr. Challa Rajendra Prasad	Chairman
Mr. Challa Srishant	Member
Mr. Jaju Laxmi Nivas	Member
Mr. Aluri Chandra Sekhara Rao	Member

Board of Directors

Mr. Challa Srishant	General Director
Mr. Jaju Laxmi Nivas	Deputy General Director
Mr. Aluri Chandra Sekhara Rao	Deputy General Director

Registered Office

Cu Kuin Industrial Complex
Cu Kuin District
Dak Lak Province
Vietnam

Auditor

KPMG Limited
Vietnam

Ngon Coffee Company Limited

Statement of the Board of Directors

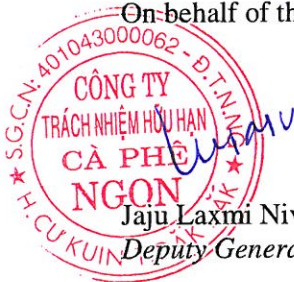
The Board of Directors of Ngon Coffee Company Limited (“the Company”) presents this statement and the accompanying financial statements of the Company for the year ended 31 March 2018.

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

- (a) the financial statements set out on pages 5 to 25 give a true and fair view of the financial position of the Company as at 31 March 2018, and of the results of operations and the cash flows of the Company for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Company will not be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised the accompanying financial statements for issue.

On behalf of the Board of Directors



Jaju Laxmi Nivas
Deputy General Director

Dak Lak Province, 23 April 2018



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District 1, Ho Chi Minh City, Vietnam
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INDEPENDENT AUDITOR'S REPORT

To the Investors Ngon Coffee Company Limited

We have audited the accompanying financial statements of Ngon Coffee Company Limited ("the Company"), which comprise the balance sheet as at 31 March 2018, the statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Company's Board of Directors on 23 April 2018, as set out on pages 5 to 25.

Management's Responsibility

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

Auditor's Responsibility

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

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

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



Auditor's Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of Ngon Coffee Company Limited as at 31 March 2018 and of its results of operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.



KPMG Limited's Branch in Ho Chi Minh City

Vietnam

Audit Report No.: 18-01-174

Nguyen Thanh Nghi
Practicing Auditor Registration
Certificate No. 0304-2018-007-1
Deputy General Director

Ha Vu Dinh
Practicing Auditor Registration
Certificate No. 0414-2018-007-1

Ho Chi Minh City, 23 April 2018

Ngon Coffee Company Limited
Balance sheet as at 31 March 2018

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

	Code	Note	31/3/2018 VND	1/4/2017 VND
ASSETS				
Current assets (100 = 110 + 130 + 140 + 150)	100		448,731,610,077	396,846,088,069
Cash and cash equivalents	110	4	110,698,499,025	34,388,791,529
Cash	111		44,698,499,025	34,388,791,529
Cash equivalents	112		66,000,000,000	-
Accounts receivable – short-term	130		226,003,147,858	222,327,674,934
Accounts receivable from customers	131	5	217,592,902,890	217,590,534,579
Prepayments to suppliers	132		5,290,134,194	4,686,346,181
Other receivables – short-term	136		3,120,110,774	50,794,174
Inventories	140	6	111,634,111,009	139,883,095,037
Other current assets	150		395,852,185	246,526,569
Short-term prepaid expenses	151		395,852,185	246,526,569
Long-term assets (200 = 220 + 240 + 260)	200		468,385,529,436	490,705,835,878
Fixed assets	220		422,192,649,009	488,833,569,909
Tangible fixed assets	221	7	422,192,649,009	488,833,569,909
Cost	222		710,162,811,167	720,618,758,829
Accumulated depreciation	223		(287,970,162,158)	(231,785,188,920)
Long-term work in progress	240		45,623,986,352	-
Construction in progress	242	8	45,623,986,352	-
Other long-term assets	260		568,894,075	1,872,265,969
Long-term prepaid expenses	261	9	568,894,075	1,872,265,969
TOTAL ASSETS (270 = 100 + 200)	270		917,117,139,513	887,551,923,947

The accompanying notes are an integral part of these financial statements

Ngon Coffee Company Limited
Balance sheet as at 31 March 2018 (continued)

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

	Code	Note	31/3/2018 VND	1/4/2017 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		19,558,982,169	185,515,889,800
Current liabilities	310		19,558,982,169	176,397,889,800
Accounts payable to suppliers	311	10	6,058,654,887	20,861,267,214
Taxes payable to State Treasury	313	11	3,389,026,212	6,614,248,921
Payables to employees	314		15,182,309	-
Accrued expenses	315	12	892,300,933	3,032,484,245
Other payables – short-term	319		75,817,828	58,876,920
Short-term borrowings	320	13(a)	9,128,000,000	145,831,012,500
Long-term liabilities	330		-	9,118,000,000
Long-term borrowings	338	13(b)	-	9,118,000,000
EQUITY (400 = 410)	400		897,558,157,344	702,036,034,147
Owners' equity	410	14	897,558,157,344	702,036,034,147
Contributed capital	411	15	344,564,633,286	344,564,633,286
Retained profits	421		552,993,524,058	357,471,400,861
- Retained profits brought forward	421a		357,471,400,861	195,077,133,041
- Net profit for the current year	421b		195,522,123,197	162,394,267,820
TOTAL RESOURCES	440		917,117,139,513	887,551,923,947
(440 = 300 + 400)				

23 April 2018

Prepared by:


Aluri Chandra Sekhara Rao
Deputy General Director



Approved by:


Jaju Laxmi Nivas
Deputy General Director

The accompanying notes are an integral part of these financial statements


Ngon Coffee Company Limited
Statement of income for the year ended 31 March 2018

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

	Code	Note	For the year ended	
			31/3/2018 VND	31/3/2017 VND
Revenue from sales of goods	01	17	1,051,577,724,890	919,813,424,986
Cost of sales	11	18	831,477,375,241	717,479,503,479
Gross profit (20 = 01 - 11)	20		220,100,349,649	202,333,921,507
Financial income	21	19	2,971,313,921	1,372,358,983
Financial expenses	22	20	5,154,788,271	16,900,223,238
<i>In which: Interest expense</i>	23		4,585,038,868	13,536,642,592
Selling expenses	25	21	16,611,348,070	15,890,144,247
General and administration expenses	26	22	8,049,404,032	8,521,645,185
Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		193,256,123,197	162,394,267,820
Other income	31		2,266,000,000	-
Results of other activities (40 = 31)	40		2,266,000,000	-
Accounting profit before tax (50 = 30 + 40)	50		195,522,123,197	162,394,267,820
Income tax expense – current	51	24	-	-
Income tax expense – deferred	52	24	-	-
Net profit after tax (60 = 50 - 51 - 52)	60		195,522,123,197	162,394,267,820


23 April 2018

Prepared by:


Aluri Chandra Sekhara Rao
Deputy General Director



Approved by:


Jaju Laxmi Nivas
Deputy General Director

The accompanying notes are an integral part of these financial statements

Ngon Coffee Company Limited**Statement of cash flows for the year ended 31 March 2018 (Indirect method)****Form B 03 – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	For the year ended	
			31/3/2018	31/3/2017
			VND	VND
CASH FLOWS FROM OPERATING ACTIVITIES				
Accounting profit before tax	01		195,522,123,197	162,394,267,820
Adjustments for				
Depreciation	02		63,714,308,382	61,922,603,019
Exchange (gains)/losses arising from revaluation of monetary items denominated in foreign currencies	04		(118,176,526)	457,356,313
Losses on disposals of fixed assets	05		4,876,556,763	-
Interest income	05		(586,988,316)	(129,700,501)
Interest expense	06		4,585,038,868	13,536,642,592
Operating profit before changes in working capital	08		267,992,862,368	238,181,169,243
Change in receivables	09		(3,344,002,501)	(77,059,908,380)
Change in inventories	10		28,248,984,028	11,980,666,285
Change in payables and other liabilities	11		(19,053,009,813)	10,046,132,492
Change in prepaid expenses	12		1,154,046,278	1,596,678,734
			274,998,880,360	184,744,738,374
Interest paid	14		(6,475,000,563)	(15,911,236,683)
Net cash flows from operating activities	20		268,523,879,797	168,833,501,691
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets and other long-term assets	21		(46,956,457,706)	(2,905,413,179)
Proceeds from disposals of fixed assets	22		143,000,000	-
Receipts of interests	27		430,297,905	129,700,501
Net cash flows from investing activities	30		(46,383,159,801)	(2,775,712,678)

The accompanying notes are an integral part of these financial statements

Ngon Coffee Company Limited
Statement of cash flows for the year ended 31 March 2018
(Indirect method – continued)

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

	Code	Note	For the year ended	
			31/3/2018 VND	31/3/2017 VND
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments to settle loan principals	34		(145,831,012,500)	(177,425,750,000)
Net cash flows from financing activities	40		(145,831,012,500)	(177,425,750,000)
Net cash flows during the year (50 = 20 + 30 + 40)	50		76,309,707,496	(11,367,960,987)
Cash and cash equivalents at beginning of the year	60		34,388,791,529	43,582,083,140
Effect of exchange rate fluctuations on cash and cash equivalents	61		-	2,174,669,376
Cash and cash equivalents at end of the year (70 = 50 + 60 + 61)	70	4	110,698,499,025	34,388,791,529


23 April 2018

Prepared by:

Approved by:


Aluri Chandra Sekhara Rao
Deputy General Director




Jaju Laxmi Nivas
Deputy General Director

The accompanying notes are an integral part of these financial statements

Ngon Coffee Company Limited
Notes to the financial statements for the year ended 31 March 2018

Form B 09 – 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 the accompanying financial statements.

1. Reporting entity

(a) Ownership structure

Ngon Coffee Company Limited (“the Company”) is incorporated as a limited liability company in Vietnam.

(b) Principal activities

The principal activities of the Company are to manufacture instant coffee and trade materials, fuels and kinds of instant coffee for processing.

(c) Normal operating cycle

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

(d) Company structure

As at 31 March 2018, the Company had 185 employees (1/4/2017: 166 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.

(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 April to 31 March.

Ngon Coffee Company Limited

Notes to the financial statements for the year ended 31 March 2018 (continued)

Form B 09 – DN

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

(d) Accounting and presentation currency

The Company's accounting currency is Vietnam Dong ("VND"), which is also the currency used for financial statements presentation purposes.

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 year have been translated into VND at rates approximating actual rates of exchange ruling at the transaction dates.

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at the account transfer buying rate and account transfer selling rate, respectively, at the end of the annual accounting period quoted by the commercial bank where the Company most frequently conducts 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 amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(c) Accounts receivable

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

(d) 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 in the ordinary course of business, less the estimated costs of completion and selling expenses.

The Company applies the perpetual method of accounting for inventories.

Ngon Coffee Company Limited
Notes to the financial statements for the year ended 31 March 2018 (continued)

Form B 09 – DN

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

(e) 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 and location for its intended use. Expenditure incurred after tangible fixed assets have been put into operation, such as repairs, maintenance and overhaul costs, is normally charged to statement of income in the year in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in 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	10 - 20 years
▪ motor vehicles	5 years
▪ office equipment	5 years

(f) Construction in progress

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

(g) Long-term prepaid expenses

Tools and instruments

Tools and instruments 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 regulation. Cost of tools and instruments are amortised on a straight-line basis over a period ranging from 2 to 3 years.

(h) Trade and other payables

Trade and other payables are stated at their cost.

Ngon Coffee Company Limited

Notes to the financial statements for the year ended 31 March 2018 (continued)

Form B 09 – DN

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

(i) Provision

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.

(j) Contributed capital

Contributed capital is recognised on the contribution date at the actual amount contributed less any directly attributable transaction costs.

(k) Taxation

Income tax on the profit or loss for the year 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 in equity, in which case it is recognised in equity.

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

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

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

(l) Revenue and other income

(i) Goods sold

Revenue from the sale 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 is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods.

Ngon Coffee Company Limited**Notes to the financial statements for the year ended 31 March 2018 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***(ii) Interest income**

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

(m) 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.

(n) Borrowing costs

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

(o) Related parties

Parties are considered to be related to the Company 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 Company 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.

Related parties refer to the investors, their ultimate parent companies and their subsidiaries and associates.

4. Cash and cash equivalents

	31/3/2018	1/4/2017
	VND	VND
Cash on hand	333,853,631	357,681,859
Cash in banks	44,364,645,394	34,031,109,670
Cash equivalents	66,000,000,000	-
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	110,698,499,025	34,388,791,529

At reporting date, all cash and cash equivalents was pledged with banks as security for loans granted to the Company (Note 13).

Ngon Coffee Company Limited**Notes to the financial statements for the year ended 31 March 2018 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***5. Accounts receivable from customers – short-term**

Accounts receivable from customers detailed by significant customers:

	31/3/2018 VND	1/4/2017 VND
Opulency International Limited	55,117,886,080	41,355,360,585
Top Choice Food International Joint Stock company	36,196,364,160	-
Quantum Import Export Company Limited	35,933,514,570	-
Strauss Coffee B.V.	33,560,117,640	59,302,504,800
Mokate. Sp. z o.o	22,951,617,500	27,762,273,000
MTV TNI Co., Ltd	5,932,740,500	34,673,886,500
Cafe Outspan Vietnam Limited	-	30,203,742,184
Other customers	27,900,662,440	24,292,767,510
	217,592,902,890	217,590,534,579

At reporting date, all accounts receivable from customers were pledged with banks as security for loans granted to the Company (Note 13).

6. Inventories

	31/3/2018 VND	1/4/2017 VND
Raw materials	23,638,807,828	94,054,228,564
Tools and supplies	16,985,502,797	17,109,471,378
Work in progress	541,212,290	6,944,324,441
Finished goods	70,468,588,094	21,775,070,654
	111,634,111,009	139,883,095,037

At reporting date, all inventories were pledged with banks as security for loans granted to the Company (Note 13).

Ngon Coffee Company Limited

Notes to the financial statements for the year ended 31 March 2018 (continued)

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

7. Tangible fixed assets

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
Cost					
Opening balance	173,122,109,138	543,828,250,528	1,823,661,818	1,844,737,345	720,618,758,829
Additions	1,541,250,000	-	36,354,545	213,976,200	1,791,580,745
Transfer from construction in progress	301,363,500	-	-	-	301,363,500
Disposals	-	(12,548,891,907)	-	-	(12,548,891,907)
Closing balance	174,964,722,638	531,279,358,621	1,860,016,363	2,058,713,545	710,162,811,167
Accumulated depreciation					
Opening balance	33,035,608,219	195,736,098,241	1,342,508,704	1,670,973,756	231,785,188,920
Charge for the year	7,330,976,154	55,838,566,992	298,806,407	245,958,829	63,714,308,382
Disposals	-	(7,529,335,144)	-	-	(7,529,335,144)
Closing balance	40,366,584,373	244,045,330,089	1,641,315,111	1,916,932,585	287,970,162,158
Net book value					
Opening balance	140,086,500,919	348,092,152,287	481,153,114	173,763,589	488,833,569,909
Closing balance	134,598,138,265	287,234,028,532	218,701,252	141,780,960	422,192,649,009

Included in the cost of tangible fixed assets were assets costing VND1,931 million which were fully depreciated as at 31 March 2018 (1/4/2017: VND811 million), but which are still in active use.

At reporting date, all tangible fixed assets were pledged with banks as security for loans granted to the Company (Note 13).

Ngon Coffee Company Limited**Notes to the financial statements for the year ended 31 March 2018 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***8. Construction in progress**

	For the year ended 31/3/2018 VND
Opening balance	-
Additions	45,925,349,852
Transfer to tangible fixed assets	(301,363,500)
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Closing balance	45,623,986,352
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Construction in progress represented cost of machineries which have not been fully installed.

At reporting date, all construction in progress were pledged with banks as security for loans granted to the Company (Note 13).

9. Long-term prepaid expenses

	Tools and instruments VND
Opening balance	1,872,265,969
Additions	406,182,273
Amortisation for the year	(1,709,554,167)
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Closing balance	568,894,075
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Ngon Coffee Company Limited**Notes to the financial statements for the year ended 31 March 2018 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***10. Accounts payable to suppliers – short-term**

Accounts payable to suppliers detailed by significant suppliers:

	31/3/2018 Cost/ amount within payment capacity VND	1/4/2017 Cost/ amount within payment capacity VND
Bac Son Company Limited	1,329,224,903	-
Olam Company Limited	1,216,452,000	-
Strauss Commodities AG	1,186,647,759	7,967,625,251
Koninklijke Douwe Egberts BV	-	6,578,132,250
Dakman Vietnam Company Limited	-	4,876,987,106
Other suppliers	2,326,330,225	1,438,522,607
	6,058,654,887	20,861,267,214

11. Taxes payable to State Treasury

	1/4/2017 VND	Incurred VND	Net off VND	Paid VND	31/3/2018 VND
Value added tax	6,613,911,221	27,667,100,652	(11,940,026,807)	(18,951,958,854)	3,389,026,212
Personal income tax	337,700	109,185,538	-	(109,523,238)	-
Foreign contractor tax	-	944,720,610	-	(944,720,610)	-
	6,614,248,921	28,721,006,800	(11,940,026,807)	(20,006,202,702)	3,389,026,212

12. Accrued expenses

	31/3/2018 VND	1/4/2017 VND
Professional fee	223,922,000	217,400,000
Interest expense	96,565,340	1,986,527,035
Sale commissions	392,328,003	683,850,000
Others	179,485,590	144,707,210
	892,300,933	3,032,484,245

Ngon Coffee Company Limited
Notes to the financial statements for the year ended 31 March 2018 (continued)

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13. Borrowings

(a) Short-term borrowings

	1/4/2017		Movement during the year			31/3/2018	
	Carrying amount VND	Amount within repayment capacity VND	Addition VND	Revaluation VND	Paid VND	Carrying amount VND	Amount within repayment capacity VND
Current portion of long- term borrowings (Note 13(b))	145,831,012,500	145,831,012,500	9,118,000,000	10,000,000	(145,831,012,500)	9,128,000,000	9,128,000,000

Ngon Coffee Company Limited

Notes to the financial statements for the year ended 31 March 2018 (continued)

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(b) Long-term borrowings

	31/3/2018 VND	1/4/2017 VND
Long-term borrowings	9,128,000,000	154,949,012,500
Repayable within twelve months (Note 13(a))	(9,128,000,000)	(145,831,012,500)
Repayable after twelve months	-	9,118,000,000

Terms and conditions of long-term borrowings were as follows:

	Currency	Annual interest rate	Year of maturity	31/3/2018 VND	1/4/2017 VND
Loan 1	USD	LIBOR 6 months + 5%	2017	-	34,135,512,500
Loan 2	USD	LIBOR 6 months + 4.25%	2018	-	102,577,500,000
Loan 3 (*)	USD	LIBOR 6 months + 5%	2019	9,128,000,000	18,236,000,000
				9,128,000,000	154,949,012,500

- (*) Loan 3 from Export - Import Bank of India with maximum facility of USD2,000,000 was secured by all existing and future acquired assets (Note 4, Note 5, Note 6, Note 7 and Note 8). The principal is repayable in ten semi-annual equal instalments of USD200,000, beginning from 30 July 2014 but not later than 30 January 2019.

Ngon Coffee Company Limited**Notes to the financial statements for the year ended 31 March 2018 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***14. Changes in owners' equity**

	Contributed capital VND	Retained profits VND	Total VND
Balance as at 1 April 2016	344,564,633,286	195,077,133,041	539,641,766,327
Net profit for the year	-	162,394,267,820	162,394,267,820
Balance as at 1 April 2017	344,564,633,286	357,471,400,861	702,036,034,147
Net profit for the year	-	195,522,123,197	195,522,123,197
Balance as at 31 March 2018	344,564,633,286	552,993,524,058	897,558,157,344

15. Contributed capital

The Company's authorised and contributed charter capital is as follows:

	Authorised VND	USD equivalent	Contributed VND	USD equivalent	%
Charter capital	530,000,000,000	25,000,000	344,564,633,286	17,000,000	68%

Details of contributed charter capital as at 31 March 2018 and 1 April 2017 are as follows:

	VND	USD equivalent	%
CCL Products (India) Limited	147,056,000,000	7,000,000	41%
Jayanti Pte. Co., Ltd	197,508,633,286	10,000,000	59%
	344,564,633,286	17,000,000	100%

The parent company, Jayanti Pte. Co., Ltd, and the ultimate parent company, CCL Products (India) Limited, were incorporated in Singapore and India, respectively.

Ngon Coffee Company Limited**Notes to the financial statements for the year ended 31 March 2018 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***16. Off balance sheet items****(a) Lease**

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

	31/3/2018 VND	1/4/2017 VND
Within one year	9,995,940	9,995,940
Within two to five years	39,983,760	39,983,760
More than five years	371,515,770	381,511,710
	<hr/>	<hr/>
	421,495,470	431,491,410
	<hr/>	<hr/>

(b) Foreign currencies

	31/3/2018		1/4/2017	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	201,720	4,585,106,510	1,359,077	30,871,434,737
EUR	50	1,389,450	50	1,206,600
		<hr/>		<hr/>
		4,586,495,960		30,872,641,337
		<hr/>		<hr/>

17. Revenue from sales of goods

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

Total revenue comprised:

	For the year ended	
	31/3/2018 VND	31/3/2017 VND
Total revenue		
▪ Sales of finished goods	862,220,331,224	843,573,956,880
▪ Sales of merchandise goods	189,357,393,666	76,239,468,106
	<hr/>	<hr/>
	1,051,577,724,890	919,813,424,986
	<hr/>	<hr/>

Ngon Coffee Company Limited**Notes to the financial statements for the year ended 31 March 2018 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***18. Cost of sales**

	For the year ended	
	31/3/2018	31/3/2017
	VND	VND
Finished goods sold	647,142,934,064	643,198,194,953
Merchandise goods sold	184,334,441,177	74,281,308,526
	<hr/>	<hr/>
	831,477,375,241	717,479,503,479
	<hr/>	<hr/>

19. Financial income

	For the year ended	
	31/3/2018	31/3/2017
	VND	VND
Interest income	586,988,316	129,700,501
Realised foreign exchange gains	2,266,149,079	1,242,658,482
Unrealised foreign exchange gains	118,176,526	-
	<hr/>	<hr/>
	2,971,313,921	1,372,358,983
	<hr/>	<hr/>

20. Financial expenses

	For the year ended	
	31/3/2018	31/3/2017
	VND	VND
Interest expense	4,585,038,868	13,536,642,592
Realised foreign exchange losses	569,749,403	2,906,224,333
Unrealised foreign exchange losses	-	457,356,313
	<hr/>	<hr/>
	5,154,788,271	16,900,223,238
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Ngon Coffee Company Limited**Notes to the financial statements for the year ended 31 March 2018 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC
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	For the year ended	
	31/3/2018	31/3/2017
	VND	VND
Transportation expenses	15,981,733,295	13,874,184,763
Sales commissions	252,642,343	1,545,568,978
Others	376,972,432	470,390,506
	<hr/>	<hr/>
	16,611,348,070	15,890,144,247
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22. General and administration expenses

	For the year ended	
	31/3/2018	31/3/2017
	VND	VND
Staff costs	2,334,351,809	2,321,791,349
Depreciation and amortisation	1,169,700,907	1,375,775,963
Taxes, fees and charges	1,075,306,004	953,489,330
Outside services	1,395,643,583	1,027,200,523
Others	2,074,401,729	2,843,388,020
	<hr/>	<hr/>
	8,049,404,032	8,521,645,185
	<hr/>	<hr/>

23. Production and business costs by elements

	For the year ended	
	31/3/2018	31/3/2017
	VND	VND
Raw material costs included in production costs and cost of merchandise goods	734,229,026,342	622,314,978,872
Labour costs and staff costs	13,955,692,525	12,636,659,809
Depreciation	63,714,308,382	61,922,603,019
Outside services	23,735,478,825	22,351,746,473
Other expenses	20,503,621,269	22,665,304,738
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Ngon Coffee Company Limited**Notes to the financial statements for the year ended 31 March 2018 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***24. Income tax****(a) Reconciliation of effective tax rate**

	For the year ended	
	31/3/2018	31/3/2017
	VND	VND
Accounting profit before tax	195,522,123,197	162,394,267,820
Tax at the Company's tax rate	19,552,212,320	16,239,426,782
Non-deductible expenses	178,507,077	88,412,884
Tax holidays	(19,730,719,397)	(16,327,839,666)
	-	-

(b) Applicable tax rates

Under the terms of its Investment Certificate, the Company has an obligation to pay the government income tax at the rate of 10% of taxable profits for 15 years starting from the first year of operation and usual income tax rate for succeeding years. The provision of the Investment Certificate also allows the Company to be exempt from income tax for four years starting from the first year it generates taxable profit (from 2015 to 2018) and entitled to a 50% reduction in income tax for the nine succeeding years (from 2019 to 2027).

The usual income tax rate applicable to enterprises before any incentives is 20%.

25. Corresponding figures

Corresponding figures as at 1 April 2017 were derived from the balances and amounts reported in the Company's financial statements as at and for the year ended 31 March 2017.

23 April 2018

Prepared by:



Aluri Chandra Sekhara Rao
Deputy General Director



Approved by:



Jaju Laxmi Nivas
Deputy General Director

