

Ngon Coffee Company Limited

Financial Statements for the year ended
31 March 2019

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.

**Business Registration
Certificate No.**

6000916516

3 February 2009

The Company's Business Registration Certificate has been amended several times, the most recent of which is by the Business Registration Certificate No. 6000916516 dated 11 October 2018. The Company's Business Registration Certificate and its amendments were issued by the Department of Planning and Investment of Dak Lak Province.

Members' Council

Mr. Challa Rajendra Prasad	Chairman
Mr. Challa Srishant	Member
Mr. Aluri Chandra Sekhara Rao	Member
Mr. Bandi Mohan Krishna	Member
	(from 1 October 2018)
Mr. Vipin K Singal	Member
	(from 1 March 2019)
Mr. Jaju Laxmi Nivas	Member
	(until 7 May 2018)

Board of Directors

Mr. Challa Srishant	General Director
Mr. Aluri Chandra Sekhara Rao	Deputy General Director
Mr. Jaju Laxmi Nivas	Deputy General Director
	(until 7 May 2018)

Registered Office

Cu Kuin Industrial Complex,
Dray Bhang Commune,
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 2019.

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 23 give a true and fair view of the financial position of the Company as at 31 March 2019, 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



Mr. Challa Srishant
General Director

Dak Lak Province, 19 April 2019



KPMG Limited Branch
10th Floor, Sun Wah Tower
115 Nguyen Hue Street, Ben Nghe Ward
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 2019, 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 19 April 2019, as set out on pages 5 to 23.

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 2019 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.: 19-01-00175-19-1

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

Nguyen Thuy Ninh
Practicing Auditor Registration
Certificate No. 4623-2018-007-1

Ho Chi Minh City, 19 April 2019

Ngon Coffee Company Limited
Balance sheet as at 31 March 2019

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

	Code	Note	31/3/2019 VND	1/4/2018 VND
ASSETS				
Current assets (100 = 110 + 130 + 140 + 150)	100		616,425,936,258	448,731,610,077
Cash and cash equivalents	110	4	181,204,699,101	110,698,499,025
Cash	111		96,204,699,101	44,698,499,025
Cash equivalents	112		85,000,000,000	66,000,000,000
Accounts receivable – short-term	130		309,629,102,142	226,003,147,858
Accounts receivable from customers	131	5	307,802,340,896	217,592,902,890
Prepayments to suppliers	132		1,396,304,409	5,290,134,194
Other receivables	136		430,456,837	3,120,110,774
Inventories	140	6	125,323,423,015	111,634,111,009
Other current assets	150		268,712,000	395,852,185
Short-term prepaid expenses	151		268,712,000	395,852,185
Long-term assets (200 = 220 + 240 + 260)	200		410,111,819,113	468,385,529,436
Fixed assets	220		408,037,303,665	422,192,649,009
Tangible fixed assets	221	7	408,037,303,665	422,192,649,009
Cost	222		758,589,161,205	710,162,811,167
Accumulated depreciation	223		(350,551,857,540)	(287,970,162,158)
Long-term work in progress	240		-	45,623,986,352
Construction in progress	242		-	45,623,986,352
Other long-term assets	260		2,074,515,448	568,894,075
Long-term prepaid expenses	261	8	2,074,515,448	568,894,075
TOTAL ASSETS (270 = 100 + 200)	270		1,026,537,755,371	917,117,139,513

The accompanying notes are an integral part of these financial statements

Ngon Coffee Company Limited
Balance sheet as at 31 March 2019 (continued)

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

	Code	Note	31/3/2019 VND	1/4/2018 VND
RESOURCES				
LIABILITIES (300 = 310)	300		3,050,330,235	19,558,982,169
Current liabilities	310		3,050,330,235	19,558,982,169
Accounts payable to suppliers	311	9	1,169,148,495	6,058,654,887
Taxes payable to State Treasury	313	10	1,099,937,295	3,389,026,212
Payables to employees	314		15,182,309	15,182,309
Accrued expenses	315	11	676,985,406	892,300,933
Other payables	319		89,076,730	75,817,828
Short-term borrowings	320		-	9,128,000,000
EQUITY (400 = 410)	400		1,023,487,425,136	897,558,157,344
Owners' equity	410	12	1,023,487,425,136	897,558,157,344
Contributed capital	411	13	344,564,633,286	344,564,633,286
Retained profits	421		678,922,791,850	552,993,524,058
- Retained profits brought forward	421a		456,846,466,608	357,471,400,861
- Net profit for the current year	421b		222,076,325,242	195,522,123,197
TOTAL RESOURCES	440		1,026,537,755,371	917,117,139,513
(440 = 300 + 400)				

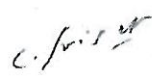
19 April 2019

Prepared by:


Aluri Chandra Sekhara Rao
Deputy General Director



Approved by:


Challa Srishant
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 2019

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	
			31/3/2019 VND	31/3/2018 VND
Revenue from sales of goods	01	16	896,938,535,431	1,051,577,724,890
Cost of sales	11	17	659,421,988,098	831,477,375,241
Gross profit (20 = 01 - 11)	20		237,516,547,333	220,100,349,649
Financial income	21	18	10,976,816,383	2,971,313,921
Financial expenses	22	19	850,121,196	5,154,788,271
<i>In which: Interest expense</i>	23		401,189,286	4,585,038,868
Selling expenses	25	20	15,012,772,365	16,611,348,070
General and administration expenses	26	21	6,980,699,136	8,049,404,032
Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		225,649,771,019	193,256,123,197
Other income	31		72,461,132	2,266,000,000
Other expenses	32		1,942,955,356	-
Results of other activities (40 = 31 - 32)	40		(1,870,494,224)	2,266,000,000
Accounting profit before tax (50 = 30 + 40)	50		223,779,276,795	195,522,123,197
Income tax expense – current	51	23	1,702,951,553	-
Income tax expense – deferred	52	23	-	-
Net profit after tax (60 = 50 - 51 - 52)	60		222,076,325,242	195,522,123,197

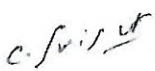
19 April 2019

Prepared by:


Aluri Chandra Sekhara Rao
Deputy General Director



Approved by:


Challa Srishant
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 2019 (Indirect method)

Form B 03 – DN

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

		For the year ended	
	Code Note	31/3/2019 VND	31/3/2018 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounting profit before tax	01	223,779,276,795	195,522,123,197
Adjustments for			
Depreciation	02	62,581,695,382	63,714,308,382
Exchange gains arising from revaluation of monetary items denominated in foreign currencies	04	(825,079,897)	(118,176,526)
Losses on disposals of fixed assets	05	-	4,876,556,763
Interest income	05	(8,025,635,885)	(586,988,316)
Interest expense	06	401,189,286	4,585,038,868
Operating profit before changes in working capital	08	277,911,445,681	267,992,862,368
Change in receivables	09	(82,992,460,615)	(3,344,002,501)
Change in inventories	10	(13,689,312,006)	28,248,984,028
Change in payables and other liabilities	11	(7,838,129,980)	(19,053,009,813)
Change in prepaid expenses	12	(1,378,481,188)	1,154,046,278
		172,013,061,892	274,998,880,360
Interest paid	14	(497,754,626)	(6,475,000,563)
Income tax paid	15	(1,336,185,094)	-
Net cash flows from operating activities	20	170,179,122,172	268,523,879,797
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets and other long-term assets	21	(2,802,363,686)	(46,956,457,706)
Proceeds from disposals of fixed assets	22	-	143,000,000
Receipts of interests	27	7,868,945,474	430,297,905
Net cash flows from investing activities	30	5,066,581,788	(46,383,159,801)

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 2019 (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 31/3/2019 VND	31/3/2018 VND
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments to settle loan principals	34		(9,128,000,000)	(145,831,012,500)
Payments of profits distribution	36		(96,147,057,450)	-
Net cash flows from financing activities	40		(105,275,057,450)	(145,831,012,500)
Net cash flows during the year (50 = 20 + 30 + 40)	50		69,970,646,510	76,309,707,496
Cash and cash equivalents at beginning of the year	60		110,698,499,025	34,388,791,529
Effect of exchange rate fluctuations on cash and cash equivalents	61		535,553,566	-
Cash and cash equivalents at end of the year (70 = 50 + 60 + 61)	70	4	181,204,699,101	110,698,499,025


19 April 2019

Prepared by:


Aluri Chandra Sekhara Rao
Deputy General Director



Approved by:


Challa Srishant
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 2019

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 2019, the Company had 170 employees (1/4/2018: 185 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 2019 (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 direct 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 2019 (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 2019 (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 2019 (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.

4. Cash and cash equivalents

	31/3/2019	1/4/2018
	VND	VND
Cash on hand	223,808,702	333,853,631
Cash in banks	95,980,890,399	44,364,645,394
Cash equivalents	85,000,000,000	66,000,000,000
	<hr/>	<hr/>
	181,204,699,101	110,698,499,025

Cash equivalents represented term deposits at banks with original terms to maturity of three months or less from their transactions dates and earned interest at rate of 5.5% per annum (2018: 5.4% - 5.5% per annum).

Ngon Coffee Company Limited**Notes to the financial statements for the year ended 31 March 2019 (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**

Accounts receivable from customers detailed by significant customers:

	31/3/2019	1/4/2018
	VND	VND
Opulency International Limited	184,562,936,076	55,117,886,080
MTV TNI Co., Ltd	44,560,236,000	5,932,740,500
Strauss Coffee B.V.	30,094,532,370	33,560,117,640
Mokate. Sp. Z.O.O	20,418,300,000	22,951,617,500
Top Choice Food International Joint Stock company	-	36,196,364,160
Quantum Import Export Company Limited	-	35,933,514,570
Other customers	28,166,336,450	27,900,662,440
	307,802,340,896	217,592,902,890

6. Inventories

	31/3/2019	1/4/2018
	VND	VND
Raw materials	68,649,297,400	23,638,807,828
Tools and supplies	17,477,035,030	16,985,502,797
Work in progress	-	541,212,290
Finished goods	39,197,090,585	70,468,588,094
	125,323,423,015	111,634,111,009

Ngon Coffee Company Limited

Notes to the financial statements for the year ended 31 March 2019 (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

Cost	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
Opening balance	174,964,722,638	531,279,358,621	1,860,016,363	2,058,713,545	710,162,811,167
Transfer from construction in progress	-	48,426,350,038	-	-	48,426,350,038
Closing balance	174,964,722,638	579,705,708,659	1,860,016,363	2,058,713,545	758,589,161,205
Accumulated depreciation					
Opening balance	40,366,584,373	244,045,330,089	1,641,315,111	1,916,932,585	287,970,162,158
Charge for the year	7,967,037,595	54,438,752,458	42,346,818	133,558,511	62,581,695,382
Closing balance	48,333,621,968	298,484,082,547	1,683,661,929	2,050,491,096	350,551,857,540
Net book value					
Opening balance	134,598,138,265	287,234,028,532	218,701,252	141,780,960	422,192,649,009
Closing balance	126,631,100,670	281,221,626,112	176,354,434	8,222,449	408,037,303,665

Included in the cost of tangible fixed assets were assets costing VND3,670 million which were fully depreciated as at 31 March 2019 (1/4/2018: VND1,931 million), but which are still in active use.

Ngon Coffee Company Limited**Notes to the financial statements for the year ended 31 March 2019 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***8. Long-term prepaid expenses**

	Tools and instruments VND
Opening balance	568,894,075
Additions	215,645,000
Transfer from construction in progress	1,706,368,137
Amortisation for the year	(416,391,764)
Closing balance	2,074,515,448

9. Accounts payable to suppliers

Accounts payable to suppliers detailed by significant suppliers:

	31/3/2019 Cost/ Amount within payment capacity VND	1/4/2018 Cost/ Amount within payment capacity VND
Bac Son Company Limited	757,020,000	1,329,224,903
Lan Khanh Imports Exports Company Limited	184,177,296	-
K Balaji	142,379,215	-
Olam Company Limited	-	1,216,452,000
Strauss Commodities AG	-	1,186,647,759
Other suppliers	85,571,984	2,326,330,225
	1,169,148,495	6,058,654,887

Ngon Coffee Company Limited
Notes to the financial statements for the year ended 31 March 2019 (continued)

Form B 09 – DN

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

10. Taxes payable to State Treasury

	1/4/2018 VND	Incurred VND	Net-off VND	Paid VND	31/3/2019 VND
Value added tax	3,389,026,212	28,419,200,130	(7,703,138,860)	(23,371,916,646)	733,170,836
Corporate income tax	-	1,702,951,553	-	(1,336,185,094)	366,766,459
Personal income tax	-	101,261,425	-	(101,261,425)	-
Foreign contractor tax	-	726,253,193	-	(726,253,193)	-
	3,389,026,212	30,949,666,301	(7,703,138,860)	(25,535,616,358)	1,099,937,295

11. Accrued expenses

	31/3/2019 VND	1/4/2018 VND
Professional fees	333,922,000	223,922,000
Bonus	120,000,000	120,000,000
Sale commissions	-	392,328,003
Interest expense	-	96,565,340
Others	223,063,406	59,485,590
	676,985,406	892,300,933

12. Changes in owners' equity

	Contributed capital VND	Retained profits VND	Total VND
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 1 April 2018	344,564,633,286	552,993,524,058	897,558,157,344
Profits distribution (Note 14)	-	(96,147,057,450)	(96,147,057,450)
Net profit for the year	-	222,076,325,242	222,076,325,242
Balance as at 31 March 2019	344,564,633,286	678,922,791,850	1,023,487,425,136

Ngon Coffee Company Limited
Notes to the financial statements for the year ended 31 March 2019 (continued)

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13. Contributed capital

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

	Authorised		Contributed		
	VND	USD equivalent	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 2019 and 1 April 2018 are as follows:

	31/3/2019			1/4/2018		
	VND	USD equivalent	%	VND	USD equivalent	%
CCL Products (India) Limited	344,564,633,286	17,000,000	100%	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%	344,564,633,286	17,000,000	100%

On 9 October 2018, all contributed capital of Jayanti Pte. Co., Ltd was transferred to CCL Products (India) Limited. The parent company, CCL Products (India) Limited, was incorporated in India.

14. Profits distribution

The Meeting of Members' Council of the Company on 2 January 2019 and 1 March 2019 resolved to distribute profits amounting to VND96,147 million (2018: nil).

15. Off balance sheet items

(a) Lease

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

	31/3/2019 VND	1/4/2018 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	361,519,830	371,515,770
	411,499,530	421,495,470

Ngon Coffee Company Limited
Notes to the financial statements for the year ended 31 March 2019 (continued)

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(b) Foreign currencies

	31/3/2019		1/4/2018	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	3,140,592	72,704,705,031	201,720	4,585,106,510
EUR	50	1,298,750	50	1,389,450
		<hr/>		<hr/>
		72,706,003,781		4,586,495,960
		<hr/>		<hr/>

16. 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	
	31/3/2019 VND	31/3/2018 VND
Total revenue		
▪ Sales of finished goods	888,187,085,911	862,220,331,224
▪ Sales of merchandise goods	8,751,449,520	189,357,393,666
	<hr/>	<hr/>
	896,938,535,431	1,051,577,724,890
	<hr/>	<hr/>

17. Cost of sales

	For the year ended	
	31/3/2019 VND	31/3/2018 VND
Finished goods sold	652,066,287,078	647,142,934,064
Merchandise goods sold	7,355,701,020	184,334,441,177
	<hr/>	<hr/>
	659,421,988,098	831,477,375,241
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Ngon Coffee Company Limited**Notes to the financial statements for the year ended 31 March 2019 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***18. Financial income**

	For the year ended	
	31/3/2019	31/3/2018
	VND	VND
Interest income from term deposits at banks	7,984,895,171	561,802,255
Interest income from current accounts	40,740,714	25,186,061
Realised foreign exchange gains	2,126,100,601	2,266,149,079
Unrealised foreign exchange gains	825,079,897	118,176,526
	<hr/>	<hr/>
	10,976,816,383	2,971,313,921
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19. Financial expenses

	For the year ended	
	31/3/2019	31/3/2018
	VND	VND
Interest expense	401,189,286	4,585,038,868
Realised foreign exchange losses	448,931,910	569,749,403
	<hr/>	<hr/>
	850,121,196	5,154,788,271
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20. Selling expenses

	For the year ended	
	31/3/2019	31/3/2018
	VND	VND
Transportation expenses	14,041,283,917	15,981,733,295
Sales commissions	517,354,501	252,642,343
Others	454,133,947	376,972,432
	<hr/>	<hr/>
	15,012,772,365	16,611,348,070
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Ngon Coffee Company Limited**Notes to the financial statements for the year ended 31 March 2019 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***21. General and administration expenses**

	For the year ended	
	31/3/2019	31/3/2018
	VND	VND
Staff costs	2,184,957,887	2,334,351,809
Depreciation	1,418,571,204	1,169,700,907
Taxes, fees and other charges	387,996,061	1,075,306,004
Outside services	1,430,639,753	1,395,643,583
Others	1,558,534,231	2,074,401,729
	6,980,699,136	8,049,404,032

22. Production and business costs by elements

	For the year ended	
	31/3/2019	31/3/2018
	VND	VND
Raw material costs included in production costs and cost of merchandise goods	561,189,715,584	734,229,026,342
Labour costs and staff costs	15,654,783,066	13,955,692,525
Depreciation	62,581,695,382	63,714,308,382
Outside services	23,453,185,783	23,735,478,825
Other expenses	18,536,079,784	20,503,621,269

23. Income tax**(a) Reconciliation of effective tax rate**

	For the year ended	
	31/3/2019	31/3/2018
	VND	VND
Accounting profit before tax	223,779,276,795	195,522,123,197
Tax at the Company's tax rate	22,377,927,680	19,552,212,320
Non-deductible expenses	154,048,302	178,507,077
Tax incentives	(20,829,024,429)	(19,730,719,397)
	1,702,951,553	-

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Notes to the financial statements for the year ended 31 March 2019 (continued)

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(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). However, according to Official Letter No. 1560/CT-TTHT dated 5 June 2018 issued by the Tax Department of Dak Lak Province, the Company is also entitled to be exempt from income tax for entire project life for taxable profits from manufacturing instant coffee from 2015 onwards.

The above tax incentives are not applied to other income, which is taxed at usual income tax rate. The usual income tax rate applicable to enterprises before any incentives is 20%.

24. Significant transactions with related parties

In addition to related party balances disclosed in other notes to the financial statements, the Company had the following significant transactions with the related parties during the year:

	Transaction value for the year ended	
	31/3/2019	31/3/2018
	VND	VND
<i>Parent company</i>		
CCL Products (India) Limited		
Profits distribution	96,147,057,450	-
<i>Other related party</i>		
Board of Directors		
Compensation	714,501,000	1,024,234,295

25. Corresponding figures

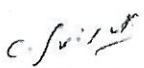
Corresponding figures as at 1 April 2018 were derived from the balances and amounts reported in the Company's financial statements as at and for the year ended 31 March 2019.

Prepared by:


Aluri Chandra Sekhara Rao
Deputy General Director



Approved by:


Challa Srishant
General Director