

Ngon Coffee Company Limited

Financial Statements for the year ended
31 March 2022



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 4 March 2022. 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.

Enterprise Registration Certificate No.

6000916516

3 February 2009

The Company's Enterprise Registration Certificate has been amended several times, the most recent of which is by the Enterprise Registration Certificate No. 6000916516 dated 11 October 2018. The Company's Enterprise 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 |
| Mr. Vipin K Singal | Member |

Board of Directors

| | |
|-------------------------------|-------------------------|
| Mr. Challa Srishant | General Director |
| Mr. Aluri Chandra Sekhara Rao | Deputy General Director |
| Mr. Naga Bhairava Sudhakar | Deputy General Director |

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 2022.

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 27 give a true and fair view of the financial position of the Company as at 31 March 2022, 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. Naga Bhairava Sudhakar
Deputy General Director

Dak Lak Province, 28 April 2022



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115 Nguyen Hue Street, Ben Nghe Ward
District 1, Ho Chi Minh City, Vietnam
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INDEPENDENT AUDITOR'S REPORT

To the Investor 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 2022, 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 28 April 2022, as set out on pages 5 to 27.

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 2022 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.: 22-01-00097-22-1



Chang Hung Chun
Practicing Auditor Registration
Certificate No. 0863-2018-007-1
Deputy General Director

Nguyen Anh Tuan
Practicing Auditor Registration
Certificate No. 0436-2018-007-1

Ho Chi Minh City, 28-04-2022

Ngon Coffee Company Limited
Balance sheet as at 31 March 2022

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

| | Code | Note | 31/3/2022 VND | 1/4/2021 VND |
|---|------------|----------|--------------------------|------------------------|
| ASSETS | | | | |
| Current assets (100 = 110 + 130 + 140 + 150) | 100 | | 759,477,468,161 | 488,993,198,566 |
| Cash | 110 | 4 | 51,839,740,571 | 21,347,646,104 |
| Cash | 111 | | 51,839,740,571 | 21,347,646,104 |
| Accounts receivable – short-term | 130 | | 451,821,579,651 | 304,196,791,872 |
| Accounts receivable from customers | 131 | 5 | 327,586,401,497 | 300,082,357,776 |
| Prepayments to suppliers | 132 | 6 | 123,508,954,154 | 3,386,899,904 |
| Other receivables | 136 | | 726,224,000 | 727,534,192 |
| Inventories | 140 | 7 | 240,118,998,815 | 148,168,424,417 |
| Other current assets | 150 | | 15,697,149,124 | 15,280,336,173 |
| Deductible value added tax | 152 | | 15,405,964,344 | 15,020,191,261 |
| Taxes receivables from State Treasury | 153 | | 291,184,780 | 260,144,912 |
| Long-term assets (200 = 220 + 240 + 260) | 200 | | 561,390,115,211 | 471,444,396,606 |
| Fixed assets | 220 | | 516,430,619,278 | 283,042,936,324 |
| Tangible fixed assets | 221 | 8 | 516,430,619,278 | 283,042,936,324 |
| Cost | 222 | | 1,072,530,820,441 | 763,632,471,276 |
| Accumulated depreciation | 223 | | (556,100,201,163) | (480,589,534,952) |
| Long-term work in progress | 240 | | 40,411,398,877 | 187,464,994,854 |
| Construction in progress | 242 | 9 | 40,411,398,877 | 187,464,994,854 |
| Other long-term assets | 260 | | 4,548,097,056 | 936,465,428 |
| Long-term prepaid expenses | 261 | 10 | 4,548,097,056 | 936,465,428 |
| TOTAL ASSETS (270 = 100 + 200) | 270 | | 1,320,867,583,372 | 960,437,595,172 |

The accompanying notes are an integral part of these financial statements

Ngon Coffee Company Limited
Balance sheet as at 31 March 2022 (continued)

Form B 01 – DN

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

| | Code | Note | 31/3/2022 VND | 1/4/2021 VND |
|--|------------|-----------|--------------------------|------------------------|
| RESOURCES | | | | |
| LIABILITIES (300 = 310) | 300 | | 346,557,051,155 | 108,707,523,711 |
| Current liabilities | 310 | | 346,557,051,155 | 108,707,523,711 |
| Accounts payable to suppliers | 311 | 11 | 15,761,147,143 | 12,917,448,351 |
| Advances from customers | 312 | | 868,882,500 | - |
| Taxes payable to State Treasury | 313 | 12 | 47,563,196 | - |
| Payables to employees | 314 | | 1,593,999,626 | - |
| Accrued expenses | 315 | 13 | 1,848,285,730 | 2,792,706,400 |
| Other payables | 319 | 14 | 113,040,541,768 | - |
| Short-term borrowings | 320 | 15 | 213,396,631,192 | 92,997,368,960 |
| EQUITY (400 = 410) | 400 | | 974,310,532,217 | 851,730,071,461 |
| Owner's equity | 410 | 16 | 974,310,532,217 | 851,730,071,461 |
| Contributed capital | 411 | 17 | 530,000,000,000 | 530,000,000,000 |
| Retained profits | 421 | | 444,310,532,217 | 321,730,071,461 |
| - Retained profits brought forward | 421a | | 129,460,071,461 | 52,690,133,280 |
| - Retained profit for the current year | 421b | | 314,850,460,756 | 269,039,938,181 |
| TOTAL RESOURCES (440 = 300 + 400) | 440 | | 1,320,867,583,372 | 960,437,595,172 |

28 April 2022

Prepared by:



Aluri Chandra Sekhara Rao
Deputy General Director



Approved by:



Naga Bhairava Sudhakar
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 2022

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 31/3/2022 VND | 31/3/2021 VND |
|---|-----------|-----------|--|--------------------------|
| Revenue from sales of goods | 01 | 20 | 1,400,329,050,306 | 1,184,780,595,837 |
| Revenue deductions | 02 | 20 | 5,443,762,500 | 101,997,789 |
| Net revenue (10 = 01 - 02) | 10 | 20 | 1,394,885,287,806 | 1,184,678,598,048 |
| Cost of sales | 11 | 21 | 1,013,151,838,940 | 861,103,401,892 |
| Gross profit (20 = 10 - 11) | 20 | | 381,733,448,866 | 323,575,196,156 |
| Financial income | 21 | 22 | 2,319,113,790 | 3,627,777,014 |
| Financial expenses | 22 | 23 | 3,588,188,205 | 6,789,060,600 |
| <i>In which: Interest expense</i> | 23 | | 1,308,206,955 | 351,678,841 |
| Selling expenses | 25 | 24 | 50,657,283,957 | 41,788,083,558 |
| General and administration expenses | 26 | 25 | 10,006,973,872 | 6,805,274,309 |
| Net operating profit {30 = 20 + (21 - 22) - (25 + 26)} | 30 | | 319,800,116,622 | 271,820,554,703 |
| Other income | 31 | | 783,095,667 | 115,699,901 |
| Other expenses | 32 | | 5,732,751,533 | 3,151,638,540 |
| Results of other activities (40 = 31 - 32) | 40 | | (4,949,655,866) | (3,035,938,639) |
| Accounting profit before tax (50 = 30 + 40) | 50 | | 314,850,460,756 | 268,784,616,064 |
| Income tax expense – current | 51 | 27 | - | (255,322,117) |
| Income tax expense – deferred | 52 | 27 | - | - |
| Net profit after tax (60 = 50 - 51 - 52) | 60 | | 314,850,460,756 | 269,039,938,181 |

28 April 2022

Prepared by:



Aluri Chandra Sekhara Rao
Deputy General Director



Approved by:



Naga Bhairava Sudhakar
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 2022 (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 31/3/2022 VND | 31/3/2021 VND |
|--|------|------|--|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Accounting profit before tax | 01 | | 314,850,460,756 | 268,784,616,064 |
| Adjustments for | | | | |
| Depreciation | 02 | | 75,510,666,211 | 65,644,394,489 |
| Exchange (gains)/losses arising from revaluation of monetary items denominated in foreign currencies | 04 | | (802,241,960) | 1,388,136,776 |
| Interest income | 05 | | (2,967,467) | (12,040,026) |
| Interest expense | 06 | | 1,308,206,955 | 351,678,841 |
| Operating profit before changes in working capital | 08 | | 390,864,124,495 | 336,156,786,144 |
| Change in receivables | 09 | | (28,060,242,576) | (154,694,988,249) |
| Change in inventories | 10 | | (91,950,574,398) | 11,784,392,155 |
| Change in payables and other liabilities | 11 | | 14,177,746,078 | (1,384,071,939) |
| Change in prepaid expenses | 12 | | (2,395,566,628) | 772,524,685 |
| | | | 282,635,486,971 | 192,634,642,796 |
| Interest paid | 14 | | (1,308,206,955) | (351,678,841) |
| Income tax paid | 15 | | - | (25,583,153) |
| Net cash flows from operating activities | 20 | | 281,327,280,016 | 192,257,380,802 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Payments for additions to fixed assets and other long-term assets | 21 | | (291,996,425,370) | (112,052,009,255) |
| Receipts of interests | 27 | | 2,967,467 | 12,040,026 |
| Net cash flows from investing activities | 30 | | (291,993,457,903) | (112,039,969,229) |

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 2022
(Indirect method – continued)

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 | 31/3/2022 VND | 31/3/2021 VND |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from borrowings | 33 | 338,108,057,252 | 143,532,742,622 |
| Payments to settle loan principals | 34 | (220,020,021,674) | (50,701,946,590) |
| Payments of profits distribution | 36 | (79,270,000,000) | (195,330,000,000) |
| Net cash flows from financing activities | 40 | 38,818,035,578 | (102,499,203,968) |
| Net cash flows during the year (50 = 20 + 30 + 40) | 50 | 28,151,857,691 | (22,281,792,395) |
| Cash at beginning of the year | 60 | 21,347,646,104 | 44,762,212,609 |
| Effect of exchange rate fluctuations on cash | 61 | 2,340,236,776 | (1,132,774,110) |
| Cash at end of the year (70 = 50 + 60 + 61) | 70 4 | 51,839,740,571 | 21,347,646,104 |

28 April 2022

Prepared by:

Aluri Chandra Sekhara Rao
Deputy General Director



Approved by:

Naga Bhairava Sudhakar
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 2022

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 2022, the Company had 237 employees (1/4/2021: 202 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.

(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

Cash comprises cash balances and call deposits

(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 estimated costs to sell.

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 2022 (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 years |
| ▪ motor vehicles | 5 years |
| ▪ office equipment | 5 years |

(f) Construction in progress

Construction in progress represents the costs of tangible and intangible fixed assets which have not been fully completed or installed. No depreciation is provided for construction in progress during the period of construction and 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 2022 (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.

(ii) Interest income

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

Ngon Coffee Company Limited**Notes to the financial statements for the year ended 31 March 2022 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***(m) Leases payment**

Leases in terms of which the Company, as lessee, does not assume substantially all the risks and rewards of ownership are classified as operating leases and are not recognised in the Company's balance sheet.

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, over the term of the lease.

(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 the construction of qualifying assets, in which case the borrowing costs incurred during the period of construction are capitalized as part of the cost of the assets 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.

(p) Comparative information

Comparative information in these financial statements is presented as corresponding figures. Under this method, comparative information for the prior year are included as an integral part of the current year financial statements and are intended to be read only in relation to the amounts and other disclosures relating to the current year. Accordingly, the comparative information included in these financial statements is not intended to present the Company's financial position, results of operation or cash flows for the prior year.

4. Cash

| | 31/3/2022 VND | 1/4/2021 VND |
|---------------|--------------------------------|-------------------------------|
| Cash on hand | 103,324,233 | 7,715,350 |
| Cash in banks | 51,736,416,338 | 21,339,930,754 |
| | <hr/> | <hr/> |
| | 51,839,740,571 | 21,347,646,104 |

Ngon Coffee Company Limited**Notes to the financial statements for the year ended 31 March 2022 (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**

| | 31/3/2022 VND | 1/4/2021 VND |
|------------------------------|--------------------------------|-------------------------------|
| Strauss Coffee B.V | 109,639,313,507 | 107,905,531,670 |
| Ground Up Coffee & Tea LLC | 64,649,962,208 | 105,615,946,716 |
| MTV TNI Co., Ltd | 11,047,389,050 | 10,153,966,300 |
| FES (Vietnam) Co., Ltd | 26,683,826,652 | - |
| Empire Manufacturing Sdn Bhd | 25,878,477,600 | - |
| PT. Harum Alam Segar | - | 34,725,078,000 |
| Other customers | 89,687,432,480 | 41,681,835,090 |
| | 327,586,401,497 | 300,082,357,776 |

Accounts receivables from customers at 31 March 2022 included VND327,586 million (1/4/2021: VND300,082 million) were pledged with banks as security for loans granted to the Company (Note 15).

6. Prepayments to suppliers

| | 31/3/2022 VND | 1/4/2021 VND |
|---|--------------------------------|-------------------------------|
| Martech Company Limited | 15,206,902,727 | 53,279,270 |
| Leogap Industria e Comercio de Maquinas LTDA (Probat Leogap) | 10,344,134,272 | - |
| Peb Steel Buildings Co., Ltd | 10,326,900,000 | 325,000,000 |
| The Dairy Products Machinery & Co., Ltd. Of Dasanyuan Heilongjiang Province | 8,465,472,000 | - |
| GEA Westfalia Separator (S.E.A.) PTE. LTD. | 35,962,267 | 814,677,039 |
| Other suppliers | 79,129,582,888 | 2,193,943,595 |
| | 123,508,954,154 | 3,386,899,904 |

Ngon Coffee Company Limited**Notes to the financial statements for the year ended 31 March 2022 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***7. Inventories**

| | 31/3/2022 | 1/4/2021 |
|------------------------------|------------------|-----------------|
| | VND | VND |
| Raw materials | 150,013,273,318 | 84,105,344,688 |
| Tools and supplies | 19,797,578,168 | 21,281,394,443 |
| Work in progress | 6,072,942,964 | 4,819,194,032 |
| Outward goods on consignment | 25,433,477,981 | - |
| Finished goods | 38,801,726,384 | 37,962,491,254 |
| | <hr/> | <hr/> |
| | 240,118,998,815 | 148,168,424,417 |

At 31 March 2022, inventories with a carrying value of VND240,119 million (1/4/2021: VND148,168 million) were pledged with banks as security for loans granted to the Company (Note 15).

Ngon Coffee Company Limited
Notes to the financial statements for the year ended 31 March 2022 (continued)

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

8. Tangible fixed assets

| Cost | Buildings and structures VND | Machinery and equipment VND | Motor Vehicles VND | Office equipment VND | Total VND |
|---|---|--|-----------------------------------|-------------------------------------|----------------------|
| Opening balance | 175,220,309,820 | 584,493,431,548 | 1,860,016,363 | 2,058,713,545 | 763,632,471,276 |
| Additions | 15,348,219,935 | 94,453,574,725 | - | - | 109,801,794,660 |
| Transfer from construction in progress (Note 9) | 28,605,682,831 | 170,490,871,674 | - | - | 199,096,554,505 |
| Closing balance | 219,174,212,586 | 849,437,877,947 | 1,860,016,363 | 2,058,713,545 | 1,072,530,820,441 |
| Accumulated depreciation | | | | | |
| Opening balance | 62,547,235,622 | 414,123,569,422 | 1,860,016,363 | 2,058,713,545 | 480,589,534,952 |
| Charge for the year | 8,835,915,448 | 66,674,750,763 | - | - | 75,510,666,211 |
| Closing balance | 71,383,151,070 | 480,798,320,185 | 1,860,016,363 | 2,058,713,545 | 556,100,201,163 |
| Net book value | | | | | |
| Opening balance | 112,673,074,198 | 170,369,862,126 | - | - | 283,042,936,324 |
| Closing balance | 147,791,061,516 | 368,639,557,762 | - | - | 516,430,619,278 |

Included in the cost of tangible fixed assets were assets costing VND13,534 million which were fully depreciated as at 31 March 2022 (1/4/2021: VND4,535 million), but which are still in active use.

Ngon Coffee Company Limited**Notes to the financial statements for the year ended 31 March 2022 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***9. Construction in progress**

| | For the year ended | |
|--|---------------------------|------------------|
| | 31/3/2022 | 31/3/2021 |
| | VND | VND |
| Opening balance | 187,464,994,854 | 1,674,213,952 |
| Additions | 53,259,023,528 | 191,127,701,402 |
| Transfer to tangible fixed assets (Note 8) | (199,096,554,505) | (5,336,920,500) |
| Transfer to long-term prepaid expenses (Note 10) | (1,216,065,000) | - |
| Closing balance | 40,411,398,877 | 187,464,994,854 |

10. Long-term prepaid expenses

| | Tools and instruments VND |
|---|--|
| Opening balance | 936,465,428 |
| Additions | 3,609,679,200 |
| Transfer from construction in progress (Note 9) | 1,216,065,000 |
| Amortisation for the year | (1,214,112,572) |
| Closing balance | 4,548,097,056 |

11. Accounts payable to suppliers**Accounts payable to suppliers detailed by significant suppliers**

| | Cost and amount within payment capacity | |
|--|--|-----------------|
| | 31/3/2022 | 1/4/2021 |
| | VND | VND |
| Strauss Commodities AG | 9,099,317,500 | - |
| Bac Son Company Limited | 1,514,501,660 | 1,307,587,087 |
| DNK Trading & Technical Services Company Limited | 931,584,067 | 1,281,584,067 |
| M/s Ssp Private Limited | - | 8,648,671,461 |
| Other suppliers | 4,215,743,916 | 1,679,605,736 |
| | 15,761,147,143 | 12,917,448,351 |

Ngon Coffee Company Limited

Notes to the financial statements for the year ended 31 March 2022 (continued)

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12. Taxes payable to State Treasury

| | 1/4/2021 VND | Incurred VND | Netted-off VND | Paid VND | 31/3/2022 VND |
|------------------------|-------------------------|-------------------------|---------------------------|---------------------|--------------------------|
| Value added tax | - | 20,860,989,964 | (20,860,989,964) | - | - |
| Personal income tax | - | 169,338,980 | - | (155,544,789) | 13,794,191 |
| Foreign contractor tax | - | 7,191,181,393 | - | (7,157,412,388) | 33,769,005 |
| | - | 28,221,510,337 | (20,860,989,964) | (7,312,957,177) | 47,563,196 |

Ngon Coffee Company Limited**Notes to the financial statements for the year ended 31 March 2022 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***13. Accrued expenses**

| | 31/3/2022 VND | 1/4/2021 VND |
|---------------------|--------------------------|-------------------------|
| Transportation fees | 281,318,710 | 1,500,000,000 |
| Professional fees | 422,490,800 | 378,706,400 |
| Bonus | - | 270,000,000 |
| Others | 1,144,476,220 | 644,000,000 |
| | 1,848,285,730 | 2,792,706,400 |

14. Other payables

| | 31/3/2022 VND | 1/4/2021 VND |
|------------------------------|--------------------------|-------------------------|
| Profits distribution payable | 113,000,000,000 | - |
| Others | 40,541,768 | - |
| | 113,040,541,768 | - |

15. Short-term borrowings

| | 1/4/2021 VND | Movement during the year | | | 31/3/2022 VND |
|----------------------------------|-------------------------|---------------------------------|-------------------------|----------------------------|--------------------------|
| | | Addition VND | Decrease VND | Revaluation VND | |
| Short-term borrowings | 92,997,368,960 | 338,108,057,252 | (220,020,021,674) | 2,311,226,654 | 213,396,631,192 |
| Amount within repayment capacity | 92,997,368,960 | | | | 213,396,631,192 |

The short-term borrowings are secured by assets as disclosed in Note 5, Note 7 and born interest at rates ranging from 0.7% to 1.5% (year ended 31 March 2021: 1% to 1.5%) per annum.



Ngon Coffee Company Limited**Notes to the financial statements for the year ended 31 March 2022 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***16. Changes in owner's equity**

| | Contributed capital VND | Retained profits VND | Total VND |
|------------------------------------|------------------------------------|---------------------------------|----------------------|
| Balance as at 1 April 2020 | 530,000,000,000 | 248,020,133,280 | 778,020,133,280 |
| Net profit for the year | - | 269,039,938,181 | 269,039,938,181 |
| Profits distribution (Note 18) | - | (195,330,000,000) | (195,330,000,000) |
| Balance as at 1 April 2021 | 530,000,000,000 | 321,730,071,461 | 851,730,071,461 |
| Net profit for the year | - | 314,850,460,756 | 314,850,460,756 |
| Profits distribution (Note 18) | - | (192,270,000,000) | (192,270,000,000) |
| Balance as at 31 March 2022 | 530,000,000,000 | 444,310,532,217 | 974,310,532,217 |

17. Contributed capital

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

| | 31/3/2022 and 1/4/2021 Authorised and contributed | |
|--|--|-----------------------|
| | VND | USD equivalent |
| CCL Products (India) Limited, is incorporated in India | 530,000,000,000 | 25,000,000 |

18. Profits distribution

The Meeting of Members' Council of the Company on 12 January 2022 resolved to distribute profits amounting to VND192,270 million (year ended 31 March 2021: VND195,330 million).

Ngon Coffee Company Limited**Notes to the financial statements for the year ended 31 March 2022 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***19. Off balance sheet items****(a) Lease**

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

| | 31/3/2022 VND | 1/4/2021 VND |
|--------------------------|--------------------------------|-------------------------------|
| Within one year | 15,993,504 | 15,993,504 |
| Within two to five years | 63,974,016 | 63,974,016 |
| More than five years | 530,451,216 | 546,444,720 |
| | <hr/> | <hr/> |
| | 610,418,736 | 626,412,240 |
| | <hr/> | <hr/> |

(b) Foreign currency

| | 31/3/2022 | | 1/4/2021 | |
|-----|------------------------------|---------------------------|------------------------------|---------------------------|
| | Original currency | VND equivalent | Original currency | VND equivalent |
| USD | 1,534,873 | 34,872,324,557 | 154,181 | 3,543,082,367 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

(c) Capital expenditure commitments

At reporting date, the Company had the following outstanding capital commitments approved but not provided for in the balance sheet:

| | 31/3/2022 VND | 1/4/2021 VND |
|-----------------------------|--------------------------------|-------------------------------|
| Approved but not contracted | 266,979,701,210 | 7,101,052,018 |
| Approved and contracted | 201,637,062,005 | - |
| | <hr/> | <hr/> |
| | 468,616,763,215 | 7,101,052,018 |
| | <hr/> | <hr/> |

Ngon Coffee Company Limited**Notes to the financial statements for the year ended 31 March 2022 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***20. Revenue from sales of goods**

| | For the year ended | |
|------------------------------|---------------------------|-------------------|
| | 31/3/2022 | 31/3/2021 |
| | VND | VND |
| Total revenue | | |
| ▪ Sales of finished goods | 1,400,329,050,306 | 1,183,896,447,087 |
| ▪ Sales of merchandise goods | - | 884,148,750 |
| | <hr/> | <hr/> |
| | 1,400,329,050,306 | 1,184,780,595,837 |
| | <hr/> | <hr/> |
| Less revenue deductions | | |
| ▪ Sales discounts | - | 101,997,789 |
| ▪ Sales returns | 5,443,762,500 | - |
| | <hr/> | <hr/> |
| | 5,443,762,500 | 101,997,789 |
| | <hr/> | <hr/> |
| | 1,394,885,287,806 | 1,184,678,598,048 |
| | <hr/> | <hr/> |

21. Cost of sales

| | For the year ended | |
|------------------------|---------------------------|------------------|
| | 31/3/2022 | 31/3/2021 |
| | VND | VND |
| Finished goods sold | 1,013,151,838,940 | 860,221,913,965 |
| Merchandise goods sold | - | 881,487,927 |
| | <hr/> | <hr/> |
| | 1,013,151,838,940 | 861,103,401,892 |
| | <hr/> | <hr/> |

Ngon Coffee Company Limited**Notes to the financial statements for the year ended 31 March 2022 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***22. Financial income**

| | For the year ended | |
|---------------------------------------|---------------------------|------------------|
| | 31/3/2022 | 31/3/2021 |
| | VND | VND |
| Interest income from current accounts | 2,967,467 | 12,040,026 |
| Realised foreign exchange gains | 1,513,904,363 | 3,615,736,988 |
| Unrealised foreign exchange gains | 802,241,960 | - |
| | <hr/> | <hr/> |
| | 2,319,113,790 | 3,627,777,014 |
| | <hr/> | <hr/> |

23. Financial expenses

| | For the year ended | |
|------------------------------------|---------------------------|------------------|
| | 31/3/2022 | 31/3/2021 |
| | VND | VND |
| Interest expense | 1,308,206,955 | 351,678,841 |
| Realised foreign exchange losses | 2,279,981,250 | 5,049,244,983 |
| Unrealised foreign exchange losses | - | 1,388,136,776 |
| | <hr/> | <hr/> |
| | 3,588,188,205 | 6,789,060,600 |
| | <hr/> | <hr/> |

24. Selling expenses

| | For the year ended | |
|-------------------------|---------------------------|------------------|
| | 31/3/2022 | 31/3/2021 |
| | VND | VND |
| Transportation expenses | 46,266,980,669 | 39,213,804,101 |
| Sales commissions | 3,181,547,778 | 1,720,812,466 |
| Others | 1,208,755,510 | 853,466,991 |
| | <hr/> | <hr/> |
| | 50,657,283,957 | 41,788,083,558 |
| | <hr/> | <hr/> |

Ngon Coffee Company Limited**Notes to the financial statements for the year ended 31 March 2022 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***25. General and administration expenses**

| | For the year ended | |
|-------------------------------|---------------------------|----------------------|
| | 31/3/2022 | 31/3/2021 |
| | VND | VND |
| Staff costs | 3,472,956,528 | 2,653,802,644 |
| Depreciation | 3,436,780 | 999,996 |
| Taxes, fees and other charges | 319,466,470 | 112,930,076 |
| Outside services | 2,313,356,029 | 1,872,047,411 |
| Others | 3,897,758,065 | 2,165,494,182 |
| | 10,006,973,872 | 6,805,274,309 |

26. Production and business costs by elements

| | For the year ended | |
|---|---------------------------|------------------|
| | 31/3/2022 | 31/3/2021 |
| | VND | VND |
| Raw material costs included in production costs and cost of merchandise goods | 913,527,147,484 | 774,744,181,274 |
| Labour costs and staff costs | 27,590,418,553 | 23,369,628,769 |
| Depreciation | 75,510,666,211 | 65,644,394,489 |
| Outside services | 48,580,336,698 | 41,085,851,512 |
| Other expenses | 8,607,527,823 | 4,852,703,715 |

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

| | For the year ended | |
|-------------------------------|---------------------------|----------------------|
| | 31/3/2022 | 31/3/2021 |
| | VND | VND |
| Accounting profit before tax | 314,850,460,756 | 268,784,616,064 |
| Tax at the Company's tax rate | 31,485,046,076 | 26,878,461,606 |
| Non-deductible expenses | 1,524,243,937 | 635,892,892 |
| Tax exempt income | (33,009,290,013) | (27,514,354,498) |
| Over provision in prior years | - | (255,322,117) |
| | - | (255,322,117) |

Ngon Coffee Company Limited**Notes to the financial statements for the year ended 31 March 2022 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***(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%.

28. 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 | |
|-------------------------------------|---|------------------|
| | 31/3/2022 | 31/3/2021 |
| | VND | VND |
| <i>Parent company</i> | | |
| CCL Products (India) Limited | | |
| Profits distribution (Note 15) | 192,270,000,000 | 195,330,000,000 |
| <i>Other related party</i> | | |
| Board of Directors | | |
| Compensation | 605,270,066 | 395,143,318 |

29. Non-cash investing activities

| | Transaction value for the year ended | |
|--|---|------------------|
| | 31/3/2022 | 31/3/2021 |
| | VND | VND |
| Acquisition of fixed assets but not yet paid | 1,435,570,214 | 11,094,682,699 |

Ngon Coffee Company Limited

Notes to the financial statements for the year ended 31 March 2022 (continued)

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

30. Comparative information

Comparative information as at 1 April 2021 was derived from the balances and amounts reported in the Company's financial statements as at and for the year ended 31 March 2021.

28 April 2022

Prepared by:   Approved by: 

Aluri Chandra Sekhara Rao
Deputy General Director

Naga Bhairava Sudhakar
Deputy General Director