



KPMG'S COPY

Ngon Coffee Company Limited

Financial Statements for the year ended
31 March 2023

Ngon Coffee Company Limited
Corporate Information

Investment Certificate No. 401043000062

3 February 2009

The Investment Certificate has been amended several times, the most recent of which is by the Investment Registration Certificate No. 401043000062 dated 4 March 2022. The Investment Certificate, Investment Registration Certificate and their 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 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 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. Naga Bhairava Sudhakar	Member
Mr. Challa Srishant	Member
Mr. Aluri Chandra Sekhara Rao	Member
Mr. Bandi Mohan Krishna	Member
Mr. Vipin K Singal	Member
Ms. Aluri Renuka	Member

(from 15 March 2023)

Board of Directors

Mr. Challa Srishant	General Director
Mr. Aluri Chandra Sekhara Rao	Deputy General Director
Mr. Naga Bhairava Sudhakar	Deputy General Director
Mr. Shyam Sunder	Deputy General Director

(from 28 April 2022)

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

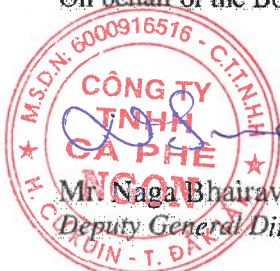
The Board of Directors of Ngon Coffee Company Limited ("the Company") presents this statement and the accompanying financial statements of the Company for the year ended 31 March 2023.

The Company's 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 Company's 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 2023, 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; 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 Company's Board of Directors has, on the date of this statement, authorised the accompanying financial statements for issue.

On behalf of the Board of Directors:



[Signature]
Mr. Naga Bhairava Sudhakar
Deputy General Director

Dak Lak Province, 5 May 2023



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 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 2023, 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 5 May 2023, 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 2023 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.: 23-01-00112-23-1

Nguyen Thuy Ninh
Practicing Auditor Registration
Certificate No. 4623-2023-007-1
Deputy General Director

Ho Chi Minh City, 5 May 2023

Trieu Tich Quyen
Practicing Auditor Registration
Certificate No. 4629-2023-007-1

Ngon Coffee Company Limited
Balance sheet as at 31 March 2023

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

	Code	Note	31/3/2023 VND	1/4/2022 VND
ASSETS				
Current assets (100 = 110 + 130 + 140 + 150)	100		1,136,139,401,416	759,477,468,161
Cash	110	4	101,483,905,175	51,839,740,571
Cash	111		101,483,905,175	51,839,740,571
Accounts receivable – short-term	130		599,775,206,212	451,821,579,651
Accounts receivable from customers	131	5	564,509,193,951	327,586,401,497
Prepayments to suppliers	132	6	34,439,697,261	123,508,954,154
Other short-term receivables	136		826,315,000	726,224,000
Inventories	140	7	373,253,137,407	240,118,998,815
Inventories	141		373,253,137,407	240,118,998,815
Other current assets	150		61,627,152,622	15,697,149,124
Short-term prepaid expenses	151		522,500,006	-
Deductible value added tax	152		60,809,267,814	15,405,964,344
Taxes receivable from State Treasury	153		295,384,802	291,184,780
Long-term assets (200 = 210 + 220 + 240 + 260)	200		1,168,912,482,069	561,390,115,211
Accounts receivable – long-term	210		7,459,874,600	-
Other long-term receivables	216		7,459,874,600	-
Fixed assets	220		1,127,713,017,096	516,430,619,278
Tangible fixed assets	221	8	1,127,713,017,096	516,430,619,278
Cost	222		1,757,168,198,489	1,072,530,820,441
Accumulated depreciation	223		(629,455,181,393)	(556,100,201,163)
Long-term work in progress	240		27,037,441,212	40,411,398,877
Construction in progress	242	9	27,037,441,212	40,411,398,877
Other long-term assets	260		6,702,149,161	4,548,097,056
Long-term prepaid expenses	261	10	6,702,149,161	4,548,097,056
TOTAL ASSETS (270 = 100 + 200)	270		2,305,051,883,485	1,320,867,583,372

The accompanying notes are an integral part of these financial statements

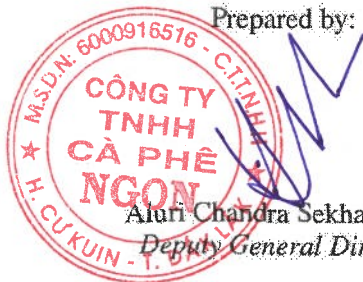
Ngon Coffee Company Limited
Balance sheet as at 31 March 2023 (continued)

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

	Code	Note	31/3/2023 VND	1/4/2022 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		917,404,874,485	346,557,051,155
Current liabilities	310		444,030,271,855	346,557,051,155
Accounts payable to suppliers	311	11	58,128,257,435	15,761,147,143
Advances from customers	312		-	868,882,500
Taxes payable to State Treasury	313	12	284,872,225	47,563,196
Payables to employees	314		-	1,593,999,626
Accrued expenses	315	13	32,202,901,697	1,848,285,730
Other short-term payables	319		79,550,328	113,040,541,768
Short-term borrowings	320	14(a)	353,334,690,170	213,396,631,192
Long-term liabilities	330		473,374,602,630	-
Long-term borrowings	338	14(b)	473,374,602,630	-
EQUITY (400 = 410)	400		1,387,647,009,000	974,310,532,217
Owner's equity	410	15	1,387,647,009,000	974,310,532,217
Contributed capital	411	16	530,000,000,000	530,000,000,000
Retained profits	421		857,647,009,000	444,310,532,217
- Retained profits brought forward	421a		444,310,532,217	129,460,071,461
- Net profit for the current year/ prior year	421b		413,336,476,783	314,850,460,756
TOTAL RESOURCES (440 = 300 + 400)	440		2,305,051,883,485	1,320,867,583,372

5 May 2023

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 2023

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	
			31/3/2023 VND	31/3/2022 VND
Revenue from sale of goods	01	18	1,902,674,732,452	1,400,329,050,306
Revenue deductions	02	18	1,832,180,000	5,443,762,500
Net revenue (10 = 01 - 02)	10	18	1,900,842,552,452	1,394,885,287,806
Cost of sales	11		1,411,087,750,171	1,013,151,838,940
Gross profit (20 = 10 - 11)	20		489,754,802,281	381,733,448,866
Financial income	21	19	15,175,691,141	2,319,113,790
Financial expenses	22	20	15,039,679,168	3,588,188,205
<i>In which: Interest expense</i>	23		13,921,542,005	1,308,206,955
Selling expenses	25	21	58,128,085,101	50,657,283,957
General and administration expenses	26	22	14,814,426,649	10,006,973,872
Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		416,948,302,504	319,800,116,622
Other income	31		-	783,095,667
Other expenses	32		3,611,825,721	5,732,751,533
Results of other activities (40 = 31 - 32)	40		(3,611,825,721)	(4,949,655,866)
Accounting profit before tax (50 = 30 + 40)	50		413,336,476,783	314,850,460,756
Income tax expense – current	51	24	-	-
Income tax expense – deferred	52	24	-	-
Net profit after tax (60 = 50 - 51 - 52)	60		413,336,476,783	314,850,460,756

5 May 2023



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 2023 (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	
		31/3/2023 VND	31/3/2022 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounting profit before tax	01	413,336,476,783	314,850,460,756
Adjustments for			
Depreciation	02	73,354,980,230	75,510,666,211
Exchange gains arising from revaluation of monetary items denominated in foreign currencies	04	(6,439,272,902)	(802,241,960)
Interest income	05	(2,489,200)	(2,967,467)
Interest expense	06	13,921,542,005	1,308,206,955
Operating profit before changes in working capital	08	494,171,236,916	390,864,124,495
Change in receivables and other assets	09	(307,293,060,814)	(28,060,242,576)
Change in inventories	10	(133,134,138,592)	(91,950,574,398)
Change in payables and other liabilities	11	42,128,979,111	14,177,746,078
Change in prepaid expenses	12	(2,676,552,111)	(2,395,566,628)
		93,196,464,510	282,635,486,971
Interest paid	14	(11,536,222,994)	(1,308,206,955)
Net cash flows from operating activities	20	81,660,241,516	281,327,280,016
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets and other long-term assets	21	(537,261,420,715)	(291,996,425,370)
Receipts of interest	27	2,489,200	2,967,467
Net cash flows from investing activities	30	(537,258,931,515)	(291,993,457,903)

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 2023
(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	
		31/3/2023 VND	31/3/2022 VND
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	33	1,529,587,193,459	338,108,057,252
Payments to settle loan principals	34	(910,948,746,751)	(220,020,021,674)
Payments of profits distribution	36	(113,100,000,000)	(79,270,000,000)
Net cash flows from financing activities	40	505,538,446,708	38,818,035,578
Net cash flows during the year (50 = 20 + 30 + 40)	50	49,939,756,709	28,151,857,691
Cash at beginning of the year	60	51,839,740,571	21,347,646,104
Effect of exchange rate fluctuations on cash	61	(295,592,105)	2,340,236,776
Cash at end of the year (70 = 50 + 60 + 61)	70 4	101,483,905,175	51,839,740,571

5 May 2023

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 2023

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) The Company’s headcounts

As at 31 March 2023, the Company had 448 employees (1/4/2022: 237 employees).

2. Basis of preparation

(a) Statement of compliance

These 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.

Ngon Coffee Company Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

Form B 09 – DN

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

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 2023 (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 repair, maintenance and overhaul cost, is charged to statement of income in the year in which the cost is 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. Costs of tools and instruments are amortised on a straight-line basis over a period ranging from 2 to 3 years.

(h) Accounts payable

Trade and other payables are stated at their costs.

Ngon Coffee Company Limited

Notes to the financial statements for the year ended 31 March 2023 (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 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. Revenue from sale of goods is recognised at the net amount after deducting sale discounts stated on the invoice.

(ii) Interest income

Interest income is recognised in the statement of income 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 2023 (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 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 capitalised 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 is included as an integral part of the current year financial statements and is 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 operations or cash flows for the prior year.

Comparative information as at 1 April 2022 was derived from the balances and amounts reported in the Company's financial statements as at and for the year ended 31 March 2022.

Ngon Coffee Company Limited**Notes to the financial statements for the year ended 31 March 2023 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***4. Cash**

	31/3/2023	1/4/2022
	VND	VND
Cash on hand	209,818,211	103,324,233
Cash at banks	101,274,086,964	51,736,416,338
	<hr/>	<hr/>
	101,483,905,175	51,839,740,571
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5. Accounts receivable from customers**Accounts receivable from customers detailed by significant customers**

	31/3/2023	1/4/2022
	VND	VND
Strauss Coffee B.V	140,227,935,236	109,639,313,507
SCML (Thailand) Co., Ltd	103,634,546,400	-
Ground Up Coffee & Tea LLC	89,276,044,616	64,649,962,208
Other customers	231,370,667,699	153,297,125,782
	<hr/>	<hr/>
	564,509,193,951	327,586,401,497
	<hr/>	<hr/>

As at 31 March 2023, accounts receivable from customers with the carrying value of VND564,509 million (1/4/2022: VND327,586 million) were pledged with banks as security for loans granted to the Company (Note 14).

Ngon Coffee Company Limited
Notes to the financial statements for the year ended 31 March 2023 (continued)

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

6. Prepayments to suppliers

	31/3/2023	1/4/2022
	VND	VND
Ecom Agroindustrial Corp. Ltd.	5,924,621,311	-
Martech Company Limited	3,453,989,920	15,206,902,727
Other suppliers	25,061,086,030	108,302,051,427
	34,439,697,261	123,508,954,154
<i>In which:</i>		
Prepayments for purchase of fixed assets and other long-term assets	18,959,925,125	120,862,804,164

7. Inventories

	31/3/2023	1/4/2022
	VND	VND
Raw materials	264,558,662,711	150,013,273,318
Tools and supplies	39,298,271,667	19,797,578,168
Work in progress	5,488,549,953	6,072,942,964
Goods on consignment	28,131,513,102	25,433,477,981
Finished goods	35,776,139,974	38,801,726,384
	373,253,137,407	240,118,998,815

As at 31 March 2023, inventories with the carrying value of VND373,253 million (1/4/2022: VND240,119 million) were pledged with banks as security for loans granted to the Company (Note 14).

Ngon Coffee Company Limited

Notes to the financial statements for the year ended 31 March 2023 (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	219,174,212,586	849,437,877,947	1,860,016,363	2,058,713,545	1,072,530,820,441
Additions	237,555,565	409,836,385	6,103,769,563	-	6,751,161,513
Transfer from construction in progress (Note 9)	48,929,402,968	628,956,813,567	-	-	677,886,216,535
Closing balance	268,341,171,119	1,478,804,527,899	7,963,785,926	2,058,713,545	1,757,168,198,489
Accumulated depreciation					
Opening balance	71,383,151,070	480,798,320,185	1,860,016,363	2,058,713,545	556,100,201,163
Charge for the year	11,814,378,602	61,372,651,611	167,950,017	-	73,354,980,230
Closing balance	83,197,529,672	542,170,971,796	2,027,966,380	2,058,713,545	629,455,181,393
Net book value					
Opening balance	147,791,061,516	368,639,557,762	-	-	516,430,619,278
Closing balance	185,143,641,447	936,633,556,103	5,935,819,546	-	1,127,713,017,096

Included in tangible fixed assets were assets costing VND316,366 million which were fully depreciated as of 31 March 2023 (1/4/2022: VND13,534 million), but which are still in active use.

As at 31 March 2023, tangible fixed assets with net book value of VND1,127,713 million (1/4/2022: nil) were pledged with banks as security for loans granted to the Company (Note 14).

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9. Construction in progress

	For the year ended	
	31/3/2023 VND	31/3/2022 VND
Opening balance	40,411,398,877	187,464,994,854
Additions	652,118,977,721	53,259,023,528
Interest expense capitalised	12,393,281,149	-
Transfer to tangible fixed assets (Note 8)	(677,886,216,535)	(199,096,554,505)
Transfer to long-term prepaid expenses	-	(1,216,065,000)
Closing balance	27,037,441,212	40,411,398,877

Major constructions in progress as at the end of the annual accounting period were as follows:

	31/3/2023 VND	1/4/2022 VND
Freeze fried instant coffee line	27,037,441,212	-
Coffee tank	-	39,084,501,030
Others	-	1,326,897,847
	27,037,441,212	40,411,398,877

10. Long-term prepaid expenses

	Tools and instruments VND	Others VND	Total VND
Opening balance	4,548,097,056	-	4,548,097,056
Additions	132,300,000	4,655,865,800	4,788,165,800
Amortisation for the year	(2,343,122,082)	(290,991,613)	(2,634,113,695)
Closing balance	2,337,274,974	4,364,874,187	6,702,149,161

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11. Accounts payable to suppliers

Accounts payable to suppliers detailed by significant suppliers

	Cost and amount within payment capacity	
	31/3/2023 VND	1/4/2022 VND
Daklak September 2nd Import-Export Company Limited	11,577,823,686	-
Gia Lai Son Huyen Phat One Member Limited Company	6,141,973,600	-
Strauss Commodities AG	3,665,064,186	9,099,317,500
Other suppliers	36,743,395,963	6,661,829,643
	<hr/>	<hr/>
	58,128,257,435	15,761,147,143

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12. Taxes payable to State Treasury

	1/4/2022 VND	Incurred VND	Netted-off VND	Paid VND	31/3/2023 VND
Value added tax	-	15,739,511,316	(12,872,715,920)	(2,866,795,396)	-
Personal income tax	13,794,191	1,297,679,476	-	(1,061,785,290)	249,688,377
Foreign contractor tax	33,769,005	4,936,299,018	-	(4,934,884,175)	35,183,848
	47,563,196	21,973,489,810	(12,872,715,920)	(8,863,464,861)	284,872,225

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13. Accrued expenses

	31/3/2023 VND	1/4/2022 VND
Construction costs	16,822,152,852	-
Interest expense	8,477,062,302	-
Maintenance fees	4,276,123,000	-
Sale commissions	2,081,107,000	495,055,450
Professional fees	400,000,000	422,490,800
Others	146,456,543	930,739,480
	32,202,901,697	1,848,285,730

14. Borrowings

(a) Short-term borrowings

	1/4/2022 Carrying amount/ Amount within repayment capacity VND	Movements during the year			31/3/2023 Carrying amount/ Amount within repayment capacity VND
		Additions VND	Decreases VND	Revaluation VND	
Short-term borrowings	213,396,631,192	1,055,593,080,527	(910,948,746,751)	(4,706,274,798)	353,334,690,170

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

	Currency	Annual interest rate	31/3/2023 VND	1/4/2022 VND
Standard Chartered Bank	USD	2.08% - 8.13%	353,334,690,170	213,396,631,192

The short-term borrowings are secured by assets as disclosed in Note 5 and Note 7.

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(b) Long-term borrowings

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

	Currency	Annual interest rate	Year of maturity	31/3/2023 VND	1/4/2022 VND
HSBC Bank – Gift City Branch	USD	4.87%	2027	473,374,602,630	-

The long-term borrowings are secured by assets as disclosed in Note 8.

15. Changes in owner's equity

	Contributed capital VND	Retained profits VND	Total VND
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	-	(192,270,000,000)	(192,270,000,000)
Balance as at 1 April 2022	530,000,000,000	444,310,532,217	974,310,532,217
Net profit for the year	-	413,336,476,783	413,336,476,783
Balance as at 31 March 2023	530,000,000,000	857,647,009,000	1,387,647,009,000

16. Contributed capital

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

	31/3/2023 and 1/4/2022 Authorised and contributed	
	VND	USD equivalent
CCL Products (India) Limited, incorporated in India	530,000,000,000	25,000,000

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17. Off balance sheet items

(a) Lease

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

	31/3/2023	1/4/2022
	VND	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	514,457,712	530,451,216
	594,425,232	610,418,736

(b) Foreign currency

	31/3/2023		1/4/2022	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	3,406,597	79,441,874,891	1,534,873	34,872,324,557

(c) Capital expenditure commitments

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

	31/3/2023	1/4/2022
	VND	VND
Approved but not contracted	696,263,000,000	266,979,701,210
Approved and contracted	457,225,737,634	201,637,062,005
	1,153,488,737,634	468,616,763,215

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18. Revenue from sale of goods

	For the year ended	
	31/3/2023	31/3/2022
	VND	VND
Total revenue		
▪ Sale of finished goods	1,897,766,949,904	1,400,329,050,306
▪ Sale of merchandise goods	4,589,600,730	-
▪ Others	318,181,818	-
	1,902,674,732,452	1,400,329,050,306
Less revenue deductions		
▪ Sale returns	1,832,180,000	5,443,762,500
	1,900,842,552,452	1,394,885,287,806

19. Financial income

	For the year ended	
	31/3/2023	31/3/2022
	VND	VND
Interest income from current accounts	2,489,200	2,967,467
Realised foreign exchange gains	8,733,929,039	1,513,904,363
Unrealised foreign exchange gains	6,439,272,902	802,241,960
	15,175,691,141	2,319,113,790

20. Financial expenses

	For the year ended	
	31/3/2023	31/3/2022
	VND	VND
Interest expense	13,921,542,005	1,308,206,955
Realised foreign exchange losses	1,118,137,163	2,279,981,250
	15,039,679,168	3,588,188,205

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21. Selling expenses

	For the year ended	
	31/3/2023	31/3/2022
	VND	VND
Transportation expenses	48,709,221,807	46,266,980,669
Sale commissions	7,659,812,608	3,181,547,778
Others	1,759,050,686	1,208,755,510
	58,128,085,101	50,657,283,957

22. General and administration expenses

	For the year ended	
	31/3/2023	31/3/2022
	VND	VND
Staff costs	6,222,332,696	3,472,956,528
Depreciation	84,398,312	3,436,780
Taxes, fees and other charges	414,564,683	319,466,470
Outside services	2,572,583,899	2,313,356,029
Others	5,520,547,059	3,897,758,065
	14,814,426,649	10,006,973,872

23. Production and business costs by elements

	For the year ended	
	31/3/2023	31/3/2022
	VND	VND
Raw material costs included in production costs and cost of merchandise goods	1,234,857,321,069	913,527,147,484
Labour costs and staff costs	46,984,014,858	27,590,418,553
Depreciation	73,354,980,230	75,510,666,211
Outside services	99,610,762,840	48,580,336,698
Others	29,223,182,924	8,607,527,823

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24. Income tax

(a) Reconciliation of effective tax rate

	For the year ended	
	31/3/2023	31/3/2022
	VND	VND
Accounting profit before tax	413,336,476,783	314,850,460,756
Tax at the Company's tax rate	41,333,647,678	31,485,046,076
Non-deductible expenses	531,505,733	1,524,243,937
Tax incentives	(41,865,153,411)	(33,009,290,013)
	-	-

(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 the 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%.

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25. 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	
	31/3/2023	31/3/2022
	VND	VND
<i>Parent company</i>		
CCL Products (India) Limited		
Profits distribution	-	192,270,000,000
<i>Other related party</i>		
Board of Directors		
Compensation	679,656,024	605,270,066

26. Non-cash investing activities

	For the year ended	
	31/3/2023	31/3/2022
	VND	VND
Acquisition of fixed assets and other long-term assets but not yet paid	33,534,690,843	1,435,570,214

5 May 2023



Aluri Chandra Sekhara Rao
Deputy General Director

Approved by:



Naga Bhairava Sudhakar
Deputy General Director



