

TATA COFFEE VIETNAM COMPANY LIMITED

(Incorporated in the Socialist Republic of Vietnam)

AUDITED FINANCIAL STATEMENTS

For the year ended 31 March 2019

TATA COFFEE VIETNAM COMPANY LIMITED

No.12 VSIP II-A, Street No.32, Vietnam Singapore Industrial Park II-A
Tan Binh Commune, Bac Tan Uyen Town, Binh Duong Province, Vietnam

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TATA COFFEE VIETNAM COMPANY LIMITED

No.12 VSIP II-A, Street No.32, Vietnam Singapore Industrial Park II-A
Tan Binh Commune, Bac Tan Uyen Town, Binh Duong Province, Vietnam

STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors of Tata Coffee Vietnam Company Limited (the "Company") presents this report together with the Company's financial statements for the year ended to 31 March 2019.

MEMBERS' COUNCIL AND THE BOARD OF DIRECTORS

The members of Members' Council and Board of Directors of the Company who held office during the year and to the date of this report are as follows:

Members' Council

Mr. Sanjiv Sarin (*)	Chairman (Upto 31 March 2019)
Mr. Chacko Purackal Thomas	Chairman (appointed on 17 April 2019)
Mr. Santhanakrishnan Sankaran	Member
Mr. Radhakrishna Tirumala	Member
Mr. Venkataramanan Krishnamoorthy	Member

(*) Consequent to retirement of Mr. Sanjiv Sarin as the MD & CEO of Tata Coffee Limited (the Owner) effective 31st March 2019, the Owner has appointed Mr. Chacko Purackal Thomas as the Chairman of the Members' Council with effect from 17 April 2019.

Board of Directors

Mr. Radhakrishna Tirumala	General Director
Mr. Venkataramanan Krishnamoorthy	Deputy General Director
Mr. Sudhakar Pathey Jawaharlal	Deputy General Director

BOARD OF DIRECTORS' STATEMENT OF RESPONSIBILITY

The Board of Directors of the Company is responsible for preparing the financial statements, which give a true and fair view of the financial position of the Company as at 31 March 2019, and its financial performance and its cash flows for the year ended to 31 March 2019 in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. In preparing these financial statements, the Board of Directors is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- design and implement an effective internal control system for the purpose of properly preparing and presenting the financial statements so as to minimize errors and frauds.

The Board of Directors is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company and that the financial statements comply with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. The Board of Directors is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The Board of Directors confirms that the Company has complied with the above requirements in preparing these financial statements.

For and on behalf of the Board of Directors,


Radhakrishna Tirumala
General Director
06 May 2019

No.: 891 /VN1A-HC-BC

INDEPENDENT AUDITORS' REPORT

To: **The Members' Council and Board of Directors of Tata Coffee Vietnam Company Limited**

We have audited the accompanying financial statements of Tata Coffee Vietnam Company Limited (the "Company"), prepared on 06 May 2019 as set out from page 3 to page 15, which comprise the balance sheet as at 31 March 2019, and the income statement, and cash flow statement for the year ended to 31 March 2019, and a summary of significant accounting policies and other explanatory information.

Board of Directors' Responsibility for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating 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.

Auditors' 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 from 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 auditors' judgment, 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 auditors consider 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 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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2019, and its financial performance and its cash flows for the year ended to 31 March 2019 in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.



Nguyen Minh Thao

Audit Partner

Audit Practising Registration Certificate

No. 1902-2018-001-1

BRANCH OF DELOITTE VIETNAM

COMPANY LIMITED

06 May 2019

Ho Chi Minh City, Vietnam

Nguyen Thanh Toan

Auditor

Audit Practising Registration Certificate

No. 4572-2018-001-1

TATA COFFEE VIETNAM COMPANY LIMITED

No.12 VSIP II-A, Street No.32

Vietnam Singapore Industrial Park II-A

Tan Binh Commune, Bac Tan Uyen Town

Binh Duong Province, Vietnam

FORM B 01-DNIssued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance**BALANCE SHEET**
As at 31 March 2019

Unit: USD

ASSETS		Codes	Notes	Closing balance	Opening balance
A.	CURRENT ASSETS	100		4,910,428	25,568,482
I.	Cash and cash equivalents	110	4	2,107,849	1,600,669
1.	Cash	111		2,107,849	1,600,669
II.	Short-term financial investments	120		98,797	
1.	Held-to-maturity investments	123	5	98,797	-
III.	Short-term receivables	130		302,801	23,902,928
1.	Short-term advances to suppliers	132	6	257,305	23,894,324
2.	Other short-term receivables	136		45,496	8,604
IV.	Inventories	140	7	2,326,438	
1.	Inventories	141		2,326,438	-
V.	Other short-term assets	150		74,543	64,885
1.	Short-term prepayments	151		74,543	64,885
B.	NON-CURRENT ASSETS	200		63,242,000	19,119,977
I.	Long-term receivables	210		20,685	20,470
1.	Other long-term receivables	216		20,685	20,470
II.	Fixed assets	220		6,164,459	
1.	Tangible fixed assets	221	8	6,164,459	-
	- Cost	222		6,184,933	-
	- Accumulated depreciation	223		(20,474)	-
III.	Long-term assets in progress	240		49,194,793	11,140,437
1.	Construction in progress	242	9	49,194,793	11,140,437
IV.	Other long-term assets	260		7,862,063	7,959,070
1.	Long-term prepayments	261	10	7,862,063	7,959,070
TOTAL ASSETS (270=100+200)		270		68,152,428	44,688,459

The accompanying notes are an integral part of these financial statements

TATA COFFEE VIETNAM COMPANY LIMITED

No.12 VSIP II-A, Street No.32

Vietnam Singapore Industrial Park II-A

Tan Binh Commune, Bac Tan Uyen Town

Binh Duong Province, Vietnam

FORM B 02-DNIssued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance**INCOME STATEMENT**

For the year ended 31 March 2019

Unit: USD

ITEMS	Codes	Notes	From 01/4/2018 to 31/3/2019	From 28/3/2017 to 31/3/2018
1. Financial income	21	16	52,551	22,578
2. Financial expenses	22	17	428,044	99,483
- In which: Interest expense	23		6,781	-
3. General and administration expenses	26	18	780,858	362,056
4. Operating loss (30=21-22-26)	30		(1,156,351)	(438,961)
5. Other expenses	32		334	-
6. Loss from other activities (40=-32)	40		(334)	-
7. Accounting loss before tax (50=30+40)	50		(1,156,685)	(438,961)
8. Current corporate income tax expense	51	19	-	-
9. Net loss after corporate income tax (60=50-51)	60		(1,156,685)	(438,961)

Pham Thi Hai Van
Preparer

Pham Hoai Phuong
Chief AccountantSudhakar Pathey Jawaharlal
Deputy General Director
06 May 2019**Accounting service provider:**

Registration Code of Practice No. 3327/2019/KET.1

Branch of TMF Accounting Services Limited in Ho Chi Minh City

Room No. 1, 8th Floor, Bitexco Financial Tower,

2 Hai Trieu Street, District 1, Ho Chi Minh City, Vietnam

TATA COFFEE VIETNAM COMPANY LIMITED

No.12 VSIP II-A, Street No.32

Vietnam Singapore Industrial Park II-A

Tan Binh Commune, Bac Tan Uyen Town

Binh Duong Province, Vietnam

FORM B 03-DNIssued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance**CASH FLOW STATEMENT**

For the year ended 31 March 2019

Unit: USD

ITEMS	Codes	From 01/4/2018 to 31/3/2019	From 28/3/2017 to 31/3/2018
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Loss before tax	01	(1,156,685)	(438,961)
2. Adjustments for:			
Depreciation of fixed assets	02	20,474	-
Unrealized foreign exchange gain	04	(10,601)	(5,677)
Gain from investing activities	05	(2,196)	-
Interest expense	06	6,781	-
3. Operating loss before movements in working capital	08	(1,142,227)	(444,638)
Changes in receivables	09	(180,718)	(29,721)
Changes in inventories	10	(1,979,813)	-
Changes in payables	11	359,340	1,264,209
Changes in prepaid expenses	12	105,911	(8,023,955)
Net cash used in operating activities	20	(2,837,507)	(7,234,105)
II. CASH FLOWS FROM INVESTING ACTIVITY			
1. Acquisition and construction of fixed assets	21	(19,658,391)	(34,681,734)
2. Interest earned	27	2,196	-
Net cash used in investing activity	30	(19,656,195)	(34,681,734)
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from owners' contributed capital	31	4,500,000	5,218,000
2. Proceeds from borrowings	33	18,501,081	55,800,000
3. Repayment of borrowings	34	-	(17,500,000)
Net cash generated by financing activities	40	23,001,081	43,518,000
Net increase in cash (50=20+30+40)	50	507,379	1,602,161
Cash at the beginning of the year	60	1,600,669	-
Effects of changes in foreign exchange rates	61	(199)	(1,492)
Cash at the end of the year (70=50+60+61)	70	2,107,849	1,600,669

Pham Thi Hai Van
PreparerPham Hoai Phuong
Chief AccountantSudhakar Pathey Jawaharlal
Deputy General Director
06 May 2019**Accounting service provider:**

Registration Code of Practice No. 3327/2019/KET.1

Branch of TMF Accounting Services Limited in Ho Chi Minh CityRoom No. 1, 8th Floor, Bitexco Financial Tower,
2 Hai Trieu Street, District 1, Ho Chi Minh City, Vietnam

The accompanying notes are an integral part of these financial statements

TATA COFFEE VIETNAM COMPANY LIMITED

No.12 VSIP II-A, Street No.32
Vietnam Singapore Industrial Park II-A
Tan Binh Commune, Bac Tan Uyen Town
Binh Duong Province, Vietnam

FORM B 09-DN

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

NOTES TO THE FINANCIAL STATEMENTS

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

1. GENERAL INFORMATION**Structure of ownership**

Tata Coffee Vietnam Company Limited (the "Company") was incorporated in Vietnam, as a wholly foreign owned enterprise for 41 years under Investment Registration Certificate No. 5422642151 dated 13 March 2017 issued by the Board of Management of Vietnam - Singapore Industrial Park and under Business Registration Certificate No. 3702547670 dated 28 March 2017 issued by the Department of Planning and Investment in Binh Duong Province. The first amendment was on 26 December 2018.

The owner is Tata Coffee Limited, a company incorporated in India.

The number of the Company's employees as at 31 March 2019 was 60 (as at 31 March 2018 was 7).

Principal activities

The principal activity of the Company is manufacture of soluble coffee.

The Company is still in construction phase and expected to commence its operation in Quarter 1 of financial year 2019 - 2020.

Normal production and business cycle

The Company's normal production and business cycle is carried out for a period of 12 months or less.

Disclosure of information comparability in the financial statements

Comparative figures are the figures of the audited financial statements for first financial period begins on 28 March 2017 (date of incorporation) and ends on 31 March 2018.

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR**Accounting convention**

The accompanying financial statements, expressed in United States Dollars (USD), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. The Board of Directors believes that the use of USD as currency unit is necessary in order to reflect the economic substance of the underlying events and circumstances relevant to the Company's business operations.

The accompanying financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam.

Financial year

The Company's financial year begins on 1 April and ends on 31 March.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies, which have been adopted by the Company in the preparation of these financial statements, are as follows:

Estimates

The preparation of financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting requires the Board of Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial period. Although these accounting estimates are based on the Board of Directors' best knowledge, actual results may differ from those estimates.

Cash

Cash only comprise demand deposits.

Held-to-maturity investments

Held-to-maturity investments comprise investments that the Company has the positive intent or ability to hold to maturity, including term deposits.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the standard cost method, specific identification method is used in case of materials. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

The evaluation of necessary provision for inventory obsolescence follows current prevailing accounting regulations which allow provisions to be made for obsolete, damaged, or sub-standard inventories and for those which have book value higher than net realisable value as at the balance sheet date.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

The costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working condition and location for their intended use.

The costs of self-constructed or manufactured assets are the actual construction or manufacturing cost plus installation and test running costs.

Tangible fixed assets are depreciated using the straight-line method over their estimated useful lives as follows:

	Years
Buildings and structures	10 - 39
Machinery and equipment	15 - 20
Office equipment	5 - 6
Others	5

Construction in progress

Properties under construction for production, rental or administrative purposes, or for other purposes, are carried at cost. Cost includes costs that are necessary to form the assets in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

Prepayments

Prepayments are expenses which have already been paid but relate to results of operations of multiple accounting periods, including land rentals, upfront costs and other types of prepayments.

Land rentals represent rentals that have been paid in advance. Prepaid land rentals are charged to the income statement using the straight-line method over the lease term.

Upfront costs including of commitment fee, arrangement and guarantee fees incurred in acquisition of long-term loans. These costs are allocated to the income statement over a period of loan schedule.

Other types of prepayments mainly are miscellaneous expenses which are expected to provide future economic benefits to the Company. These expenditures have been capitalized as prepayments, and are allocated to the income statement using the straight-line method over a period of within three years in accordance with the current prevailing accounting regulations.

Foreign currencies

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. The balances of monetary items denominated in foreign currencies as at the balance sheet date are retranslated at the exchange rates on the same date. Exchange differences arising from the translation of these accounts are recognised in the income statement.

Payable provisions

Payable provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the Board of Directors' best estimate of the expenditure required to settle the obligation as at the balance sheet date.

Borrowing costs

Borrowing costs are recognised in the income statement in the year when incurred unless they are capitalised in accordance with Vietnamese Accounting Standard No. 16 "Borrowing costs". Accordingly, borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets. For specific borrowings for the purpose of construction of fixed assets and investment properties, borrowing costs are capitalised even when the construction period is under 12 months.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit after tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

Deferred tax is recognised on significant differences between carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using balance sheet liability method. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Company intends to settle its current tax assets and liabilities on a net basis.

The determination of the tax currently payable is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of the tax authorities' examinations.

Other taxes are paid in accordance with the prevailing tax laws in Vietnam.

4. CASH

	Closing balance	Opening balance
	USD	USD
Demand deposits	2,107,849	1,600,669
	2,107,849	1,600,669

5. HELD - TO - MATURITY INVESTMENTS

Held-to-maturity investments present the fixed deposit in VND pledged to secure the Facilities granted by Standard Chartered Bank (Vietnam) Limited under the Pledge Agreement No. PL/18-05 dated 06th September 2018, interest rate is 3.8% per annum.

6. SHORT-TERM ADVANCES TO SUPPLIERS

	Closing balance	Opening balance
	USD	USD
Leogap Ind E Com De Maquinas LTDA	76,000	976,200
SEAS Project Consultants Co., Ltd	103,311	103,311
GEA Process Engineering A/S	-	20,723,070
GEA Vietnam	-	745,563
Tuan Le Construction Co., Ltd	-	400,026
Others	77,994	946,154
	257,305	23,894,324

7. INVENTORIES

	Closing balance		Opening balance	
	USD		USD	
	Cost	Provision	Cost	Provision
Goods in transit	22,303	-	-	-
Raw material	879,379	-	-	-
Work in progress	74,852	-	-	-
Finished goods	1,349,904	-	-	-
	2,326,438	-	-	-

8. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Office equipment	Total
	USD	USD	USD	USD
COST				
Opening balance	-	-	-	-
Transfer from construction in progress	6,037,514	124,206	23,213	6,184,933
Closing balance	6,037,514	124,206	23,213	6,184,933
ACCUMULATED DEPRECIATION				
Opening balance	-	-	-	-
Charge for the year	16,559	2,948	967	20,474
Closing balance	16,559	2,948	967	20,474
NET BOOK VALUE				
Opening balance	-	-	-	-
Closing balance	6,020,955	121,258	22,246	6,164,459

9. CONSTRUCTION IN PROGRESS

Construction in progress represents the machinery or related construction works that are not ready for use as at balance sheet date.

	<u>Closing balance</u>	<u>Opening balance</u>
	USD	USD
Machinery	38,766,896	5,900,568
Construction of factory	10,427,897	5,239,869
	49,194,793	11,140,437

10. LONG-TERM PREPAYMENTS

	<u>Closing balance</u>	<u>Opening balance</u>
	USD	USD
Land rentals (*)	4,299,512	4,409,756
Upfront fee (**)	3,251,785	3,538,014
Others	310,766	11,300
	7,862,063	7,959,070

(*) The land rentals represent the land rental pertaining to the land in Vietnam – Singapore Industrial Park II-A in Binh Duong Province for a period of 41 years from 31 May 2017 to 19 March 2058.

(**) Upfront costs represent the fee paid to EKF and Standard Chartered Bank for acquisition of long-term loans as presented in Note 14.

11. SHORT-TERM TRADE PAYABLES

	<u>Closing balance</u>	<u>Opening balance</u>
	USD	USD
Trau Viet Co., Ltd	677,664	-
Olam Vietnam Co., Ltd	432,747	-
Tuan Le Construction Co., Ltd	-	304,436
Others	291,873	46,493
	1,402,284	350,929

12. TAXES AND AMOUNTS PAYABLE TO THE STATE BUDGET

	<u>Opening balance</u>	<u>Payable during</u>	<u>Paid during</u>	<u>Closing balance</u>
	USD	the year	the year	USD
Personal income tax	8,214	188,464	196,678	-
Foreign withholding tax (*)	179,084	(11,699)	127,704	39,681
Others	-	984	984	-
	187,298	177,749	325,366	39,681

(*) On March 2018, The Company recorded the amount payable of USD 145,204 for foreign withholding tax related to guarantee fee for loan from EKF. In current year, the Company reverted this tax payable according to Application dossier for DTA exemption based on the Double Tax Agreement between Denmark and Vietnam.

13. SHORT-TERM ACCRUED EXPENSES

	Closing balance	Opening balance
	USD	USD
Loan interest	561,875	204,143
Professional fee	36,182	51,135
Accrual bonus for employees	120,000	-
Accrual for the contract No. PHO/2018/CS-19 with Hoang Lam Company	116,549	-
Other	165,705	33,483
	1,000,311	288,761

14. LOANS

	Opening balance	Proceeds during the year	Paid during the year	Closing balance
	USD	USD	USD	USD
Short-term loans (*)	-	1,929,411	-	1,929,411
Long-term loans (**)	38,300,000	16,571,670	-	54,871,670
	38,300,000	18,501,081	-	56,801,081

(*) Short term loans represent credit facility obtained from Mizuho Bank, Ltd – Ho Chi Minh City Branch with total credit line of USD 6,500,000 to finance for the working capital. The facility will end on 31 December 2019 with the auto-renew period is 12 months. The facility is secured by the Letter of Guarantee issued by Tata Coffee Limited – the owner and bears interest at the rate from 3.69% to 5.3% per annum. The Company had withdrawn a total of USD 1,929,411 until 31 March 2019.

(**) On 28 June 2017, the Company has entered into a long-term loan contract with Standard Chartered Bank (Singapore) Limited with total credit limit of USD 12,400,000 to finance its factory construction and acquisition of machineries and equipment. This loan has been withdrawn in installments starting from October 2017 to January 2019 and shall be repayable in eight equal semi-annual instalments from December 2020. This loan bears interest at the rate of six-month LIBOR plus agreed applicable spread. The interest shall be accrued and paid on semi-annual basis. This loan is secured by plant, machineries and the corporate guarantee by the Tata Coffee Limited – the owner. The Company had fully withdrawn with total of USD 12,400,000 until 31 March 2019.

(**) On 9 January 2018, the Company has entered into a long-term loan contract with Standard Chartered Bank (Singapore) Limited with total credit limit of USD 42,471,670 to finance its acquisition of machineries and equipment. This loan has been withdrawn in installments starting from March 2018 to December 2018 and shall be repayable in eighteen equal semi-annual instalments from June 2020. This loan bears interest at the rate of six-month LIBOR plus agreed applicable spread. The interest shall be accrued and paid on semi-annual basis. This loan is secured by plant, machineries and the corporate guarantee by the Tata Coffee Limited – the owner and buyer's credit guarantee by EKF, Denmark. The Company had fully withdrawn total of USD 42,471,670 until 31 March 2019.

15. OWNER'S EQUITY

Movement of owner's equity

	Owner's contributed capital	Accumulated loss	Total
	USD	USD	USD
Prior year's opening balance	-	-	-
Capital contribution	6,000,000	-	6,000,000
Loss for the period	-	(438,961)	(438,961)
Current year's opening balance	6,000,000	(438,961)	5,561,039
Capital contribution	4,500,000	-	4,500,000
Loss for the year	-	(1,156,685)	(1,156,685)
Current year's closing balance	10,500,000	(1,595,646)	8,904,354

Contributed and investment capitals

According to the first amended Investment Registration Certificate No. 5422642151 dated 27 November 2018 issued by the Board of Management of Vietnam – Singapore Industrial Park, the Company's investment and contributed capital are VND 1,473,750,000,000 equivalent to USD 65,500,000 (as at 31 March 2018: VND 1,417,500,000,000 equivalent to USD 63,000,000) and VND 236,250,000,000 equivalent to USD 10,500,000 (as at 31 March 2018: VND 135,000,000,000 equivalent to USD 6,000,000), respectively.

As at 31 March 2019, the contributed capital was fully made by Tata Coffee Limited - the owner as follows:

Contributed Capital

	Closing balance		Opening balance	
	USD	VND equivalent	USD	VND equivalent
Tata Coffee Limited	10,500,000	236,250,000,000	6,000,000	135,000,000,000

16. FINANCIAL INCOME

	From 01/4/2018 to 31/3/2019	From 28/3/2017 to 31/3/2018
	USD	USD
Bank interest	2,196	-
Foreign exchange gain	50,355	22,578
	52,551	22,578

17. FINANCIAL EXPENSES

	From 01/4/2018 to 31/3/2019	From 28/3/2017 to 31/3/2018
	USD	USD
Loan interest expense	6,781	-
Foreign exchange loss	7,300	15,480
Other fees related to loan	413,963	84,003
	428,044	99,483

18. GENERAL AND ADMINISTRATION EXPENSES

	From 01/4/2018 to 31/3/2019	From 28/3/2017 to 31/3/2018
	USD	USD
Salary expense	204,541	72,504.00
Rental fees	185,383	119,585.00
Professional fee	126,145	71,586.00
Others	264,789	98,381.00
	780,858	362,056

19. CURRENT CORPORATE INCOME TAX EXPENSE

	From 01/4/2018 to 31/3/2019	From 28/3/2017 to 31/3/2018
	USD	USD
Loss before tax	(1,156,685)	(438,961)
Add back:		
- Unrealized loss cash, account receivable	199	2,139
- Non-deductible expenses	12,831	3,265
Tax losses	(1,143,655)	(433,557)
Tax rate	15%	15%
Corporate income tax expense	-	-

In accordance with Official Letter No. 18468/CT-TT&HT dated 30 October 2017 issued by Binh Duong Province Tax Department, the Company is obliged to pay corporate income tax at the rate of 15% of its taxable income from processing of agricultural products for the entire project life. The Company is entitled to a corporate income tax exemption for two years from the first profit-making year and a reduction of 50% for the following four years. Should the Company does not have taxable income in the first three years from the first year in which it has turnover from the investment project, the duration of tax exemption and reduction shall be calculated from the fourth year.

No corporate income tax has been provided for during the year as the Company has no taxable income.

The benefits from the Company's tax losses carried forward will expire according to the following schedule:

Year	Tax loss carry forward USD
2023	433,557
2024	1,143,655
	1,577,212

20. CAPITAL EXPENDITURE COMMITMENTS

The Company had entered into contracts for construction of factory with total amount of USD 50,469,255. At the balance sheet date, the outstanding amount of these construction contracts is USD 684,954.

21. RELATED PARTY TRANSACTIONS AND BALANCES

During the year, the Company entered into the following significant transactions with Tata Coffee Limited, its owner:

	From 01/4/2018 to 31/3/2019	From 28/3/2017 to 31/3/2018
	USD	USD
Capital contribution		
Tata Coffee Limited	4,500,000	6,000,000

Remuneration paid to the Company's Board of Directors during the year was as follows:

	From 01/4/2018 to 31/3/2019	From 28/3/2017 to 31/3/2018
	USD	USD
Salary and benefit in kinds	219,980	93,600

22. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash outflows for acquisition of fixed assets and construction in progress during the year include an amount of USD 213,218 (prior period: USD 23,894,324), representing the advances to suppliers for acquisition and construction of fixed assets and construction in progress during the year. Consequently, changes in receivables have been adjusted by the same amount.

Additionally, cash outflows for acquisition of fixed assets and construction in progress during the year exclude an amount of USD 1,610,189 (prior period: 345,211), representing an addition in fixed assets and construction in progress during the period that has not yet been paid. Consequently, changes in payables have been adjusted by the same amount.



Pham Thi Hai Van
Preparer



Pham Hoai Phuong
Chief Accountant



Sudhakar Pathey Jawaharlal
Deputy General Director
06 May 2019

Accounting service provider:

Registration Code of Practice No. 3327/2019/KET.1

Branch of TMF Accounting Services Limited in Ho Chi Minh City

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