

LIU AASCN

SAI GON – BEN TRE BEER JOINT STOCK COMPANY

Audited Financial Statements
for the year ended as at 31 December 2018



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REPORT OF THE BOARD OF MANAGEMENT

The Board of Management of Sai Gon – Ben Tre Beer Joint Stock Company (the “Company”) present this report and the Company’s financial statements for the year ended at 31 December 2018.

THE COMPANY

Sai Gon – Ben Tre Beer Joint Stock Company was established under Business Licence No 1301026370 dated 17 March 2017 and the 2th amendment Business Licence dated 31 May 2018 granted by the Department of Planning and Investment of Ben Tre Province.

The principal activities of the Company are producing and trading beer, alcohol and soft drinks products; Producing and trading alcohol - alcohol; Trading in warehouses, inter-provincial freight; Purchase and sale of waste materials, glass, waste rubbish, waste, rubbish; Trading in processed agricultural products, food - food and specialty catering services.

The Company’s head office is located at Phuoc Hau Hamlet, An Phuoc Commune, Chau Thanh District, Ben Tre Province.

Events after the reporting period

There have been no significant events occurring after the reporting period, which would require adjustment or disclosures to be made in the consolidated financial statements.

The member of the Board of Directors, the Board of Management during the period and as at the date of this report are:

The Board of Directors

Mr. Luu Van Tuan	Chairman
Mrs. Bui Thi Thuy	Member
Mr. Nguyen Son Duong	Member
Mr. Pham Tan Loi	Member
Mr. Pham Hong Minh	Member

The Board of Management

Mr. Luu Van Tuan	General Director
Mrs. Le Thi To Uyen	Deputy General Director
Mr. Nguyen Quoc Khanh	Deputy General Director

AUDITORS

Nam Viet Auditing and Accounting Financial Consulting Services Company Limited (AASCN) have performed the audit on the company’s financial statements for this fiscal year.

STATEMENT OF THE BOARD OF MANAGEMENT’S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Board of Management is responsible for the financial statement of the fiscal year which give true and fair view of the state of affairs of the Company and of its results for the fiscal year. In preparing those accounts, the Board of Management is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- Prepare the financial statements on the basis of compliance with accounting standards and system and other related regulations;
- Prepare the financial statements on going concern basis unless it is inappropriate to presume that the Company will continue in business.

REPORT OF THE BOARD OF MANAGEMENT (continued)

The Board of Management is responsible for ensuring that proper accounting records are kept which disclosed, with reasonable accuracy at any time, the financial position of Company and to ensure that the accounting records comply with the registered accounting system. It is responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

We, the Board of Management, confirm that the financial statements for the fiscal year ended December 31, 2018 prepared by us, give a true and fair view of the financial position as at December 31, 2018, its operation results and Cash Flows in the year 2018 of Company accordance with the Vietnamese Accounting System and comply with relevant statutory requirements.

On behalf of the Board of Management



Luu Van Tuan

Director

Date: 04 March 2019



No: 33-2/BCKT/TC

INDEPENDENT AUDITOR'S REPORT

To: Shareholders, The Board of Directors and the Board of Management of Sai Gon – Ben Tre Beer Joint Stock Company

We have audited the Financial Statements of Sai Gon – Ben Tre Beer Joint Stock Company prepared on 4 March 2019, as set out on pages 5 to page 23, including Balance sheet as at 31 December 2018, the Income Statement, the Cash flow Statement for the year then ended and the Notes to the Financial Statement.

The Board of Management's responsibility

The Board of Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and applicable regulations in Vietnam. This responsibilities includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, where 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 in order to obtain reasonable assurance as to 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 auditor's judgment, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or an error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting estimates made by management, as well as evaluating the overall presentation of these financial statements.

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

Opinion

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of Sai Gon – Ben Tre Beer Joint Stock Company as at 31 December 2018, and of the results of its operations and its cash flows for the year then ended in accordance with the Vietnamese Accounting Standards and Vietnamese Accounting System and comply with relevant statutory requirements in preparation and presentation of the financial statements.

Other problems

Financial statements for the fiscal year ended 31/12/2017, presented as corresponding figures, not yet audited.

Nam Viet Auditing and Accounting Financial Consulting Services Co., Ltd. (AASCN)

Chairman

Auditor

Nguyen Thi Lan

Registered Auditor No: 0167-2018-152-1

Ho Chi Minh City, 7 March 2019

Nguyen Anh Tuan

Registered Auditor No: 1559-2018-152-1

BALANCE SHEET
As at 31 December 2018

Unit: VND

ASSETS	Code	Note	31/12/2018	01/01/2018
A . CURRENT ASSETS	100		119.842.569.455	145.279.819.889
I. Cash and cash equivalents	110	V.1	32.751.453.677	8.665.733.821
1. Cash	111		251.453.677	8.665.733.821
2. Cash equivalents	112		32.500.000.000	-
II. Short-term accounts receivable	130		37.747.721.020	129.983.227.075
1. Short-term trade receivable	131	V.2	36.922.865.100	-
2. Advances to suppliers	132	V.3	708.668.000	129.983.227.075
3. Other short-term receivables	136	V.4	116.187.920	-
III. Inventory	140	V.5	47.006.825.257	-
1. Inventory	141		47.006.825.257	-
2. Provision for devaluation of inventory	149		-	-
IV. Other current assets	150		2.336.569.501	6.630.858.993
1. Short-term prepaid expenses	151	V.6	2.336.569.501	-
2. Deductible VAT	152		-	6.630.858.993
B. NON- CURRENT ASSETS	200		666.774.570.519	87.366.270.366
I. Long-term accounts receivable	210		24.000.000	-
1. Other long-term receivables	216	V.4	24.000.000	-
II. Fixed assets	220		626.931.527.876	-
1. Tangible fixed assets	221	V.7	626.931.527.876	-
- Cost	222		642.322.286.517	-
- Accumulated depreciation	223		(15.390.758.641)	-
III. Long-term assets in progress	240		-	67.631.873.341
1. Long-term construction in progress	242	V.8	-	67.631.873.341
IV. Other long-term assets	260		39.819.042.643	19.734.397.025
1. Long-term prepaid expenses	261	V.6	39.819.042.643	19.734.397.025
TOTAL ASSETS	270		786.617.139.974	232.646.090.255

BALANCE SHEET (continued)

As at 31 December 2018

Unit: VND

RESOURCE	Code	Note	31/12/2018	01/01/2018
C. LIABILITIES	300		696.906.858.792	146.146.090.255
I. Current liabilities	310		222.177.159.960	153.650.400
1. Short-term trade payables	311	V.9	78.735.537.651	148.500.000
2. Statutory obligations	313	V.10	69.027.682.673	5.100.000
3. Payables to employees	314		-	-
4. Short-term accrued expenses	315	V.11	5.229.605.278	-
5. Other short-term payables	319	V.12	1.184.334.358	50.400
6. Short-term loans	320	V.13	68.000.000.000	-
II. Long-term liabilities	330		474.729.698.832	145.992.439.855
1. Long-term loans	338	V.13	474.729.698.832	145.992.439.855
D. OWNER'S EQUITY	400		89.710.281.182	86.500.000.000
I. Capital	410	V.14	89.710.281.182	86.500.000.000
1. Share capital	411		100.000.000.000	86.500.000.000
- Ordinary shares with voting rights	411a		100.000.000.000	86.500.000.000
- Preference shares	411b		-	-
2. Undistributed earnings	421		(10.289.718.818)	-
- Undistributed earnings up to the end of prior year-end	421a		-	-
- Undistributed earnings of current period	421b		(10.289.718.818)	-
TOTAL RESOURCE	440		786.617.139.974	232.646.090.255

Prepared by

Chief Accountant

Director





Nguyen Hong Ha

To The Chau

Luu Van Tuan

Date: 4 March 2019

INCOME STATEMENT
Year 2018

Unit: VND

Item	Code	Note	Current year	Previous year
1. Revenue from sale of goods and rendering of services	01		140.497.559.881	-
2. Deductible items	02		-	-
3. Net revenue from sale of goods and rendering of services	10	VI.1	140.497.559.881	-
4. Cost of goods sold	11	VI.2	132.834.327.828	-
5. Gross profit from sale of goods and rendering of services	20		7.663.232.053	-
6. Revenue from financial activities	21	VI.3	1.969.472.296	-
7. Financial expenses	22	VI.4	15.741.544.115	-
<i>In which: Interest expense</i>	23		15.740.468.130	-
8. Selling expenses	25	VI.5	299.021.416	-
9. Administrative expenses	26	VI.6	4.211.661.174	-
10. Net profit from operating activities	30		(10.619.522.356)	-
11. Other income	31	VI.7	329.803.538	-
12. Other expense	32		-	-
13. Other profit	40		329.803.538	-
14. Total profit before tax	50		(10.289.718.818)	-
15. Current business income tax expenses	51	VI.8	-	-
16. Deferred business income tax expenses	52	VI.8	-	-
17. Profit after tax	60		(10.289.718.818)	-
18. Earnings per Share	70	VI.9	(1.115)	-

Prepared by



Nguyen Hong Ha

Date : 4 March 2019

Chief Accountant



To The Chau

Director



Luu Van Tuan

CASH FLOWS STATEMENT
Year 2018

Unit: VND

Item	Code	Current year	Previous year
I. Cash flows from operating activities			
1. Profit before tax	01	(10.289.718.818)	-
2. Adjustments for:			
- Depreciation	02	15.390.758.641	-
- Gains/losses from investing activities	05	(785.982.624)	-
- Loan interest expenses	06	15.740.468.130	-
3. Profit from operating activities before changes in working capital	08	20.055.525.329	-
- Increase/Decrease in receivables	09	98.842.365.048	(136.614.086.068)
- Increase/Decrease in inventory	10	(47.006.825.257)	-
- Increase/Decrease in payables	11	100.393.106.155	153.650.400
- Increase/Decrease in prepaid expenses	12	(22.421.215.119)	(19.734.397.025)
- Interest paid	14	(11.461.387.524)	-
Net cash flows from operating activities	20	138.401.568.632	(156.194.832.693)
II. Cash flow from investing activities			
1. Purchase of fixed assets and other long-term	21	(525.339.090.377)	(67.631.873.341)
2. Interest, dividends and profit received	27	785.982.624	-
Net cash flows from investing activities	30	(524.553.107.753)	(67.631.873.341)
III. Cash flows from financing activities			
1. Gains from stock issuance and capital contributions from shareholders	31	13.500.000.000	86.500.000.000
2. Long-term and short-term borrowings received	33	446.790.258.977	145.992.439.855
3. Loan repayment	34	(50.053.000.000)	-
Net cash flows from financing activities	40	410.237.258.977	232.492.439.855
Net cash flows within the period	50	24.085.719.856	8.665.733.821
Cash and cash equivalents at the beginning of year	60	8.665.733.821	-
Cash and cash equivalents at the end of year	70	32.751.453.677	8.665.733.821

Prepared by

Chief Accountant

Director

Nguyen Hong Ha

To The Chau

Luu Van Tuan

Date : 4 March 2019



NOTES TO THE FINANCIAL STATEMENTS

Year 2018

I. BACKGROUND

1. Type of ownership

Sai Gon – Ben Tre Beer Joint Stock Company was established under Business Licence No 1301026370 dated 17 March 2017 and the 2th amendment Business Licence dated 31 May 2018 granted by the Department of Planning and Investment of Ben Tre Province.

The Company's head office is located at Phuoc Hau Hamlet, An Phuoc Commune, Chau Thanh District, Ben Tre Province.

2. Business sector

The Company's business sector are production, trade and service.

3. Principal activity

The principal activities of the Company are producing and trading beer, alcohol and soft drinks products; Producing and trading alcohol - alcohol; Trading in warehouses, inter-provincial freight; Purchase and sale of waste materials, glass, waste rubbish, waste, rubbish; Trading in processed agricultural products, food - food and specialty catering services.

4. Operating period

The normal operating period: 12 months.

II. ACCOUNTING PERIOD AND ACCOUNTING MONETARY UNIT

1. Accounting period

Annual accounting period commences from January 1st and ends on December 31st.

2. Accounting monetary unit

The Company maintains its accounting records in Vietnam dong (VND)

III. ACCOUNTING STANDARDS AND ACCOUNTING SYSTEM

1. Accounting system

The Company is applying Vietnamese Accounting System promulgated together with Circular No. 200/2014/TT/BTC dated 22/12/2014 issued by the Ministry of Finance.

2. Announcement on compliance with Vietnamese accounting standards and accounting system

The company applies Vietnamese Accounting Standards and supplement documents issued by the State. Financial statements are prepared in accordance with regulations of each standard and supplement documents as well as with current accounting system.

IV. ACCOUNTING POLICY

1. The exchange rate applied in the accounting

Transactions in foreign currencies are converted into Vietnam dong at the actual exchange rate at the time of the transaction.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Actual exchange rates when assessing the monetary assets and liabilities denominated in foreign currencies at the date of the financial statements: As the exchange rate announced by commercial banks where regular business transactions in accordance with the following principles:

- Actual exchange rates when revaluation of monetary items denominated in foreign currencies are classified as assets: The purchase of foreign currency exchange rates of the commercial banks where regular business transactions at the time of making Financial report. For foreign currency accounts in banks, the real exchange rate when the revaluation is the buying rate of the bank where businesses open foreign currency accounts.

- Actual exchange rates when revaluation of monetary items denominated in foreign currencies are classified as liabilities is the rate of sale of foreign currency by commercial banks at the time the financial statements;

Foreign exchange differences arising in the period actual and exchange rate differences due to revaluation of balance of monetary items at the end of the period are recorded into income or financial expenses in the period.

2. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and short-term investments with an original maturity of less than three months that are readily convertible into known amount of cash and that are subject to an insignificant risk of change in value sine date of purchase of such invesments at the time of reporting.

3. Recognition of trade receivables and other receivables

Receivables are presented in the financial statements at the carrying amounts due from customers and other debtors, after provision for doubtful debts.

The provision for doubtful debts represented amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered. Increases and decreases to the provision balance are roecorded as general and administrative expense in income statement.

The level of provisioning for overdue receivables should comply with the guidance in Circular 228/2009 / TT-BTC as follows:

- 30% of the value of overdue receivables from 6 months to 1 year.
- 50% of the value of overdue receivables from 1 year to less than 2 years.
- 70% of the value of overdue receivables from 2 years to less than 3 years.
- 100% of the value of overdue receivables from 3 years upwards.

4. Principle of evaluating inventories

Inventories are stated at original cost. The cost of inventories should comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventory at the year-end is calculated by weighted average method.

The Corporation applies the perpetual method to record inventory.

Provisions for inventory obsolescence made at the end of the year are the excess of original cost of inventory over their net realizable value.

5. Recording principle of tangible and intangible fixed assets

Fixed assets are stated at the original cost. During the using time, fixed assets are recorded at cost, accumulated depreciation and net book value.

Depreciation is provided on a straight-line basis. Depreciation period is estimated as follows:

- | | |
|---------------------------|------------|
| - Building and structures | 25 years |
| - Machinery & equipment | 5-11 years |
| - Means of transportation | 10 years |

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. Recognition and allocation of prepaid expenses

Prepaid expenses only related to present fiscal year are recognised as short-term prepaid expenses and are recorded into operating costs.

The calculation and allocation of long-term prepaid expenses to profit and loss account in the period should be based on nature of those expenses to choose reasonable method and allocated factors. Prepaid expenses are allocated partly into operating expenses on a straight-line basis.

7. Recognition of trade payables and other payables

Trade payables and other payables are stated at the original cost.

8. Recognition and capitalization of borrowing costs

Borrowing costs are recognized into operating costs during the period, except for which directly attributable to the acquisition, construction or production of a qualifying asset included (capitalized) in the cost of that asset, when gather sufficient conditions as regulated in SAV No. 16 "Borrowing costs".

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset should be included (capitalized) in the cost of that asset, includes interest on borrowings, amortization of discounts or premiums relating to issuing bonds and ancillary costs incurred in connection with the arrangement of borrowings.

9. Recognition of accrued expenses

Expenses not yet occurred may be charged in advance into production and operating costs in order to ensure when these expenses arise, they do not make material influence on production and operating costs on the basis of suitability between revenue and cost. When these expenses arise, if there is any difference with the amount charged, accountants additionally record or make decrease to cost equivalent to the difference.

10. Owner's equity

Owner's equity are recognised by the real contributed capital.

11. Recognition of revenue

Revenue from sale of goods

Revenue from sale of goods should be recognized when all the following conditions have been satisfied:

- The significant risks and rewards of ownership of the goods have been transferred to the buyer;
- The Company retains neither continuing managerial involvement as a neither owner nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- The economic benefits associated with the transaction of goods sold have flown or will flow to the Company;
- The costs incurred or to be incurred in respect of the transaction of goods sold can be measured reliably

Revenue from rendering of services

Revenue from rendering of services is recognized when the outcome of that transaction can be measured reliably. Where a transaction involving the rendering of services is attributable to several periods, each period's revenue should be recognized by reference to the stage of completion at the balance sheet date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

NOTES TO THE FINANCIAL STATEMENTS (continued)

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company;
- The stage of completion of the transaction at the balance sheet date can be measured reliably;
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably

Financial income

Income from interest, royalties and dividends and other financial income earned by the Company should be recognised when these two conditions are satisfied:

- It is probable that the economic benefits associated with the transaction will flow to the Company;
- The amount of the income can be measured reliably.

Dividends should be recognised when the Company's right to receive payment is established or right to receive profits from the capital contribution

12. Accounting principles of revenue deductions

This account is used to reflect the adjusted amounts deducted from sales of goods and services arising in the period, including: Commercial discount, discounted prices of goods and returned goods. This account does not reflect the tax deductible from the revenue as the output VAT payable by the direct method. The adjustment of revenue reduction is carried out as follows:

- The trade discount, the reduction of the price of sold goods and sold goods that arise in the same period of consumption of products and goods and services shall be reduced in terms of the arising period;
- In cases where products, goods and services have been consumed from the previous periods, to the next period, when there is a commercial discount, the price of goods sold or returned is returned, the enterprise may record a decrease in turnover according to the original switches:
 - + If the products, goods and services consumed from the previous period, to the next period must be discounted, must be discounted and trade but returned before the time of issuance. This is considered an adjustment event arising after the balance sheet date and a decrease in revenue, on the financial statements of the reporting period (previous period).
 - + In case products, goods and services are subject to price reduction, trade discount or return after the time of issuance of financial statements, enterprises shall record reduced turnover of the arising period (next period).

13. Recognition cost of goods sold

Cost of goods sold reflects the cost value of products, goods and services sold in the period.

Provision for devaluation inventories is charged to cost of goods sold on the basis of the amount of inventories and the difference between the net value realizable lower than the cost of inventories. When determining the amount of inventory devaluation should make provision, accountants must exclude inventory volume has signed contracts on sales (net worth not less than the realizable value book) but not yet transferred to the customer if there is solid evidence regarding the customer will not give up the contract performance.

14. Principles and methods of recoding financial expenses

Expenses are recorded in financial expense consist of: Expenses or losses relating to financial investment activities; Expenses of capital lending and borrowing; Expenses of joint ventures, cooperation, losses relating transfer of short-term securities, transaction expenses selling of securities; Provision for impairment of trading securities, investment loss reserves in other units, losses incurred when selling foreign currency, exchange rate losses...

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. Principles of selling expenses, administrative expenses

Selling expenses reflect the actual costs incurred during the sale of products, goods and service providers, including the costs of offers, product descriptions, product advertising, sales commissions, cost of product warranties, goods (except construction activity), the costs of preservation, packaging, shipping, ...

Corporate management costs reflects the cost of the overall management of the business, including the cost of staff salaries enterprise management department (salaries, wages, allowances, ...); social insurance, medical insurance, trade union fees, unemployment insurance of enterprise management personnel; office material costs, labor tools, depreciation of fixed assets used for business management; land rents and excises; Clause provision for bad debts; hired services (electricity, water, telephone, fax, property insurance, fire ...); Other cash costs (reception, customer conferences ...)

16. Principles and method of recording current income tax expense, deferred income tax expense

Current income tax expense is calculated basing on taxable profit and income tax rate applied in the current year.

Deferred income tax expense is calculated basing on deductible temporary differences, taxable temporary differences and income tax rate. Deferred income tax should be recognized for all temporary differences, and deferred tax assets are only recognized when it is probable that taxable profits in the future to deduct temporary differences

17. Financial instruments

Initial recognition

Financial assets

At the first date of recognition, a financial asset is measured at its fair value, plus transaction costs that are directly attributable to the acquisition of that financial asset.

The Company's financial assets include cash and short-term deposits, trade and other receivables, loan receivables and investments.

Financial liabilities

At the first date of recognition, a financial liability is measured at its fair value, minus transaction costs that are directly attributable to the issue of financial liability.

The Company's financial liabilities include trade and other payables and loans.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if and only if:

- i. There is a currently enforceable legal right to offset the recognised amounts; and
- ii. There is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously

18. Related parties

The parties are considered to be related if one party has the ability to control or significantly influence the other party in the decision-making of financial policies and activities.

NOTES TO THE FINANCIAL STATEMENTS (continued)

V. ADDITIONAL INFORMATION TO ITEMS IN BALANCE SHEET

1. Cash and cash equivalents

	31/12/2018	01/01/2018
	VND	VND
Cash in bank	251.453.677	8.665.733.821
Cash equivalents (term-deposit at bank)	32.500.000.000	-
Total	32.751.453.677	8.665.733.821

2. Short-term trade receivable

	31/12/2018	01/01/2018
	VND	VND
Saigon Beer - Alcohol - Beverage Corporation (related party)	36.922.865.100	-
Total	36.922.865.100	-

3. Short-term advance to suppliers

	31/12/2018	01/01/2018
	VND	VND
Refrigeration electrical engineering Bach Khoa co.,ltd	-	113.155.769.275
Sai Gon – Bac Lieu Beer Joint stock Company (related party)	-	2.715.000.000
KRONES AG	-	13.324.457.800
Sa Be Co Mechanical One Member Co., Ltd (related party)	214.368.000	-
Others	494.300.000	788.000.000
Total	708.668.000	129.983.227.075

4. Others receivables

	31/12/2018	01/01/2018
	VND	VND
Others short-term receivables	116.187.920	-
Receivables from interest	106.534.249	-
Others receivables	9.653.671	-
Others long-term receivables	24.000.000	-
Long-term deposits	24.000.000	-
Total	140.187.920	-

5. Inventories

	31/12/2018		01/01/2018	
	Original cost VND	Provision VND	Original cost VND	Provision VND
Raw material	19.107.849.562	-	-	-
Tools, supplies	7.885.265.213	-	-	-
Work in process	14.710.499.404	-	-	-
Finished goods	5.303.211.078	-	-	-
Total	47.006.825.257	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. Prepaid expenses

	31/12/2018	01/01/2018
	VND	VND
Sort-term Prepaid expenses	2.336.569.501	-
Tools waiting for allocation	2.336.569.501	-
Long-term Prepaid expenses	39.819.042.643	19.734.397.025
Bottle material expenses yet to be apportioned	18.237.924.702	-
Land rental fee	19.666.811.091	19.734.397.025
Others	1.914.306.850	-
Total	42.155.612.144	19.734.397.025

7. Increase, decrease in tangible fixed assets

	Unit: VND			
	Building and structures	Machinery and equipment	Means of transportation	Total
Original cost				
Opening balance	-	-	-	-
Increase	197.398.891.049	442.887.860.377	2.035.535.091	642.322.286.517
- Purchases	-	-	2.035.535.091	2.035.535.091
- Capital construction investment completed	197.398.891.049	442.887.860.377	-	640.286.751.426
Decrease	-	-	-	-
Closing balance	197.398.891.049	442.887.860.377	2.035.535.091	642.322.286.517
Accumulated depreciation				
Opening balance	-	-	-	-
Depreciation within period	664.411.903	14.655.813.205	70.533.533	15.390.758.641
Decrease	-	-	-	-
Closing balance	664.411.903	14.655.813.205	70.533.533	15.390.758.641
Net book value				
Opening	-	-	-	-
Closing	196.734.479.146	428.232.047.172	1.965.001.558	626.931.527.876

Ending netbook value of tangible fixed assets pledged as loan securities: 626.931.527.876 VND.

8. Long-term construction in progress

	31/12/2018	01/01/2018
	VND	VND
Long-term construction in progress at Sai Gon – Ben Tre factory	-	67.631.873.341
Total	-	67.631.873.341

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. Short-term trade payable

	31/12/2018	01/01/2018
	VND	VND
Saigon Beer - Alcohol - Beverage Corporation	22.635.977.966	148.500.000
Bach Khoa Refrigeration Electrical Engineering Co., Ltd	46.461.322.799	-
Green Energy Production Investment Joint Stock Company	1.680.650.192	-
Trung An High-Tech Agriculture Joint Stock Company	1.481.626.150	-
Thai Tan Trading and Transport Company Limited	1.366.790.920	-
Saigon Beer - Alcohol - Beverage Corporation – Cu Chi Branch	46.188.450	-
Saigon Beer Trading One Member Limited Company	100.493.561	-
Sai Gon – Bac Lieu Beer Joint stock Company	2.890.000.000	-
Others short-term trade payable	2.072.487.613	-
Total	78.735.537.651	148.500.000

Short-term trade payable with related parties

	31/12/2018	01/01/2018
	VND	VND
Saigon Beer - Alcohol - Beverage Corporation	22.635.977.966	148.500.000
Saigon Beer - Alcohol - Beverage Corporation – Branch Cu Chi	46.188.450	-
Saigon Beer Trading One Member Limited Company	100.493.561	-
Sai Gon – Bac Lieu Beer Joint stock Company	2.890.000.000	-

10. Tax and statutory obligations

	01/01/2018	Payable	Paid	31/12/2018
Payable	VND	VND	VND	VND
Value added tax	-	6.448.694.552	-	6.448.694.552
Import's value added tax	-	13.860.217.295	(13.860.217.295)	-
Special sales tax	-	123.752.006.874	(61.235.237.168)	62.516.769.706
Import, export tax	-	27.817.591	(27.817.591)	-
Personal Income tax	5.100.000	127.572.571	(70.454.156)	62.218.415
Property tax and land rent	-	100.857.225	(100.857.225)	-
other kinds of tax	-	3.005.400	(3.005.400)	-
Fees, charges and other payable amounts	-	130.200.000	(130.200.000)	-
Total	5.100.000	144.450.371.508	(75.427.788.835)	69.027.682.673

11. Short-term accrued expenses

	31/12/2018	01/01/2018
	VND	VND
Accrued loan interests	4.279.080.606	-
Other accrued expenses	950.524.672	-
Total	5.229.605.278	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. Other short-term payables

	31/12/2018	01/01/2018
	VND	VND
Sa Be Co Mechanical One Member Co., Ltd (related party)	150.000.000	-
Deposits	370.000.000	-
Other short-term payables	664.334.358	50.400
Total	1.184.334.358	50.400

13. Loans and finance lease

	Year 2018			31/12/2018
	01/01/2018	Increase	Decrease	Cost
	VND	VND	VND	VND
Current portion of long-term loan	-	68.000.000.000	-	68.000.000.000
Vietnam Joint Stock Commercial Bank for Industry and Trade	-	68.000.000.000	-	68.000.000.000
Long-term loans	145.992.439.855	446.790.258.977	(118.053.000.000)	474.729.698.832
Vietnam Joint Stock Commercial Bank for Industry and Trade	145.992.439.855	446.790.258.977	(118.053.000.000)	474.729.698.832
Total	145.992.439.855	514.790.258.977	(118.053.000.000)	542.729.698.832

Borrowing from Vietnam Joint Stock Commercial Bank for Industry and Trade - Branch 4 in Ho Chi Minh City under the loan contract for investment project No. 01/2017-HDDCVDDDDT/NHCT908-BIASAIGONBENTRE on August 10, 2017. Loan term is 108 months from the next day of the first disbursement date. Loan interest rates are adjusted monthly. The purpose of borrowing is to implement the construction project of Saigon - Ben Tre Beer factory with capacity of 50 million liters / year. This loan is secured by land use rights and all assets attached to land in An Phuoc commune, Chau Thanh district, Ben Tre province. The outstanding principal balance as of December 31, 2018 is VND 542.729.698.832 (of which VND 68.000.000.000 is due and has been classified as short-term debt).

14. Owner's equity

a) Increase and decrease in owner's equity

	Contributed legal capital	Profit after tax retained	Total
	Unit: VND		
Beginning balance of previous year	-	-	-
Increase in capital	86.500.000.000	-	86.500.000.000
Ending balance of previous year	86.500.000.000	-	86.500.000.000
Beginning balance of current year	86.500.000.000	-	86.500.000.000
Increase in capital	13.500.000.000	-	13.500.000.000
Loss of the year	-	(10.289.718.818)	(10.289.718.818)
Ending balance of current year	100.000.000.000	(10.289.718.818)	89.710.281.182

NOTES TO THE FINANCIAL STATEMENTS (continued)

b) Details of owner's invested capital

	31/12/2018	%	01/01/2018	%
	VND		VND	
Saigon Beer - Alcohol - Beverage Corporation	20.000.000.000	20	20.000.000.000	23,12
Others	80.000.000.000	80	66.500.000.000	76,88
Total	100.000.000.000	100	86.500.000.000	100

c) Capital transactions with owners and distribution of dividends and profits

	Current year	Previous year
	VND	VND
Owner's invested capital		
At the beginning of year	86.500.000.000	-
Increase in the year	13.500.000.000	86.500.000.000
Decrease in the year	-	-
At year end	100.000.000.000	86.500.000.000

d) Shares

	31/12/2018	01/01/2018
	Shares	Shares
Registered number of shares issued	10.000.000	10.000.000
Number of shares sold to the public	10.000.000	10.000.000
- Common shares	10.000.000	10.000.000
Number of shares acquired	-	-
Number of shares in issue	10.000.000	10.000.000
- Common shares	10.000.000	10.000.000
- Par value of shares in issue: 10.000 đồng		

VI. ADDITIONAL INFORMATION OF ITEMS PRESENTED IN THE INCOME STATEMENT

1. Net revenue from sale of goods and rendering of services

	Current year	Previous year
	VND	VND
Net revenue from sale of finished goods	139.580.129.536	-
Net revenue from sale of others goods	917.430.345	-
Total	140.497.559.881	-

Net revenue from sale of goods with related party

Saigon Beer - Alcohol - Beverage Corporation	139.580.129.536	-
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2. Cost of goods sold

	Current year	Previous year
	VND	VND
Cost of finished goods	131.945.407.872	-
Cost of others goods	888.919.956	-
Total	132.834.327.828	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Financial income

	Current year VND	Previous year VND
Interest income	785.982.624	-
Gain from sale of foreign currencies	1.183.489.672	-
Total	1.969.472.296	-

4. Financial expenses

	Current year VND	Previous year VND
Interest expenses	15.740.468.130	-
Loss from sale of foreign currencies	1.075.985	-
Total	15.741.544.115	-

5. Selling expenses

	Current year VND	Previous year VND
Material, tool expense	92.006.792	-
Expenses for external service	207.014.624	-
Total	299.021.416	-

6. Administrative expenses

	Current year VND	Previous year VND
Salary expenses	1.976.445.462	-
Expenses of raw materials, materials, tools	676.751.293	-
Depreciation expenses	70.533.533	-
Tax expenses, fees and charges	232.964.405	-
Expenses for external service	494.598.032	-
Others	760.368.449	-
Total	4.211.661.174	-

7. Other income

	Current year VND	Previous year VND
Other income	329.803.538	-
Total	329.803.538	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. Current corporate income tax expenses

A business income at rate (“BIT”) of 20% of taxable profits

The Company’s tax settlements are subject to examination by the tax authorities. Because the application of tax laws and regulations to many types of transactions is susceptible to varying interpretations, amounts reported in the financial statements could be changed at a later date upon final determination by the tax authorities.

A summary of CIT computation is presented below:

	Current year	Previous year
	VND	VND
Total profit before tax	(10.289.718.818)	-
Adjustments	779.745.858	-
- Increase	779.745.858	-
- Decrease	-	-
Total taxable profits	(9.509.972.960)	-
CIT tax rate	20%	-
Current corporation income tax expenses	-	-

Deferred tax asset has not been recognised in respect of these tax losses because it is not probable that future tax profit will be available against which the Company can utilise the benefits therefrom.

9. Earnings per share

	Current year	Previous year
	VND	VND
Profit after corporate income tax	(10.289.718.818)	-
Adjustments	-	-
- Increase	-	-
- Decrease	-	-
Net profit attributable to ordinary shareholders	(10.289.718.818)	-
Weighted average number of ordinary shares	9.230.933	-
Earnings per share	(1.115)	-

10. Productions cost by items

	Current year	Previous year
	VND	VND
Raw materials cost	129.310.823.225	-
Labor cost	5.727.407.431	-
Depreciation expenses	15.390.758.641	-
Expenses from external services	5.913.766.740	-
Other expenses	1.015.964.863	-
Total	157.358.720.900	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

VII. OTHER INFORMATION

1. The events arising after end of accounting period

The Board of Management confirms that no significant events arising after the closing of accounting books financial statements are required to be adjusted or published financial statements.

2. Information about related parties

During the year, beside the transactions with related parties have been presented in the above sections, the company has had the following transactions with the related parties:

Related parties	Relationship	Transaction content	Amount (VND)
Saigon Beer - Alcohol - Beverage Corporation	Related party	Purchase of material	134.877.452.223
Sai Gon – Soc Trang Trading Beer One Member Co., Ltd	Related party	Purchase of bottles, tanks, pallets, cost of empty bottles	29.256.135.549
Sa Be Co Mechanical One Member Co., Ltd	Related party	Purchase of machinery and equipment	485.100.000
Sai Gon – Soc Trang Beer One Member Co., Ltd	Related party	Purchase of CO2	32.467.050
Sai Gon – Bac Lieu Beer Joint stock Company	Related party	Purchase of fixed assets	29.607.974.744

Income of The Board of Directors, The Board of Management and the Board of Supervisors as below:

	Current year VND	Previous year VND
Salaries, bonuses and others	482.627.442	-

3. Fair value of financial asset and liability

	Book Value		Fair Value	
	31/12/2018 VND	01/01/2018 VND	31/12/2018 VND	01/01/2018 VND
Financial asset				
Cash and cash equivalent	32.751.453.677	8.665.733.821	32.751.453.677	8.665.733.821
Trade receivable and other receivable	37.039.053.020	-	37.039.053.020	-
Total	69.790.506.697	8.665.733.821	69.790.506.697	8.665.733.821
Financial liability				
Loans	542.729.698.832	145.992.439.855	542.729.698.832	145.992.439.855
Accrued expenses	5.229.605.278	-	5.229.605.278	-
Trade payable	78.735.537.651	148.500.000	78.735.537.651	148.500.000
Other payable	1.184.334.358	50.400	1.184.334.358	50.400
Total	627.879.176.119	146.140.990.255	627.879.176.119	146.140.990.255

Fair value of financial assets and financial liabilities are stated at the value of financial instruments which can be converted in a current transaction between the parties fully understand and wish to take transaction.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Method and the following assumptions are used to estimate fair value:

Cash, bank deposits, accounts receivable, accounts payable and other short-term liabilities largely approximates with book value due to short-term maturity of these tools.

The fair value of loans and other long-term liabilities are estimated by discounting future cash flows at the interest rate applicable to the debt characteristics and remaining maturities similar.

The fair value of financial liabilities is equivalent to the book value due to the impact of discounting is not significant.

4. Collateral

As at 31/12/2018 and 31/12/2017, the Company has mortgaged fixed assets and long-term investments to guarantee the loan of banks (note V.7, V.13) . The Company does not hold the collateral of other entities as at 31/12/2017 and 31/12/2018.

5. Credit risk

Credit risk is the risk that partners will not perform its obligations under the provisions of a financial instrument or contract leading to financial losses. Company has credit risk from its business activities (primarily accounts receivable for customers) and from its own financial operations, including bank deposits and other financial instruments.

Account receivable

The management of customer credit risk based on company policies, procedures and process control of the Company relating to the management of customers credit risk.

Customer receivables which are unpaid are regularly monitored. The analysis of the ability to be made redundant at the reporting date on the basis of each large customer. On this basis, Company does not have risk of credit concentration.

Bank deposits

Most bank deposits of Company shall be deposited at the prestigious banks in Vietnam. The company found that concentrations of credit risk for bank deposits are low.

6. Liquidity risk

Liquidity risk is the risk that Company has difficulty in complete the financial obligations due to lack of capital. Liquidity risk of the Company arises mainly due to mismatch in the maturities of financial assets and financial liabilities.

Company manage liquidity risk through maintaining the ratio of cash and cash equivalents at the level that Board of Management thought its sufficient to provide financial support for the business of Company and to minimize impact of changing cash flows.

Information maturities of financial liabilities of the Company based on the value without discounting payments under the contract as follows:

	Under 01 year	Over 01 year	Total
Closing Balance	153.149.477.287	474.729.698.832	627.879.176.119
Loans	68.000.000.000	474.729.698.832	542.729.698.832
Trade payable	78.735.537.651	-	78.735.537.651
Accrued expenses	5.229.605.278	-	5.229.605.278
Other payable	1.184.334.358	-	1.184.334.358
Opening Balance	148.550.400	145.992.439.855	146.140.990.255
Loans	-	145.992.439.855	145.992.439.855
Trade payable	148.500.000	-	148.500.000
Accrued expenses	-	-	-
other payable	50.400	-	50.400

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. Market risk

Market risk is the risk that fair value or future value of cash flows from financial instruments will fluctuate with changing of market prices. Market risk includes three types: foreign currency risk, interest rate risk and other price risk.

Foreign currency risk

Foreign currency risk is the risk that fair value or future cash flows of financial instruments will fluctuate with changes in the exchange rate.

Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate due to changes of market interest rates. The risk of changes in market interest rates of the Company primarily related to short-term deposits and loans.

The Company manages interest rate risk by closely monitoring market conditions relevant, by that Company will determine the appropriate interest rate policy for risk limited purpose Company.

The company does not perform a sensitivity analysis on interest rates because the risk of interest rate changes at the reporting date is insignificant or the financial interest rate is fixed.

8. Comparative figures

Comparative figures are data on the Financial Statements for the fiscal year ended 31 December 2017 which have not been audited.

9. Going concern

In this year, no activities or events arising that significantly affect the ability of going concern of Company. Therefore, the financial statements of the Company are prepared on the basis of going concern assumption.

Prepared by



Nguyen Hong Ha

Date : 4 March 2019

Chief Accountant



To The Chau

Director



Luu Van Tuan