



Saigon - Bentre Beer Joint Stock Company

Financial Statements for the year ended
31 December 2019



**Saigon - Bentre Beer Joint Stock Company
Corporate Information**

Business Registration Certificate No.	1301026370 1301026370	17 March 2017 31 May 2018
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The Company's business registration certificate has been amended two times, the most recent of which is by Business Registration Certificate No. 1301026370 dated 31 May 2018. The business registration certificate and its amendments were issued by Business Registration Department of Ben Tre Province.

Board of Directors	Mr. Luu Van Tuan Ms. Bui Thi Thuy Mr. Nguyen Son Duong Mr. Pham Tan Loi Mr. Pham Hong Minh	Chairman Member Member Member Member
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Board of Supervisors	Mr. Do Van Bien Mr. Ha Duc Trung Ms. Luu Thanh Thao Mr. Vu Tuan Anh	Head of Board of Supervisors Member Member (from 19 December 2019) Member (until 19 December 2019)
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Board of Management	Mr. Luu Van Tuan Ms. Le Thi To Uyen Mr. Nguyen Quoc Khanh	Director Deputy Director Deputy Director
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Registered Office	Phuoc Hau Hamlet (Plot No. 379, Map No. 7) An Phuoc Commune, Chau Thanh District Ben Tre Province Vietnam
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Auditor	KPMG Limited Vietnam
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Saigon - Bentre Beer Joint Stock Company Statement of the Board of Management

The Board of Management of Saigon - Bentre Beer Joint Stock Company (“the Company”) presents this statement and the accompanying financial statements of the Company for the year ended 31 December 2019.

The Board of Management is responsible for the preparation and fair presentation of the financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting. In the opinion of the Board of Management:

- (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 December 2019, and of the results of operations and the cash flows of the Company for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Company will not be able to pay its debts as and when they fall due.

The Board of Management has, on the date of this statement, authorised the accompanying financial statements for issue.

On behalf of the Board of Management



Luu Van Tuan
Director

Ben Tre Province, 10 March 2020



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INDEPENDENT AUDITOR'S REPORT

To the Shareholders Saigon - Bentre Beer Joint Stock Company

We have audited the accompanying financial statements of Saigon - Bentre Beer Joint Stock Company ("the Company"), which comprise the balance sheet as at 31 December 2019, the related 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 Management on 10 March 2020, as set out on pages 5 to 27.

Management's Responsibility

The Company's 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 for enterprises and the relevant statutory requirements applicable to financial reporting, and for such internal control as the Board of Management 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 Management, 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 Saigon - Bentre Beer Joint Stock Company as at 31 December 2019 and of its results of operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

Other Matter

The financial statements of the Company for the year ended 31 December 2018 were audited by another firm of auditors whose reports dated 7 March 2019 expressed an unqualified opinion on those financial statements.

KPMG Limited's Branch in Ho Chi Minh City

Vietnam

Audit Report No.: 19-01-00462-20-01



Hà Vũ Đình

Practicing Auditor Registration
Certificate No. 0414-2018-007-1
Deputy General Director

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

Ho Chi Minh City, 10 March 2020

Saigon - Bentre Beer Joint Stock Company
Balance sheet as at 31 December 2019

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

	Code	Note	31/12/2019 VND	1/1/2019 VND
ASSETS				
Current assets (100 = 110 + 130 + 140 + 150)	100		143,001,667,264	119,842,569,455
Cash and cash equivalents	110	5	79,030,751,817	32,751,453,677
Cash	111		530,751,817	251,453,677
Cash equivalents	112		78,500,000,000	32,500,000,000
Accounts receivable – short-term	130		19,461,846,990	37,747,721,020
Accounts receivable from customers	131	6	18,432,175,465	36,922,865,100
Prepayments to suppliers	132		743,467,106	708,668,000
Other short-term receivables	136		286,204,419	116,187,920
Inventories	140	7	44,140,923,631	47,006,825,257
Other current assets	150		368,144,826	2,336,569,501
Short-term prepaid expenses	151		368,144,826	2,336,569,501
Long-term assets (200 = 210 + 220 + 240 + 260)	200		690,014,075,841	666,774,570,519
Accounts receivable – long-term	210		10,000,000	24,000,000
Other long-term receivables	216		10,000,000	24,000,000
Fixed assets	220		657,645,609,440	626,931,527,876
Tangible fixed assets	221	8	657,645,609,440	626,931,527,876
Cost	222		729,051,735,416	642,322,286,517
Accumulated depreciation	223		(71,406,125,976)	(15,390,758,641)
Long-term work in progress	240		908,963,845	-
Construction in progress	242		908,963,845	-
Other long-term assets	260		31,449,502,556	39,819,042,643
Long-term prepaid expenses	261	9	30,508,811,736	39,819,042,643
Deferred tax assets	262		940,690,820	-
TOTAL ASSETS (270 = 100 + 200)	270		833,015,743,105	786,617,139,974

The accompanying notes are an integral part of these financial statements

Saigon - Bentre Beer Joint Stock Company
Balance sheet as at 31 December 2019 (continued)

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

	Code	Note	31/12/2019 VND	1/1/2019 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		691,482,389,556	696,906,858,792
Current liabilities	310		213,035,920,104	222,177,159,960
Accounts payable to suppliers	311	10	46,241,720,640	78,735,537,651
Taxes payable to State Treasury	313	11	75,762,226,568	69,027,682,673
Accrued expenses	315	12	11,921,300,543	5,229,605,278
Other payables – short-term	319	13	4,470,053,171	1,184,334,358
Short-term borrowings	320	14(a)	72,000,000,000	68,000,000,000
Bonus and welfare fund	322		2,640,619,182	-
Long-term liabilities	330		478,446,469,452	474,729,698,832
Long-term borrowings	338	14(b)	478,446,469,452	474,729,698,832
EQUITY (400 = 410)	400		141,533,353,549	89,710,281,182
Owners' equity	410	15	141,533,353,549	89,710,281,182
Share capital	411	16	100,000,000,000	100,000,000,000
- Ordinary shares with voting rights	411a		100,000,000,000	100,000,000,000
Retained profits/(Accumulated losses)	421		41,533,353,549	(10,289,718,818)
- Accumulated losses brought forward	421a		(10,289,718,818)	-
- Retained profit/(loss) for the current year	421b		51,823,072,367	(10,289,718,818)
TOTAL RESOURCES (440 = 300 + 400)	440		833,015,743,105	786,617,139,974

10 March 2020

Prepared by:



Pham The Loc
Accountant

Approved by:



Luu Van Tuan
Director

The accompanying notes are an integral part of these financial statements

Saigon - Bentre Beer Joint Stock Company
Statement of income for the year ended 31 December 2019

Form B 02 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	2019 VND	2018 VND
Revenue from sales of goods	01	17	689,586,641,976	140,497,559,881
Cost of sales	11	18	565,785,879,710	132,834,327,828
Gross profit (20 = 01 - 11)	20		123,800,762,266	7,663,232,053
Financial income	21	19	3,010,664,858	1,969,472,296
Financial expenses	22	20	46,652,516,458	15,741,544,115
<i>In which: Interest expense</i>	23		46,651,928,732	15,740,468,130
Selling expenses	25		1,822,985,013	299,021,416
General and administration expenses	26	21	13,114,721,979	4,211,661,174
Net operating profit/(loss) {30 = 20 + (21 - 22) - (25 + 26)}	30		65,221,203,674	(10,619,522,356)
Other income	31		1,356,434,398	329,803,538
Other expenses	32		162,294,094	-
Results of other activities (40 = 31 - 32)	40		1,194,140,304	329,803,538
Accounting profit/(loss) before tax (50 = 30 + 40)	50		66,415,343,978	(10,289,718,818)
Income tax expense – current	51	23	12,392,343,249	-
Income tax expense – deferred	52	23	(940,690,820)	-
Net profit/(loss) after tax (60 = 50 - 51 - 52)	60		54,963,691,549	(10,289,718,818)
Basic earnings/(losses) per share	70	24	5,232	(1,115)

10 March 2020

Prepared by:



Pham The Loc
Accountant

Approved by:



Luu Van Tuan
Director

The accompanying notes are an integral part of these financial statements

Saigon - Bentre Beer Joint Stock Company
Statement of cash flows for the year ended 31 December 2019 (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	2019 VND	2018 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounting profit/(loss) before tax	01	66,415,343,978	(10,289,718,818)
Adjustments for			
Depreciation	02	56,015,367,335	15,390,758,641
Interest income	05	(3,010,664,858)	(785,982,624)
Interest expense	06	46,651,928,732	15,740,468,130
Operating profit before changes in working capital	08	166,071,975,187	20,055,525,329
Change in receivables	09	19,155,280,974	98,842,365,048
Change in inventories	10	2,865,901,626	(47,006,825,257)
Change in payables and other liabilities	11	(6,668,086,023)	100,393,106,155
Change in prepaid expenses	12	11,278,655,582	(22,421,215,119)
		192,703,727,346	149,862,956,156
Interest paid	14	(46,218,842,353)	(11,461,387,524)
Corporate income tax paid	15	(5,781,503,349)	-
Other payments for operating activities	17	(74,304,040)	-
Net cash flows from operating activities	20	140,629,077,604	138,401,568,632
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets	21	(104,886,666,998)	(525,339,090,377)
Receipts of interests	27	2,820,116,914	785,982,624
Net cash flows from investing activities	30	(102,066,550,084)	(524,553,107,753)

The accompanying notes are an integral part of these financial statements

Saigon - Bentre Beer Joint Stock Company
Statement of cash flows for the year ended 31 December 2019
(Indirect method – continued)

Form B 03 – DN
(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	2019 VND	2018 VND
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from shares issued	31		-	13,500,000,000
Proceeds from borrowings	33		72,716,770,620	446,790,258,977
Payments to settle loan principals	34		(65,000,000,000)	(50,053,000,000)
Net cash flows from financing activities	40		7,716,770,620	410,237,258,977
Net cash flows during the year (50 = 20 + 30 + 40)	50		46,279,298,140	24,085,719,856
Cash and cash equivalents at the beginning of the year	60		32,751,453,677	8,665,733,821
Cash and cash equivalents at the end of the year (70 = 50 + 60)	70	5	79,030,751,817	32,751,453,677

10 March 2020

Prepared by:



Pham The Loc
Accountant



Luu Van Tuan
Director

The accompanying notes are an integral part of these financial statements

Saigon - Bentre Beer Joint Stock Company
Notes to the financial statements for the year ended 31 December 2019

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

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

1. Reporting entity

(a) Ownership structure

Saigon - Bentre Beer Joint Stock Company (“the Company”) is incorporated as a joint stock company in Vietnam.

(b) Principal activities

The principal activities of the Company are to produce and trade beer, alcohol and beverages.

(c) Normal operating cycle

The normal operating cycle of the Company is generally within 12 months.

(d) Company structure

As at 31 December 2019, the Company had 136 employees (1/1/2019: 126 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.

Saigon - Bentre Beer Joint Stock Company

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

Form B 09 – DN

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

(c) Going concern assumption

The financial statements have been prepared on a going concern basis. At the balance sheet date, current liabilities exceeded current assets by VND70,034 million (1/1/2019: VND102,335 million). The Company also had significant loans that will require refinancing within the next 12 months (Note 14). Furthermore, the Company receives orders and sells its products mainly to Saigon Beer – Alcohol – Beverage Corporation, a related party. The validity of the going concern assumption fundamentally depends on the Company continuing to receive enough orders from Saigon Beer – Alcohol – Beverage Corporation, to generate positive operating cash flows and to maintain unused credit lines to enable the Company to meet its liabilities as and when they fall due and to maintain the Company in existence as a going concern for the foreseeable future.

At the time of this report, there were unused credit lines available and there is no reason for the Company's management to believe that the Company will not continue to receive enough orders from Saigon Beer – Alcohol – Beverage Corporation and to generate net operating cash flows.

(d) Annual accounting period

The annual accounting period of the Company is from 1 January to 31 December.

(e) Accounting and presentation currency

The Company's accounting currency is Vietnam Dong ("VND"), which is also the currency used for financial statements presentation purpose.

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 of exchange ruling at the transaction dates.

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at the account transfer buying rate and account transfer selling rate, respectively, at the end of the annual accounting period quoted by the commercial bank where the Company most frequently conducts transactions.

All foreign exchange differences are recorded in the statement of income.

(b) Cash and cash equivalents

Cash comprises cash balances and call deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Saigon - Bentre Beer Joint Stock Company
Notes to the financial statements for the year ended 31 December 2019 (continued)

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

(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, less the estimated costs of completion and direct selling expenses.

The Company applies the perpetual method of accounting for inventories.

(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 for its intended use. Expenditure incurred after tangible fixed assets have been put into operation, such as repair and maintenance and overhaul costs, is charged to the statement of income in the year in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the 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	25 years
▪ machinery and equipment	5 – 11 years
▪ motor vehicles	11 years

(f) Construction in progress

Construction in progress represents the costs of construction and machinery which have not been fully completed or installed. No depreciation is provided for construction in progress during the period of construction and installation.

Saigon - Bentre Beer Joint Stock Company

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

Form B 09 – DN

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

(g) Long-term prepaid expenses

(i) Prepaid land costs

Prepaid land costs comprise prepaid land lease rentals, including those for which the Công ty obtained land use rights certificate but are not qualified as intangible fixed assets in accordance with applicable regulations, and other costs incurred in conjunction with securing the use of leased land. These costs are recognised in the statement of income on a straight-line basis over the term of the lease of 48 to 52 years.

(ii) Returnable packaging

Returnable packaging includes bottles and crates being used in the Company's production and business activities and is initially stated at cost. Returnable packaging is amortised on a straight-line basis in 2 years.

(iii) 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 in 3 years.

(h) Trade and other payables

Trade and other payables are stated at their cost.

(i) Provisions

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) Share capital

Ordinary shares

Ordinary shares are stated at par value. Excess of cash received from shares issue over par value is recorded as share premium. Incremental costs directly attributable to the issue of shares, net of tax effects, are recognised as a deduction from share premium.

Saigon - Bentre Beer Joint Stock Company
Notes to the financial statements for the year ended 31 December 2019 (continued)

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

(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 to 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 amount 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 differences can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(l) Revenue and other income

(i) Goods sold

Revenue from the sale of goods is recognised in the statement of income when 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 possible return of goods. Revenue on sales of goods is recognised at the net amount after deducting sales 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.

(m) 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.



Saigon - Bentre Beer Joint Stock Company

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

Form B 09 – DN

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

(n) Operating lease payments

Payments made under operating leases are recognised in the statement of income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of income as an integral part of the total lease expense.

(o) Earnings per share

The Company presents basic earnings per share (“EPS”) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders (after deducting any amounts appropriated to bonus and welfare fund for the annual accounting period) of the Company by the weighted average number of ordinary shares outstanding during the year.

The Company did not have potentially dilutive shares, regulations on presentation of diluted earnings per share are not applied.

(p) Segment reporting

A segment is a distinguishable component of the Company that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Company’s primary format for segment reporting is based on business segments.

(q) Related parties

Parties are considered to be related to the Company if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or where the Company and the other party are subject to common control or significant influence. Related parties may be individuals or corporate entities and include close family members of any individual considered to be a related party.

4. Segment reporting

The Company’s principal business activities are to produce and trade beer. Other activities are to provide and trade alcohol and beverages. During the year, there were no business activities other than the principal business activities of the Company, accordingly the financial information presented in the balance sheet as at 31 December 2019 and 1 January 2019 and all revenue and expenses presented in the statement of income for the years ended 31 December 2019 and 31 December 2018 were related to the Company’s principal business activities.

Geographically, the Company only operates in the territory of Vietnam.

Saigon - Bentre Beer Joint Stock Company
Notes to the financial statements for the year ended 31 December 2019 (continued)

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

5. Cash and cash equivalents

	31/12/2019	1/1/2019
	VND	VND
Cash on hand	530,751,817	251,453,677
Cash equivalents	78,500,000,000	32,500,000,000
	79,030,751,817	32,751,453,677

Cash equivalents represented term deposits at banks with original terms to maturity of three months or less and earned interest rates 5% per annum (1/1/2019: 5.5 % per annum).

6. Accounts receivable from customers

	31/12/2019	1/1/2019
	VND	VND
Saigon Beer – Alcohol – Beverage Corporation – a related party	18,409,920,276	36,922,865,100
Other customers	22,255,189	-
	18,432,175,465	36,922,865,100

The trade related amounts due from a related party were unsecured, interest free and are receivable upon demand.

7. Inventories

	31/12/2019		1/1/2019	
	Cost	Allowance	Cost	Allowance
	VND	VND	VND	VND
Raw materials	19,288,032,833	-	19,107,849,562	-
Tools and supplies	3,315,021,420	-	7,885,265,213	-
Work in progress	14,025,762,251	-	14,710,499,404	-
Finished goods	7,512,107,127	-	5,303,211,078	-
	44,140,923,631	-	47,006,825,257	-

Saigon - Bentre Beer Joint Stock Company

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

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Total VND
Cost				
Opening balance	197,398,891,049	442,887,860,377	2,035,535,091	642,322,286,517
Additions	185,043,311	84,967,682,641	-	85,152,725,952
Transfers from construction in progress	317,315,558	1,259,407,389	-	1,576,722,947
Closing balance	197,901,249,918	529,114,950,407	2,035,535,091	729,051,735,416
Accumulated depreciation				
Opening balance	664,411,903	14,655,813,205	70,533,533	15,390,758,641
Charge for the year	7,994,539,770	47,835,778,913	185,048,652	56,015,367,335
Closing balance	8,658,951,673	62,491,592,118	255,582,185	71,406,125,976
Net book value				
Opening balance	196,734,479,146	428,232,047,172	1,965,001,558	626,931,527,876
Closing balance	189,242,298,245	466,623,358,289	1,779,952,906	657,645,609,440

As at 31 December 2019, tangible fixed assets with net book value of VND657,646 million (1/1/2019: VND626,932 million) were pledged with banks as security for loans granted to the Company.

9. Long-term prepaid expenses

	Prepaid land costs VND	Returnable packaging VND	Other VND	Total VND
Opening balance	19,666,811,091	18,237,924,702	1,914,306,850	39,819,042,643
Additions	21,687,868	2,073,473,115	3,043,769,599	5,138,930,582
Amortisation for the year	(389,441,612)	(11,484,256,022)	(2,575,463,855)	(14,449,161,489)
Closing balance	19,299,057,347	8,827,141,795	2,382,612,594	30,508,811,736

As at 31 December 2019, long-term prepaid expenses with carrying amount of VND19,299 million (1/1/2019: VND19,667 million) were pledged with banks as security for loans granted to the Company.

Saigon - Bentre Beer Joint Stock Company

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

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10. Accounts payable to suppliers

(a) Accounts payable to suppliers detailed by significant suppliers

	Cost/Amount within payment capacity	
	31/12/2019 VND	1/1/2019 VND
Bach Khoa Refrigeration Electrical Engineering Co., Ltd	32,767,927,545	46,461,322,799
Saigon Beer - Alcohol – Beverage Corporation	7,622,147,366	22,682,166,416
Other suppliers	5,851,645,729	9,592,048,436
	<u>46,241,720,640</u>	<u>78,735,537,651</u>

(b) Accounts payable to suppliers who are related parties

	31/12/2019 VND	1/1/2019 VND
Saigon Beer - Alcohol - Beverage Corporation	7,622,147,366	22,682,166,416
Saigon Beer Trading Company Limited	157,423,909	100,493,561
Saigon - Baclieu Beer Joint Stock Company	-	2,890,000,000
	<u>7,779,571,275</u>	<u>23,672,660,387</u>

The trade related amounts due to other related parties were unsecured, interest free and payable upon demand.

11. Taxes payable to State Treasury

	1/1/2019 VND	Incurred VND	Paid/net-off VND	31/12/2019 VND
Value added tax	6,448,694,552	129,018,585,529	(126,722,217,122)	8,745,062,959
Special consumption tax	62,516,769,706	603,257,302,933	(605,564,932,384)	60,209,140,255
Corporate income tax	-	12,392,343,249	(5,781,503,349)	6,610,839,900
Personal income tax	62,218,415	484,959,145	(349,994,106)	197,183,454
Other taxes	-	15,174,463	(15,174,463)	-
	<u>69,027,682,673</u>	<u>745,168,365,319</u>	<u>(738,433,821,424)</u>	<u>75,762,226,568</u>

Saigon - Bentre Beer Joint Stock Company
Notes to the financial statements for the year ended 31 December 2019 (continued)

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12. Accrued expenses

	31/12/2019	1/1/2019
	VND	VND
Interest expenses	4,712,166,985	4,279,080,606
Bonus expenses	4,703,454,099	-
Other accrued expenses	2,505,679,459	950,524,672
	11,921,300,543	5,229,605,278
	11,921,300,543	5,229,605,278

13. Other payables – short-term

	31/12/2019	1/1/2019
	VND	VND
Payable to social activities fund	425,695,960	-
Short-term deposits received	420,000,000	370,000,000
Other payables	3,624,357,211	814,334,358
	4,470,053,171	1,184,334,358
	4,470,053,171	1,184,334,358

14. Borrowings

(a) Short-term borrowings

	1/1/2019	Movements during the year		31/12/2019
	Carrying amount/ Amount within repayment capacity VND	Increase VND	Decrease VND	Carrying amount/ Amount within repayment capacity VND
Short-term borrowings	-	11,000,000,000	(11,000,000,000)	-
Current portion of long-term borrowings (Note 14(b))	68,000,000,000	58,000,000,000	(54,000,000,000)	72,000,000,000
	68,000,000,000	69,000,000,000	(65,000,000,000)	72,000,000,000
	68,000,000,000	69,000,000,000	(65,000,000,000)	72,000,000,000

Saigon - Bentre Beer Joint Stock Company

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

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(b) Long-term borrowings

	31/12/2019 VND	1/1/2019 VND
Long-term borrowings (*)	550,446,469,452	542,729,698,832
Repayable within twelve months (Note 14(a))	(72,000,000,000)	(68,000,000,000)
Repayable after twelve months	478,446,469,452	474,729,698,832

(*) Terms and conditions of outstanding long-term borrowings were as follows:

	Currency	Annual interest rate	Year of maturity	31/12/2019 VND	1/1/2019 VND
Vietnam Joint Stock Commercial Bank for Industry and Trade - Branch 4, Ho Chi Minh City	VND	7.87% - 8.52%	2026	550,446,469,452	542,729,698,832

This loan is secured by the land use rights and all assets located in the land in An Phuoc Commune, Chau Thanh District, Ben Tre Province with net book value as at 31 December 2019 of VND676,944 million (1/1/2019: VND646,598 million) (Note 8 and Note 9).

15. Changes in owners' equity

	Share capital VND	Retained profits/ (Accumulated losses) VND	Total VND
Balance at 1 January 2018	86,500,000,000	-	86,500,000,000
Shares issued	13,500,000,000	-	13,500,000,000
Net losses for the year	-	(10,289,718,818)	(10,289,718,818)
Balance at 1 January 2019	100,000,000,000	(10,289,718,818)	89,710,281,182
Net profit for the year	-	54,963,691,549	54,963,691,549
Appropriation to bonus and welfare fund	-	(2,640,619,182)	(2,640,619,182)
Appropriation to social activities fund	-	(500,000,000)	(500,000,000)
Balance at 31 December 2019	100,000,000,000	41,533,353,549	141,533,353,549

Saigon - Bentre Beer Joint Stock Company

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

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16. Share capital

The Company's authorised and issued share capital are:

	31/12/2019 and 1/1/2019	
	Number of shares	VND
Authorised share capital		
Ordinary shares	10,000,000	100,000,000,000
Issued share capital		
Ordinary shares	10,000,000	100,000,000,000
Shares currently in circulation		
Ordinary shares	10,000,000	100,000,000,000

All ordinary shares have a par value of VND10,000. Each share is entitled to one vote at meetings of the Company. Shareholders are entitled to receive dividend as declared from time to time. All ordinary shares are ranked equally with regard to the Company's residual assets.

Movements in share capital during the year were as follows:

	2019		2018	
	Number of shares	VND	Number of shares	VND
Balance at the beginning of the year	10,000,000	100,000,000,000	8,650,000	86,500,000,000
Shares issued during the year	-	-	1,350,000	13,500,000,000
Balance at the end of the year	10,000,000	100,000,000,000	10,000,000	100,000,000,000

The shareholders of the Company at the reporting date are as follows:

	31/12/2019		1/1/2019	
	Number of shares	%	Number of shares	%
Saigon Beer - Alcohol – Beverage Corporation	2,000,000	20%	2,000,000	20%
Other shareholders	8,000,000	80%	8,000,000	80%
	10,000,000	100%	10,000,000	100%

Saigon - Bentre Beer Joint Stock Company

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

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17. Revenue from sales of goods

Total revenue represents the gross value of goods sold and services rendered, exclusive of value added tax and special consumption tax.

	2019 VND	2018 VND
Total revenue		
▪ Sales of finished goods	680,824,617,824	139,580,129,536
<i>Revenue sales of finished goods exclusive special consumption tax</i>	<i>1,283,978,376,300</i>	<i>263,328,392,410</i>
<i>Special consumption tax</i>	<i>(603,153,758,476)</i>	<i>(123,748,262,874)</i>
▪ Sales of scraps	4,093,938,400	824,255,800
▪ Sales of packaging	4,182,238,984	-
▪ Others	485,846,768	93,174,545
	<hr/>	<hr/>
	689,586,641,976	140,497,559,881
	<hr/> <hr/>	<hr/> <hr/>

18. Cost of sales

	2019 VND	2018 VND
Total cost of sales		
▪ Finished goods sold	561,453,839,108	131,945,407,872
▪ Merchandise goods sold	4,332,040,602	888,919,956
	<hr/>	<hr/>
	565,785,879,710	132,834,327,828
	<hr/> <hr/>	<hr/> <hr/>

19. Financial income

	2019 VND	2018 VND
Interest income	3,010,664,858	785,982,624
Realised foreign exchange gains	-	1,183,489,672
	<hr/>	<hr/>
	3,010,664,858	1,969,472,296
	<hr/> <hr/>	<hr/> <hr/>

Saigon - Bentre Beer Joint Stock Company**Notes to the financial statements for the year ended 31 December 2019 (continued)**

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*(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***20. Financial expenses**

	2019 VND	2018 VND
Interest expense	46,651,928,732	15,740,468,130
Realised foreign exchange losses	587,726	1,075,985
	<hr/>	<hr/>
	46,652,516,458	15,741,544,115
	<hr/>	<hr/>

21. General and administration expenses

	2019 VND	2018 VND
Staff costs	9,599,108,953	1,976,445,462
Materials costs	692,301,876	676,751,293
Depreciation	192,693,812	70,533,533
Outside services	2,262,253,865	494,598,032
Other expenses	368,363,473	993,332,854
	<hr/>	<hr/>
	13,114,721,979	4,211,661,174
	<hr/>	<hr/>

22. Production and business costs by elements

	2019 VND	2018 VND
Raw material costs included in production costs	513,840,345,819	129,310,823,225
Labour costs and staff costs	23,011,283,976	5,727,407,431
Depreciation	56,015,367,335	15,390,758,641
Outside services	20,975,954,817	5,913,766,740
Other expenses	809,588,886	1,015,964,863
	<hr/>	<hr/>

Saigon - Bentre Beer Joint Stock Company

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

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23. Corporate income tax

(a) Recognised in the statement of income

	2019 VND	2018 VND
Current tax expense		
Current year	12,392,343,249	-
	<hr/>	<hr/>
	12,392,343,249	-
Deferred tax benefit		
Origination of temporary differences	(940,690,820)	-
	<hr/>	<hr/>
Income tax expense	11,451,652,429	-
	<hr/> <hr/>	<hr/> <hr/>

(b) Reconciliation of effective tax rate

	2019 VND	2018 VND
Accounting profit/(loss) before tax	66,415,343,978	(10,289,718,818)
	<hr/>	<hr/>
Tax at the Company's tax rate	13,283,068,796	(2,057,943,764)
Non-deductible expenses	80,000,000	155,949,172
Tax losses utilised	(1,755,467,195)	-
Utilised deferred tax asset not recognised in prior years	(155,949,172)	-
Deferred tax asset not recognised	-	1,901,994,592
	<hr/>	<hr/>
Income tax expense	11,451,652,429	-
	<hr/> <hr/>	<hr/> <hr/>

(c) 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 20% of taxable profits.

Saigon - Bentre Beer Joint Stock Company**Notes to the financial statements for the year ended 31 December 2019 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***24. Basic earnings/(losses) per share**

The calculation of basic earnings/(losses) per share for the year ended 31 December 2019 was based on the profit/(loss) attributable to ordinary shareholders after deducting the amounts appropriated to bonus and welfare fund and a weighted average number of ordinary shares, calculated as follows:

(i) Net profit/(loss) attributable to ordinary shareholders

	2019	2018
	VND	VND
Net profit/(loss) for the year	54,963,691,549	(10,289,718,818)
Appropriation to bonus and welfare fund	(2,640,619,182)	-
	<hr/>	<hr/>
Net profit/(loss) attributable to ordinary shareholders	52,323,072,367	(10,289,718,818)
	<hr/>	<hr/>

(ii) Weighted average number of ordinary shares

	2019	2018
	Number of share	Number of share
Issued ordinary shares at the beginning of the year	10,000,000	8,650,000
Effect of shares issued in year	-	580,933
	<hr/>	<hr/>
Weighted average number of ordinary shares for the year ended 31 December	10,000,000	9,230,933
	<hr/>	<hr/>

Saigon - Bentre Beer Joint Stock Company

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

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(Issued under Circular No. 200/2014/TT-BTC
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In addition to related party balances disclosed in other notes to the financial statements, the Company had the following significant transactions with related parties during the year:

	Transaction value	
	2019 VND	2018 VND
Saigon Beer – Alcohol – Beverage Corporation		
Sales of finished goods (exclusive of special consumption tax)	1,283,978,376,300	263,328,392,410
Sales of packaging	793,667,160	-
Purchases of raw materials	405,066,285,955	134,877,452,223
Sai Gon Beer Trading Company Limited		
Bottle utilisation fee	2,048,389,702	90,647,417
Sales of packaging	3,388,571,824	-
Purchases of goods	-	29,256,135,549
Sa Be Co Mechanical Co., Ltd		
Purchases of fixed assets	1,218,600,000	485,100,000
Saigon Soc Trang Beer One Member Limited Company		
Sales of others	28,665,000	32,467,050
Saigon – Baclieu Beer Joint Stock Company		
Purchases of fixed assets	-	29,607,974,744
Saigon – Kien Giang Beer Joint Stock Company		
Sales of others	27,625,500	-
Key management personnel		
Salary, bonus and remuneration	2,308,014,203	482,627,442

26. Post balance sheet event

Subsequent to the financial year-end, the Company declared dividends of VND20,000 million (equivalent 2,000 VND per share) as per Resolution 14 January 2020. The dividends payable has not been accrued in these financial statements.

