

**Saigon Beer – Alcohol – Beverage
Corporation**

Consolidated Financial Statements
Quarter 2 Year 2019



**Saigon Beer – Alcohol – Beverage Corporation
Corporate Information**

**Business Registration
Certificate No.**

0300583659

29 February 2012

The Company's business registration certificate has been amended several times, the most recent of which is by business registration certificate No. 0300583659 dated 7 August 2018. The business registration certification and its updates were issued by Ho Chi Minh City Planning and Investment Department.

Board of Directors

Mr Koh Poh Tiong	Chairman
Mr Pramoad Phornprapha	Member
Mr Nguyen Tien Vy	Member
Mr Michael Chye Hin Fah	Member
Ms Tran Kim Nga	Member
Mr Nguyen Tien Dung	Member
Mr Luong Thanh Hai	Member

Board of Management

Mr Neo Gim Siong Bennett	General Director
Mr Teo Hong Keng	Deputy General Director
Mr Ng Kuan Ngee Melvyn	Deputy General Director
Mr Lam Du An	Deputy General Director
	Sai Gon – Nguyen Chi Thanh Brewery's Directorp
Mr Hoang Dao Hiep	Deputy General Director

Audit Committee

Mr Pramoad Phornprapha	Chairman
Mr Nguyen Tien Vy	Member
Mr Michael Chye Hin Fah	Member

Legal representative

Mr Koh Poh Tiong	Chairman
Mr Neo Gim Siong Bennett	General Director

**Saigon Beer – Alcohol – Beverage Corporation
Corporate Information (continued)**

Registered Office

No. 187, Nguyen Chi Thanh Street, Ward 12, District 5
Ho Chi Minh City, Vietnam

Contact address

5th Floor, Vincom Commercial Centre, 72 Le Thanh Ton and
45A Ly Tu Trong, Ben Nghe Ward, District 1
Ho Chi Minh City, Vietnam

Branches

Sai Gon-Cu Chi Brewery
Lot C1, D3 Street, Northwest Cu Chi Industrial Zone, Cu Chi
Town, Cu Chi District, Ho Chi Minh City, Vietnam

Sai Gon-Nguyen Chi Thanh Brewery
187, Nguyen Chi Thanh Street, Ward 12, District 5
Ho Chi Minh City, Vietnam

05
3
0
A
3
A
T

CONSOLIDATED BALANCE SHEET

As at 30 June 2019

VND

Code	ASSETS	Note	30/06/2019	01/01/2019
100	A. CURRENT ASSETS		16,861,849,375,663	14,690,168,205,219
110	I. Cash and cash equivalents	4	5,303,724,023,229	4,467,391,585,137
111	1. Cash		1,598,339,457,178	1,595,188,808,377
112	2. Cash equivalents		3,705,384,566,051	2,872,202,776,760
120	II. Short-term investments	5	9,047,239,201,320	7,544,188,420,764
123	1. Investments held-to-maturity		9,047,239,201,320	7,544,188,420,764
130	III. Short-term receivables		879,189,455,569	765,630,597,003
131	1. Short-term trade accounts receivable	6	136,648,098,322	244,119,166,060
132	2. Short-term prepayments to suppliers	7	56,510,250,916	74,757,986,951
136	3. Other short-term receivables	8	713,353,601,224	473,750,492,186
137	4. Provision for doubtful debts – short-term		(56,196,749,443)	(55,871,302,744)
139	5. Shortage of assets awaiting resolution		28,874,254,550	28,874,254,550
140	IV. Inventories		1,546,216,191,226	1,813,754,190,894
141	1. Inventories	9	1,764,593,898,822	2,034,063,807,573
149	2. Provision for decline in value of inventories		(218,377,707,596)	(220,309,616,679)
150	V. Other current assets		85,480,504,319	99,203,411,421
151	1. Short-term prepaid expenses	11	82,552,713,218	86,456,727,461
152	2. Value Added Tax to be reclaimed		2,632,628,633	7,564,621,909
153	3. Taxes and other payables to the State Budget		295,162,468	5,182,062,051

CONSOLIDATED BALANCE SHEET

As at 30 June 2019

VND

Code	ASSETS	Note	30/06/2019	01/01/2019
200	B. LONG-TERM ASSETS		7,199,113,719,277	7,676,574,586,994
210	I. Long-term receivables		7,589,476,512	5,860,731,012
211	1. Long-term account receivables		6,077,549,878	6,077,549,878
215	2. Long-term loan receivables		4,000,000,000	4,000,000,000
216	3. Other long-term receivables		36,909,456,417	35,180,710,917
219	4. Provision for doubtful long-term receivables		(39,397,529,783)	(39,397,529,783)
220	II. Fixed assets	10	4,302,090,633,997	4,567,091,079,194
221	1. Tangible fixed assets		3,355,363,841,320	3,614,850,885,054
222	Cost		9,485,102,100,931	9,497,449,925,191
223	Accumulated depreciation		(6,129,738,259,611)	(5,882,599,040,137)
227	2. Intangible fixed assets		946,726,792,677	952,240,194,140
228	Cost		1,091,397,605,211	1,091,397,605,211
229	Accumulated amortisation		(144,670,812,534)	(139,157,411,071)
230	III. Investment properties	10	53,984,479,781	54,567,837,235
231	1. Cost		71,444,026,942	71,444,026,942
232	2. Accumulated depreciation		(17,459,547,161)	(16,876,189,707)
240	IV. Long-term assets in progress		173,112,088,572	144,377,898,065
242	1. Construction in progress		173,112,088,572	144,377,898,065
250	V. Long-term investments	5	2,046,297,736,340	2,119,042,308,110
252	1. Investments in associates, joint ventures		1,736,266,017,314	1,800,203,395,934
253	2. Investments in other entities		665,885,700,116	688,510,888,053
254	3. Provision for long-term investments		(376,722,860,995)	(390,540,855,782)
255	4. Investments held-to-maturity		20,868,879,905	20,868,879,905
260	VI. Other long-term assets		616,039,304,075	785,634,733,378
261	1. Long-term prepaid expenses	11	400,839,020,444	551,794,760,319
262	2. Deferred income tax assets		170,036,073,470	184,533,845,767
263	3. Long-term supplies and spare parts		45,164,210,161	49,306,127,292
268	4. Other long-term assets			
270	TOTAL ASSETS		24,060,963,094,940	22,366,742,792,213

CONSOLIDATED BALANCE SHEET

As at 30 June 2019

VND

Code	RESOURCES	Note	30/06/2019	01/01/2019
300	C. LIABILITIES		5,468,544,995,053	6,254,837,224,044
310	I. Short-term liabilities		5,174,248,971,351	5,925,696,932,383
311	1. Short-term trade accounts payable	12	1,305,543,036,637	2,027,262,167,712
312	2. Short-term advances from customers	13	137,523,122,041	110,463,408,413
313	3. Tax and other payables to the State Budget		1,078,722,265,566	1,100,614,318,513
314	4. Payable to employees		331,707,577,554	308,694,031,650
315	5. Short-term accrued expenses	14	696,945,113,340	473,169,060,350
318	6. Short-term unearned revenue		975,660,624	1,739,369,694
319	7. Other short-term payables	15	1,117,279,926,202	1,079,538,511,465
320	8. Short-term borrowings		346,152,711,298	594,242,788,680
321	9. Provision for short-term payables		7,963,604,740	7,668,228,740
322	10. Bonus and welfare funds		151,435,953,349	222,305,047,166
330	II. Long-term liabilities		294,296,023,702	329,140,291,661
332	1. Long-term advances from customers		22,183,449	22,183,449
336	2. Long-term unearned revenue			
337	3. Other long-term payables		53,653,366,000	53,149,616,000
338	4. Long-term borrowings		-	14,618,022,047
341	5. Deferred income tax liabilities		17,051,285,023	31,483,891,699
342	6. Provision for long-term liabilities		139,571,059,100	145,868,448,336
343	7. Fund for science and technology development		83,998,130,130	83,998,130,130

CONSOLIDATED BALANCE SHEET

As at 30 June 2019

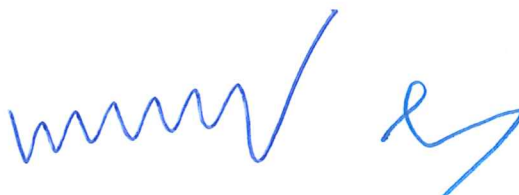
VND

Code	RESOURCES	Note	30/06/2019	01/01/2019
400	D. OWNERS' EQUITY		18,592,418,099,887	16,111,905,568,169
410	I. Capital and reserves	16	18,592,418,099,887	16,111,868,168,169
411	1. Owners' capital		6,412,811,860,000	6,412,811,860,000
411a	- Ordinary shares with voting rights		6,412,811,860,000	6,412,811,860,000
414	2. Owners' other capital		3,208,666,226	3,208,666,226
415	3. Treasury shares		-	-
417	4. Foreign exchange differences		25,992,451,400	21,099,487,654
418	5. Investment and development funds		1,130,372,829,157	1,130,147,220,442
420	6. Other funds		5,327,112,664	5,327,112,664
421	7. Undistributed earnings		9,953,107,853,174	7,473,777,581,426
421a	- Undistributed earnings of the previous years		7,441,437,004,965	5,787,247,290,578
421b	- Post-tax profit of current year		2,511,670,848,209	1,686,530,290,848
429	8. Non-controlling interests		1,061,597,327,266	1,065,496,239,757
430	II. Budget sources and other funds		-	37,400,000
431	1. Budget sources			37,400,000
440	TOTAL RESOURCES		24,060,963,094,940	22,366,742,792,213



Hoàng Thanh Vân
Preparer

29th July 2019



Trần Nguyên Trung
Chief Accountant



Teo Hong Keng
Deputy General Director



Neo Gim Siang Bennett
General Director

CONSOLIDATED INCOME STATEMENT

VND

Code	ITEMS	Note	Quarter 2		For the 06 month period ended 30 June	
			2019	2018	2019	2018
1	1. Sales	18	9,179,377,757,847	9,238,772,645,055	18,517,362,525,225	17,065,832,862,337
2	2. Less deductions	18	91,611,628,993	68,865,692,582	92,820,389,440	86,023,631,922
10	3. Net sales (10 = 01 - 02)	18	9,087,766,128,854	9,169,906,952,473	18,424,542,135,785	16,979,809,230,415
11	4. Cost of sales	19	6,674,203,727,429	7,073,446,579,438	13,819,747,312,156	12,939,354,684,836
20	5. Gross profit (20 = 10 - 11)		2,413,562,401,425	2,096,460,373,035	4,604,794,823,629	4,040,454,545,579
21	6. Financial income	20	198,779,893,800	144,806,678,085	371,038,237,486	282,542,555,342
22	7. Financial expenses - Including: Interest expenses	21	12,800,748,500 5,970,927,556	(25,310,265,657) 8,237,820,920	9,026,775,201	(19,937,215,066)
24	8. Profit sharing from investment in joint ventures and associates		91,368,677,569	70,655,044,440	167,054,719,793	160,403,688,833
25	9. Selling expenses	22	644,166,172,570	576,565,408,967	1,335,854,738,552	1,170,382,447,263
26	10. General and administration expenses	23	183,283,817,366	204,043,334,644	349,426,186,759	380,807,471,222
30	11. Net operating profit		1,863,460,234,358	1,556,623,617,606	3,448,580,080,396	2,952,148,086,335
31	12. Other income	24	12,435,493,600	22,952,779,072	19,838,132,087	39,921,324,486
32	13. Other expenses	25	4,316,718,275	9,681,567,640	12,768,622,606	13,391,367,266
40	14. Net other income/(expenses) (40 = 31 - 32)		8,118,775,325	13,271,211,432	7,069,509,481	26,529,957,220
50	15. Net accounting profit before tax (50 = 30 + 40)		1,871,579,009,683	1,569,894,829,038	3,455,649,589,877	2,978,678,043,555
51	16. Business income tax - current		287,202,507,070	269,371,738,761	635,585,479,716	480,956,783,722
52	17. Business income tax - deferred		54,310,769,354	9,486,791,857	65,165,623	50,951,041,163
60	18. Net profit after tax		1,530,065,733,259	1,291,036,298,420	2,819,998,944,538	2,446,770,218,670
61	19. Profit after tax attributable to the Company		1,437,739,381,337	1,223,472,448,101	2,658,458,475,046	2,337,002,344,823
62	20. Profit after tax attributable to non-controlling interests		92,326,351,922	67,563,850,319	161,540,469,492	109,767,873,847
70	21. Basic earnings per share (*)		2,164	1,815	3,953	3,459



Teo Hong Keng
Deputy General Director

Nguyen Gim Siang Bennett
General Director

Trần Nguyên Trung
Chief Accountant

Hoàng Thanh Vân
Preparer

CONSOLIDATED CASH FLOW STATEMENT

VND

Code	ITEMS	Note	For the 06 month period ended 30 June	
			2019	2018
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
1	Net accounting profit before tax		3,455,649,589,877	2,978,678,043,555
	<i>Adjustments for:</i>			
2	Depreciation and amortisation		318,423,774,642	314,543,387,945
3	Provisions/(reversal of provisions)		(4,862,813,504)	(37,121,739,896)
4	Unrealised foreign exchange gains		241,067,397	56,854,132
5	Profits from investing activities		(533,480,024,905)	(442,575,907,792)
6	Interest expenses		13,830,994,903	18,335,214,856
8	Operating profit before changes in working capital			
9	Decrease/(increase) in receivables		76,695,277,482	165,680,632,184
10	Decrease/(increase) in inventories		271,396,333,351	(146,452,607,072)
11	Decrease in payables		(481,818,331,601)	(326,530,719,833)
12	Increase in prepaid expenses		154,859,754,118	79,337,261,846
14	Interest paid		(13,922,081,027)	(18,772,742,124)
15	Business income tax paid		(638,009,022,391)	(617,615,723,032)
17	Other cash outflows from operating activities		(244,613,192,028)	(278,915,905,622)
20	Net cash flows from operating activities		2,374,391,326,314	1,688,646,049,147
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets		(52,736,548,482)	(133,033,758,859)
22	Proceeds from disposals of fixed assets and other long-term assets		2,022,065,916	1,012,738,181
23	Deposits at banks with maturity exceeding 3 months		(5,176,057,177,678)	(4,712,000,000,000)
24	Proceeds from lendings, deposits at banks with maturity exceeding 3 months		3,673,006,397,122	4,317,200,000,000
25	Investments in other entities			
26	Proceeds from divestment in other entities			
27	Dividends and interest received		387,200,605,497	436,411,507,984
30	Net cash flows from investing activities		(1,166,564,657,625)	(90,409,512,694)

CONSOLIDATED CASH FLOW STATEMENT

VND

Code	ITEMS	Note	For the 06 month period ended 30 June	
			2019	2018
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
32	Proceeds from reissue of treasury shares			
33	Proceeds from borrowings		1,538,794,506,168	1,685,867,326,984
34	Repayments of borrowings		(1,801,502,605,597)	(1,851,649,247,631)
35	Dividends paid		(108,777,468,402)	(1,516,745,232,082)
40	Net cash flows from financing activities		(371,485,567,831)	(1,682,527,152,729)
50	Net increase/(decrease) in cash and cash equivalents		836,341,100,858	(84,290,616,276)
60	Cash and cash equivalents at beginning of year		4,467,391,585,137	4,268,598,818,042
61	Effect of foreign exchange differences		(8,662,766)	(795,567)
70	Cash and cash equivalents at end of year		5,303,724,023,229	4,184,307,406,199



Hoàng Thanh Vân
Preparer

29th July 2019



Trần Nguyên Trung
Chief Accountant



Teo Hong Keng
Deputy General Director



Neo Gim Siong Bennett
General Director

1. Basis of preparation

(a) Statement of compliance

These consolidated 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 consolidated financial statements, except for the consolidated statement of cash flows, are prepared on the accrual basis using the historical cost concept. The consolidated statement of cash flows is prepared using the indirect method.

(c) Annual accounting period

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

(d) Accounting and presentation currency

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

2. Summary of significant accounting policies

The following significant accounting policies have been adopted by the Group in the preparation of these consolidated financial statements.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of the subsidiaries are consolidated in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) Non-controlling interests

Non-controlling interests ("NCI") are measured at their proportionate share of the acquiree's identifiable net assets at date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners. The difference between the change in the Group's share of net assets of the subsidiary and any consideration paid or received is recorded directly in retained profits under equity.

(iii) Associates and jointly controlled entities (equity accounted investees)

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Jointly controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Associates and jointly controlled entities are accounted for using the equity method (equity accounted investees). The consolidated financial statements include the Group's share of the income and expenses of the equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

(iv) Transactions eliminated on consolidation

Intra-group transactions, balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains and losses arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee.

(b) Foreign currency transactions

Transactions in currencies other than VND during the year have been translated into VND at actual rates of exchange ruling at the transaction dates.

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

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

(c) 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.

(d) Investments

(i) *Held-to-maturity investments*

Held-to-maturity investments are those that the Group's management has the intention and ability to hold until maturity. Held-to-maturity investments include term deposits at banks, bonds and loans receivable held to maturity. These investments are stated at costs less allowance for doubtful debts.

(ii) *Investments in equity instruments of other entities*

Investments in equity instruments of other entities are initially recognised at cost which include purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, these investment are stated at cost less allowance for diminution in value. An allowance is made for diminution in investment values if the investee has suffered a loss, except where such a loss was anticipated by the Group's management before making the investment. The allowance is reversed if the investee subsequently made a profit that offsets the previous loss for which the allowance had been made. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

(e) Accounts receivable

Trade and other receivables are stated at cost less allowance for doubtful debts.

(f) 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 Group applies the perpetual method of accounting for inventories.

(g) 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, maintenance and overhaul cost, is charged to the consolidated statement of income in the period in which the cost is 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 5 – 45 years
- machinery and equipment 5 – 30 years
- motor vehicles 3 – 10 years
- office equipment 3 – 15 years
- others 2 – 20 years

(h) Intangible fixed assets

(i) Land use rights

Land use rights comprise:

- those granted by the State for which land use payments are collected;
- those acquired in a legitimate transfer; and
- rights to use leased land obtained before the effective date of Land Law (2003) for which payments have been made in advance for more than 5 years and supported by land use right certificate issued by competent authority.

Land use rights are stated at cost less accumulated amortisation. The initial cost of land use rights comprises the value of the right as stated in the certificate for definite term land use rights and as stated in Decision No. 1862/QĐ-TTg dated 6 March 2010 of the Prime Minister for indefinite term land use rights and any direct attributable costs incurred in conjunction with securing the land use rights.

Land use rights with definite term are amortised on a straight-line basis over term of land use rights which is from 40 years to 49 years. Land use rights with indefinite term are not amortised.

(ii) Software

Cost of acquiring new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Software cost is amortised on a straight-line basis over 3 years.

(i) Investment properties

(i) Investment property held to earn rental

Cost

Investment property held to earn rental is stated at cost less accumulated depreciation. The initial cost of an investment property held to earn rental comprises its purchase price, cost of land use rights and any directly attributable expenditures of bringing the property to the condition necessary for it to be capable of operating in the manner intended by the Board of Management. Expenditure incurred after the investment property held to earn rental has been put into operation, such as repairs and maintenance, is charged to the consolidated statement of income in the period in which the expenditure is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in future economic benefits in excess of the originally assessed standard of performance of the existing investment property held to earn rental, the expenditure is capitalised as an additional cost of the investment property.

Depreciation

Depreciation is computed on a straight-line basis over the estimated useful lives of investment property. The estimated useful lives are as follows:

- | | |
|----------------------------|--------------|
| ▪ land use rights | 3 – 46 years |
| ▪ buildings and structures | 5 – 50 years |

(ii) Investment property held for capital appreciation

Investment property held for capital appreciation is stated at cost less any devaluation in market price. The carrying amount of an investment property item held for capital appreciation is reduced when there is evidence that its market price falls below its carrying amount and the loss can be measured reliably. Any reduction in value of investment property held for capital appreciation is charged to cost of sales.

(j) Construction in progress

Construction in progress represents the cost 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.

(k) Long-term prepaid expenses

(i) Prepaid land costs

Prepaid land costs comprise prepaid land lease rentals, including those for which the Group obtained land use rights certificate but are not qualified as intangible fixed assets under prevailing regulation and other costs incurred in conjunction with securing the use of leased land. These costs are recognised in the consolidated statement of income on a straight-line basis over the term of the lease of 2 to 3 years.

(ii) Returnable packaging

Returnable packaging includes bottles and crates being used in the Group's production and business activities and is stated at costs. Bottles and crates are amortised on a straight-line basis over 2 to 3 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. Cost of tools and instruments are amortised on a straight-line basis over a period ranging from 2 to 3 years.

(iv) Renovation expenses

Renovation expenses of fixed assets represents the expense for repairing and replacing machinery, equipment and other fixed assets but not qualified for capitalisation into cost of fixed assets. Renovation expenses are recognised at cost and amortised on a straight-line basis over the period ranging from 2 to 3 years

(l) Trade and other payables

Trade and other payables are stated at their cost.

(m) Provisions

A provision is recognised if, as a result of a past event, the Group 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.



Severance allowance

Under the Vietnamese Labour Code, when an employee who has worked for 12 months or more (“the eligible employees”) voluntarily terminates his/her labour contract, the employer is required to pay the eligible employee severance allowance calculated based on years of service and employee’s compensation at termination. Provision for severance allowance has been provided based on employees’ years of service and their average salary for the six-month period prior to the end of the accounting period. For the purpose of determining the number of years of service by an employee, the period for which the employee participated in and contributed to unemployment insurance in accordance with prevailing laws and regulations and the period for which severance allowance has been paid by the Group are excluded.

(n) Share capital

Ordinary shares

Ordinary shares are stated at par value. The excess of cash received from share issuance 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.

(o) Taxation

Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognised in the separate 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 period, using tax rates enacted at the end of the accounting period, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities using the tax rates enacted or substantively enacted at the end of the accounting period.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.



(p) Revenue and other income

(i) Goods sold

Revenue from the sale of goods is recognised in the consolidated 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) Services rendered

Revenue from services rendered is recognised in the consolidated statement of income in proportion to the stage of completion of the transaction at the balance sheet date. The stage of completion is assessed by reference to surveys of work performed. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

(iii) Rental income

Rental income from leased property is recognised in the consolidated statement of income on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income.

(iv) Interest income

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

(v) Dividend income

Dividend income is recognised when the right to receive dividend is established. Share dividends are not recognised as income. Dividends received which are attributable to the period before investment acquisition date are deducted from the carrying amount of the investment.

(q) Operating lease payments

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

(r) Borrowing costs

Borrowing costs are recognised as an expense in the period 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.

(s) Earnings per share

The Group 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 accounting period) by the weighted average number of ordinary shares outstanding during the period. The Group has no shares with impact of potential dilution. Therefore, regulations on presentation of diluted earnings per share are not applied.

(t) Segment reporting

A segment is a distinguishable component of the Group 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 Group’s primary format for segment reporting is based on business segments.

(u) Related parties

Parties are considered to be related to the Group 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 Group 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 CASH AND CASH EQUIVALENTS

	30.06.2019 VNĐ	01.01.2019 VNĐ
Cash on hand	12,250,828,479	3,813,388,314
Cash in transit	1,278,750,000	-
Cash at bank	1,584,809,878,699	1,591,375,420,063
Cash equivalents (*)	3,705,384,566,051	2,872,202,776,760
TOTAL	<u>5,303,724,023,229</u>	<u>4,467,391,585,137</u>

(*) Cash equivalents include term deposits at banks with the original maturity within three months

SAIGON BEER - ALCOHOL - BEVERAGE CORPORATION
Notes to the consolidated financial statements (continued)

Form B09-DN/HN

5 INVESTMENTS

(a) Investments held-to-maturity

(i) Short-term

	30.06.2019		01.01.2019	
	Cost VNĐ	Provision VNĐ	Cost VNĐ	Provision VNĐ
Term deposits (*)	9,047,239,201,320	-	7,544,188,420,764	-
	<u>9,047,239,201,320</u>	<u>9,047,239,201,320</u>	<u>7,544,188,420,764</u>	<u>7,544,188,420,764</u>

(*) Term deposits represent deposits at banks with the remaining maturity from 3 months to 12 months.

(ii) Long-term

Long-term investments held-to-maturity represent investments of the Group into bonds. The details are as follows:

	30.06.2019		01.01.2019	
	Cost VNĐ	Provision VNĐ	Cost VNĐ	Provision VNĐ
Shipbuilding Industry Corporation	20,868,879,905	(20,868,879,905)	20,868,879,905	(20,868,879,905)
Term deposits	-	-	-	-
	<u>20,868,879,905</u>	<u>(20,868,879,905)</u>	<u>20,868,879,905</u>	<u>(20,868,879,905)</u>

(b) Investments in other entities

	30.06.2019		01.01.2019	
	Cost VNĐ	Provision VNĐ	Cost VNĐ	Provision VNĐ
Investments in joint ventures, associates (i)	1,736,266,017,314	(26,147,453,850)	1,800,203,395,934	(24,135,767,100)
Investments in other entities (ii)	<u>665,885,700,116</u>	<u>(350,575,407,145)</u>	<u>688,510,888,053</u>	<u>(366,405,088,682)</u>
	<u>2,402,151,717,430</u>	<u>(376,722,860,995)</u>	<u>2,488,714,283,987</u>	<u>(390,540,855,782)</u>

SAIGON BEER - ALCOHOL - BEVERAGE CORPORATION
Notes to the consolidated financial statements (continued)

Form B09-DN/HH

5 INVESTMENTS (continued)

(b) Investments in other entities (continued)

(i) Investments in associates and joint ventures

Company name	Principal activities	30.06.2019				01.01.2019			
		Voting right %	Interest %	Cost VND	Provision VND	Voting right %	Interest %	Cost VND	Provision VND
Thanh Nam Consultant Investment - Engineering and Technology Transfer Joint Stock Company	Construction and design consulting	29%	29%	329,653,546	-	29%	29%	329,653,546	-
Mechanical And Industrial Construction Joint Stock Company	Manufacturing, installation machinery, bridges and roads and industrial construction products	26%	26%	10,727,077,141	-	26%	26%	10,727,077,141	-
Saigon Tay Do Beer - Beverage Joint Stock Company	Produce beer, alcohol and beverage	35%	28%	101,673,205,419	-	35%	28%	103,121,828,391	-
Saigon - Binh Tay Beer Group Joint Stock Company	Produce beer, alcohol and beverage	22%	22%	474,045,688,285	-	22%	21%	473,240,164,300	-
Saigon - Bacieu Beer Joint Stock Company	Produce beer, alcohol and beverage	20%	10%	37,189,088,995	-	20%	10%	39,177,284,776	-
Truong Sa Food - Food Business Joint Stock Company	Produce agricultural products and foods	39%	39%	5,383,222,029	-	39%	39%	5,899,777,115	-
Saigon - Phutho Beer Joint Stock Company	Produce beer, alcohol and beverage	34%	31%	75,833,012,876	-	34%	31%	76,506,756,665	-
Sai Gon - Mien Trung Beer Joint Stock Company	Produce beer, alcohol and beverage	32%	32%	151,708,152,797	-	32%	32%	151,198,862,177	-
Tan Thanh Investment Trading Company Limited	Construction and trade real estates	29%	29%	69,888,052,736	-	29%	29%	69,888,052,736	-
Sai Gon - Vinh Long Beer Joint Stock Company	Produce beer, alcohol and beverage	20%	20%	50,041,036,866	-	20%	20%	45,161,525,814	-
Sai Gon - Kien Giang Beer Joint Stock Company	Produce beer, alcohol and beverage	20%	20%	28,170,974,931	-	20%	20%	31,194,049,992	-
Me Linh Point Limited	Lease office building	25%	35%	111,569,110,062	-	25%	35%	123,970,386,177	-
Crown Beverage Cans Saigon Limited	Manufacture aluminium cans	30%	30%	224,804,008,143	-	30%	30%	287,070,899,745	-
Malaya - Vietnam Glass Limited	Manufacture glass products	30%	30%	226,432,771,444	-	30%	30%	216,067,689,657	-
San Miguel Yamamura Phu Tho Packaging Company Limited	Manufacture and trade metal packaging	35%	35%	55,342,103,875	-	35%	35%	61,605,169,453	-
Vietnam Spirits And Wine Ltd	Produce and trade alcohol and alcohol-related products	45%	45%	26,147,453,850	(26,147,453,850)	45%	45%	24,135,767,100	(24,135,767,100)
Sai Gon - Khanh Hoa Beer Joint Stock Company	Produce beer, alcohol and beverage	26%	26%	46,009,902,154	-	26%	26%	42,000,603,692	-
Saigon - BenTre Beer Joint Stock Company	Produce beer, alcohol and beverage	20%	20%	20,971,502,165	-	20%	20%	18,907,847,457	-
Saigon - Lamdong Beer Joint Stock Company	Produce beer, alcohol and beverage	20%	20%	20,000,000,000	-	20%	20%	20,000,000,000	-
				<u>1,736,266,017,314</u>	<u>(26,147,453,850)</u>			<u>1,800,203,395,934</u>	<u>(24,135,767,100)</u>

Handwritten signature and date: 22/10/19

SAIGON BEER - ALCOHOL - BEVERAGE CORPORATION
Notes to the consolidated financial statements (continued)

5 INVESTMENTS (continued)

(b) Investments in other entities (continued)

(ii) Investments in other entities

	30.06.2019			01.01.2019		
	ownership and voting right %	Cost VNĐ	Provision VNĐ	ownership and voting right %	Cost VNĐ	Provision VNĐ
Orient Commercial Joint Stock Bank	2.03%	216,579,320,000	(25,226,504,867)	2.31%	216,579,320,000	(35,135,453,867)
Dong A Commercial Joint Stock Bank	0.95%	136,265,460,000	(136,265,460,000)	0.95%	136,265,460,000	(136,265,460,000)
Sabeco - Song Lam Packaging Joint Stock Company	8.88%	50,000,000,000	-	8.88%	50,000,000,000	-
PVI Holdings	0.21%	51,475,140,000	(33,753,879,000)	0.21%	51,475,140,000	(35,744,486,400)
Underground Space Investment Development Corporation	4.91%	23,085,000,000	(23,085,000,000)	4.91%	23,085,000,000	(23,085,000,000)
Orient Tourism Petroleum Joint Stock Company	9.80%	30,700,950,000	(23,203,950,000)	9.80%	30,700,950,000	(22,468,950,000)
Saigon Securities Investment Fund A2	10.00%	35,757,720,722	(35,757,720,722)	10.00%	51,107,720,722	(35,757,720,722)
Vietnam Investment Fund	0.00%	-	-	7.97%	7,275,187,937	(7,275,187,937)
Dai Viet Securities Joint Stock Company	7.20%	45,000,000,000	(42,300,000,000)	7.20%	45,000,000,000	(39,600,000,000)
Sai Gon - Dong Nai Beer Beverage Joint Stock Company	10.38%	3,954,000,000	(3,954,000,000)	10.38%	3,954,000,000	(3,954,000,000)
DIC Services and Trading Joint Stock Company	7.09%	14,992,108,200	(759,709,600)	7.09%	14,992,108,200	(849,646,800)
Vietnam - Binh Tay Alcohol Joint Stock Company	6.30%	300,000,000	(300,000,000)	6.30%	300,000,000	(300,000,000)
Dong Ha Tourism Joint Stock Company	3.02%	5,600,000,000	(1,542,596,156)	3.02%	5,600,000,000	(1,542,596,156)
Nha Trang Trading and Tourism Joint Stock Company	0.58%	1,161,147,000	-	0.58%	1,161,147,000	-
Saigon Beer Transportation Joint Stock Company	13.54%	26,588,267,394	-	13.54%	26,588,267,394	-
Sabeco HP Investment Company Limited	8.00%	24,426,586,800	(24,426,586,800)	8.00%	24,426,586,800	(24,426,586,800)
		<u>665,885,700,116</u>	<u>(350,575,407,145)</u>		<u>688,510,888,053</u>	<u>(366,405,088,682)</u>

6 SHORT-TERM RECEIVABLES

	30.06.2019 VNĐ	01.01.2019 VNĐ
Third parties	48,092,802,380	76,075,995,897
Related parties (Note 26)	88,555,295,942	168,043,170,163
TOTAL	<u>136,648,098,322</u>	<u>244,119,166,060</u>

7 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	30.06.2019 VNĐ	01.01.2019 VNĐ
Third parties	56,510,250,916	74,757,986,951
Related parties (Note 26)	-	-
TOTAL	<u>56,510,250,916</u>	<u>74,757,986,951</u>

8 OTHER RECEIVABLES

	30.06.2019 VNĐ	01.01.2019 VNĐ
(a) Other short-term receivables		
Receivables from land use right capital contribution from a related party	277,230,733,543	277,230,733,543
Interest receivables from term deposits at banks	225,737,063,602	142,655,699,007
Dividend receivables	147,078,259,996	19,345,526,000
Deposits	218,175,361	223,025,685
Advances to employees	6,483,675,508	2,009,018,264
Interest receivables from bonds and loans	7,567,397,260	7,567,397,260
Other receivables from employees		1,217,229,461
Others	49,038,295,954	23,501,862,966
TOTAL	<u>713,353,601,224</u>	<u>473,750,492,186</u>
<i>In which:</i>		
Third parties	267,280,961,727	174,654,748,943
Related parties (Note 26)	446,072,639,497	299,095,743,243
	<u>713,353,601,224</u>	<u>473,750,492,186</u>
(b) Other long-term receivables		
Deposits	28,880,691,417	27,151,945,917
Others	8,028,765,000	8,028,765,000
TOTAL	<u>36,909,456,417</u>	<u>35,180,710,917</u>

9 INVENTORIES

	30.06.2019 VNĐ	01.01.2019 VNĐ
Goods in transit	111,998,437,434	102,764,346,138
Raw materials	429,518,022,772	517,645,998,858
Tools and supplies	228,227,261,720	203,077,547,298
Work in progress	223,483,487,658	207,713,866,901
Finished goods	771,366,689,238	1,002,862,048,378
TOTAL	1,764,593,898,822	2,034,063,807,573



SAIGON BEER - ALCOHOL - BEVERAGE CORPORATION
Notes to the consolidated financial statements (continued)

B09-DN/HN

10 FIXED ASSETS

(a) Tangible fixed assets

	Buildings and structures	Machinery and Equipment	Motor vehicles	Office equipment	Others	Total
Cost						
Beginning balance	1,865,206,665,931	7,237,140,026,670	245,035,314,635	140,926,881,281	9,141,036,674	9,497,449,925,191
Increases in the year:	2,265,710,914	45,665,208,312	3,641,408,481	2,669,495,905	108,810,000	54,350,633,612
<i>In which:</i>						
<i>New purchases</i>	293,116,368	17,591,984,844	3,641,408,481	2,777,495,905	108,810,000	24,412,815,598
<i>Transferred from construction in progress</i>	1,972,594,546	25,346,356,150				27,318,950,696
<i>Other increases</i>		2,618,867,318		(108,000,000)		2,618,867,318
<i>Reclassification</i>		108,000,000		(38,340,909)		-
Decreases in the year:	(1,937,000,000)	(64,723,116,963)				(66,698,457,872)
<i>In which:</i>						
<i>Reclassification</i>		(64,723,116,963)		(38,340,909)		(66,698,457,872)
<i>Sold, disposed</i>						
<i>Other decreases</i>						
Ending balance	1,865,535,376,845	7,218,082,118,019	248,676,723,116	143,558,036,277	9,249,846,674	9,485,102,100,931
Accumulated depreciation						
Beginning balance	881,383,212,295	4,719,337,707,022	175,715,664,735	101,169,615,456	4,992,840,629	5,882,599,040,137
Depreciation for the year	49,831,699,220	245,371,996,344	9,672,355,225	7,008,358,843	442,606,093	312,327,015,725
Other increases		1,510,661,621				1,510,661,621
<i>Reclassification</i>		22,238,710		(22,238,710)		-
Decrease in the year						
<i>In which:</i>						
<i>Sold, disposed</i>	(1,937,000,000)	(64,723,116,963)		(38,340,909)		(66,698,457,872)
<i>Reclassification</i>						
<i>Other decreases</i>						
Ending balance	929,277,911,515	4,901,519,486,734	185,388,019,960	108,117,394,680	5,435,446,722	6,129,738,259,611
Net carrying amount:						
Beginning balance	983,823,453,636	2,517,802,319,648	69,319,649,900	39,757,265,825	4,148,196,045	3,614,850,885,054
Ending balance	936,257,465,330	2,316,562,631,285	63,288,703,156	35,440,641,597	3,814,399,952	3,355,363,841,320

SAIGON BEER - ALCOHOL - BEVERAGE CORPORATION
Notes to the consolidated financial statements (continued)

10 FIXED ASSETS (continued)

(b) Intangible fixed assets

	Land in rights	Softwares	Others	Total
Cost:				
Beginning balance	1,024,215,267,144	66,934,890,585	247,447,482	1,091,397,605,211
New purchase	-	-	-	-
Transferred from construction in progress	-	-	-	-
Ending balance	1,024,215,267,144	66,934,890,585	247,447,482	1,091,397,605,211
Accumulated amortisation:				
Beginning balance	76,820,881,479	62,142,247,750	194,281,842	139,157,411,071
Amortization for the year	3,403,676,492	2,089,630,413	20,094,558	5,513,401,463
Ending balance	80,224,557,971	64,231,878,163	214,376,400	144,670,812,534
Net carrying amount:				
Beginning balance	947,394,385,665	4,792,642,835	53,165,640	952,240,194,140
Ending balance	943,990,709,173	2,703,012,422	33,071,082	946,726,792,677

11/11/2018 10:08:12

10 FIXED ASSETS (continued)
 (b) Intangible fixed assets (continued)

Land use rights included the value of land use rights that the Company has recorded at the estimated value into the increase in value of the Company on the equitisation date at "Intangible fixed assets" account and the corresponding "Other short-term payables" account as stated in the Minutes of Corporate Valuation as at 31 December 2007 and the Equitisation Finalisation Minutes as at 30 April 2008 dated 6 March 2010 issued by the Equitisation Finalisation Committee consisting of representatives of the Ministry of Industry and Trade and the Ministry of Finance

Those land lots are used for principal activities of the Company. They are temporary land use rights with restrictions on ownership and are not permitted for sale, sublease and mortgage.

<i>Location</i>	<i>Square (m²)</i>	<i>Revalued amount in connection with equitisation (VND)</i>
46 Ben Van Don, Ward 12, District 4, Ho Chi Minh City, Vietnam	3,872.50	55,241,212,500
187 Nguyen Chi Thanh, Ward 12, District 5, Ho Chi Minh City, Vietnam	17,406.10	418,634,111,100
474 Nguyen Chi Thanh, Ward 6, District 10, Ho Chi Minh City, Vietnam	7,729.00	247,637,160,000
18/3B Phan Huy Ich, Ward 15, Tan Binh District, Ho Chi Minh City, Vietnam	2,216.30	13,867,389,100
Total		<u><u>735,379,872,700</u></u>

SAIGON BEER - ALCOHOL - BEVERAGE CORPORATION
Notes to the consolidated financial statements (continued)

10 FIXED ASSETS (continued)
(c) Investment properties

	Beginning balance	Increase	Decrease	Ending balance
Cost	71,444,026,942	-	-	71,444,026,942
- Land use rights	27,812,438,744	-	-	27,812,438,744
- Buildings	8,719,766,623	-	-	8,719,766,623
- Investment properties held-for-price appreciation	34,911,821,575	-	-	34,911,821,575
Accumulated depreciation	16,876,189,707	583,357,454	-	17,459,547,161
- Land use rights	7,301,656,054	302,309,117	-	7,603,965,171
- Buildings	6,423,621,735	281,048,337	-	6,704,670,072
- Investment properties held-for-price appreciation	3,150,911,918	-	-	3,150,911,918
Net carrying amount	54,567,837,235	(583,357,454)	-	53,984,479,781
- Land use rights	20,510,782,690	(302,309,117)	-	20,208,473,573
- Buildings	2,296,144,888	(281,048,337)	-	2,015,096,551
- Investment properties held-for-price appreciation	31,760,909,657	-	-	31,760,909,657

11 PREPAID EXPENSES

(a) Short-term

	30.06.2019	01.01.2019
	VND	VND
Rental fee	30,987,353,852	26,653,581,192
Tools and instruments	4,347,802,537	11,208,665,233
Advertising expenses	36,075,028,771	40,229,620,142
Others	11,142,528,058	8,364,860,894
Total	<u>82,552,713,218</u>	<u>86,456,727,461</u>

(b) Long-term

	30.06.2019	01.01.2019
	VND	VND
- Returnable packaging	225,146,442,000	362,332,923,329
- Land rental expenses	29,808,197,419	30,270,072,499
- Land use rights	37,193,049,603	37,629,806,799
- Tools and instruments	21,640,916,721	19,867,926,592
- Warehouse and office rental expenses	7,208,353,288	7,136,857,898
- Repairs cost and spare part	15,827,062,150	32,565,235,266
- Property held for future investment	51,602,316,000	51,602,316,000
- Others	12,412,683,263	10,389,621,936
Total	<u>400,839,020,444</u>	<u>551,794,760,319</u>

12 SHORT-TERM TRADE ACCOUNTS PAYABLE

	30.06.2019	01.01.2019
	VND	VND
Third parties	937,156,740,965	1,366,374,184,773
Related parties (Note 26)	368,386,295,672	660,887,982,939
Total	<u>1,305,543,036,637</u>	<u>2,027,262,167,712</u>

13 SHORT-TERM ADVANCES FROM CUSTOMERS

Short-term advances from third party customers mainly represent the amount received from customers at ten trading companies of the Group.

	30.06.2019	01.01.2019
		VND
Third parties	137,065,907,193	110,463,408,413
Related parties	457,214,848	-
Total	<u>137,523,122,041</u>	<u>110,463,408,413</u>

14 SHORT-TERM ACCRUED EXPENSES

	30.06.2019	01.01.2019
	VND	VND
Advertising and promotion expenses	464,491,893,232	204,884,672,148
Transportation expenses	70,651,389,816	192,363,334,018
Interest expenses	13,334,380,230	13,493,369,109
Others	148,467,450,062	62,427,685,075
Total	<u>696,945,113,340</u>	<u>473,169,060,350</u>

15 OTHER PAYABLES

(a) Short-term

	30.06.2019	01.01.2019
	VND	VND
Dividend payable to shareholders of the Company	85,161,699,139	47,642,016,752
Deposits received	184,652,357,978	186,444,336,213
Social contribution fund	59,392,259,113	32,617,238,575
Estimated land use rights payable to the State in connection with equitisation	735,379,872,700	735,379,872,700
Advance from liquidation process of Saigon Securities Investment Fund A2	-	15,350,000,000
Others	52,693,737,272	62,105,047,225
Total	<u>1,117,279,926,202</u>	<u>1,079,538,511,465</u>
<i>In which:</i>		
Third parties	1,114,085,477,853	1,078,910,730,516
Related parties (Note 26)	3,194,448,349	627,780,949
	<u>1,117,279,926,202</u>	<u>1,079,538,511,465</u>

(b) Long-term

	30.06.2019	01.01.2019
	VND	VND
Deposits received	2,051,050,000	1,547,300,000
Land tax payable to State	51,602,316,000	51,602,316,000
	<u>53,653,366,000</u>	<u>53,149,616,000</u>

SAIGON BEER - ALCOHOL - BEVERAGE CORPORATION
Notes to the consolidated financial statements (continued)

16 OWNERS' CAPITAL

16.1 Number of shares

	30.06.2019	01.01.2019
	<i>(Ordinary shares)</i>	<i>(Ordinary shares)</i>
Number of shares registered	641,281,186	641,281,186
Number of shares issued	641,281,186	641,281,186
Number of existing shares in circulation	641,281,186	641,281,186

SAIGON BEER - ALCOHOL - BEVERAGE CORPORATION
Notes to the consolidated financial statements (continued)

16.2 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital	Owners' other capital	Treasury shares	Foreign exchange differences	Investment and development fund	Other funds	Undistributed earnings	Total
Previous year:								
Beginning balance	6,412,811,860,000	3,208,666,226	-	19,113,771,975	1,118,963,482,640	5,327,112,664	5,823,903,898,574	13,383,328,792,079
Treasury shares				1,985,715,679				1,985,715,679
Foreign currency differences								
Profit for the year							4,177,432,235,379	4,177,432,235,379
Appropriation to funds					11,093,157,875		(11,093,157,875)	
Dividends paid							(2,244,484,151,000)	(2,244,484,151,000)
Appropriation to bonus and welfare fund							(234,601,386,687)	(234,601,386,687)
Appropriation to social contribution fund							(37,424,839,159)	(37,424,839,159)
Used funds					90,579,927		44,982,194	135,562,121
Other increases/ (decreases)								
Changes in proportion of non-controlling interests								
Ending balance	6,412,811,860,000	3,208,666,226	-	21,099,487,654	1,130,147,220,442	5,327,112,664	7,473,777,581,426	15,046,371,928,412
Current year:								
Beginning balance	6,412,811,860,000	3,208,666,226	-	21,099,487,654	1,130,147,220,442	5,327,112,664	7,473,777,581,426	15,046,371,928,412
Treasury shares								
Foreign currency differences				4,892,963,746				4,892,963,746
Profit for the year							2,658,458,475,046	2,658,458,475,046
Appropriation to funds					221,570,621		(221,570,621)	
Dividends								
Appropriation to bonus and welfare fund							(153,686,034,848)	(153,686,034,848)
Appropriation to social contribution fund							(25,222,867,360)	(25,222,867,360)
Other increases/ (decreases)					4,038,094		2,269,531	6,307,625
Ending balance	6,412,811,860,000	3,208,666,226	-	25,992,451,400	1,130,372,829,157	5,327,112,664	9,953,107,853,174	17,530,820,772,621



SAIGON BEER - ALCOHOL - BEVERAGE CORPORATION
Notes to the consolidated financial statements (continued)

Form B09-DN/HN

17 TAX AND OTHER PAYABLES TO THE STATE BUDGET

	<i>At as 1.1.2019</i>	<i>Incurred during the period</i>	<i>Paid during the period</i>	<i>As at 30.06.2019</i>
Corporate income tax	282,342,822,879	635,585,479,716	638,009,022,391	279,919,280,204
Special sales tax	656,687,046,516	3,765,756,129,586	3,800,868,917,288	621,574,258,814
Value added tax	110,864,740,236	932,779,330,099	893,832,648,168	149,811,422,167
Land tax	1,984,488,652	21,570,943,465	21,369,224,047	2,186,208,070
Personal income tax	33,431,691,285	64,155,575,833	75,328,197,307	22,259,069,811
Import-Export duties	(2,194,320)	9,782,183,062	9,798,519,693	(18,530,951)
Other taxes	2,559,039,305	6,755,078,968	9,251,351,923	62,766,350
TOTAL	<u>1,087,867,634,553</u>	<u>5,436,384,720,729</u>	<u>5,448,457,880,817</u>	<u>1,075,794,474,465</u>

During 2018, the Company received the Notification of the tax authority requesting provisional payments to the State budget in relation to the late payment penalty and late interest on special sales tax for the period from 2007 to 2015 that had been paid by the Company. However, the Company's position has always been clear and consistent since the State Audit issued audit conclusion in 2015: (i) the Company did not violate regulations on the declaration, calculation and payment of special sales tax, and (ii) the Company has always complied with the written guidance issued by the Ministry of Finance, General Department of Taxation and Ho Chi Minh City Tax Department over the past years on the same matter. The Company has sent the official letters to the relevant authorities to resolve the above matters and is waiting for their official responses.

18 SALES

	30.06.2019 VNĐ	30.06.2018 VNĐ
Sales of beer	16,040,369,886,615	14,636,920,417,307
Sales of raw materials	2,265,571,279,074	2,204,862,408,833
Sales of beverages	130,840,848,054	148,942,549,930
Sales of alcohol	16,723,829,860	17,463,757,408
Sales of spirits	8,622,933,313	8,570,894,423
Others	55,233,748,309	49,072,834,436
Gross sales	18,517,362,525,225	17,065,832,862,337
Sale deductions	(92,820,389,440)	(86,023,631,922)
Trade discounts	(92,811,604,195)	(86,018,411,922)
Sale discounts	(8,785,245)	
Sales returns		(5,220,000)
Net sales	18,424,542,135,785	16,979,809,230,415

19 COST OF SALES

	30.06.2019 VNĐ	30.06.2018 VNĐ
Beer	11,444,589,654,048	10,673,766,792,179
Raw materials	2,253,896,928,612	2,133,106,074,297
Beverages	90,640,273,693	104,344,787,485
Alcohol	14,999,461,183	14,848,336,785
Spirits	6,914,768,279	7,694,018,357
Others	8,706,226,341	5,594,675,734
Total	13,819,747,312,156	12,939,354,684,837

20 FINANCIAL INCOME

	30.06.2019 VNĐ	30.06.2018 VNĐ
Interest income from deposits at banks, lending	358,003,252,327	273,009,363,027
Dividend income	6,518,968,873	8,359,439,200
Foreign exchange gains	6,515,841,465	1,007,568,855
Others	174,821	166,184,260
Total	371,038,237,486	282,542,555,342

21 FINANCIAL EXPENSES

	30.06.2019 VNĐ	30.06.2018 VNĐ
Interest expenses	13,830,994,903	18,335,214,856
Foreign exchange losses	1,738,587,148	523,680,934
(Reversal of provision) provision for diminution in value of investments	(6,542,806,850)	(38,836,967,314)
Others	-	40,856,458
Total	<u>9,026,775,201</u>	<u>(19,937,215,066)</u>

22 SELLING EXPENSES

	30.06.2019 VNĐ	30.06.2018 VNĐ
Staff costs	354,853,696,670	327,520,682,172
Depreciation and amortisation expenses	13,299,545,323	13,815,885,966
Material costs - bottles and crates	159,326,700,243	200,475,698,938
Rental expenses	75,288,386,181	97,396,526,530
Transportation expenses	12,975,472,613	18,611,258,919
Trade promotions and advertising expenses	603,337,956,496	400,013,870,921
Others	116,772,981,026	112,548,523,817
Total	<u>1,335,854,738,552</u>	<u>1,170,382,447,263</u>

23 GENERAL AND ADMINISTRATION EXPENSES

	30.06.2019 VNĐ	30.06.2018 VNĐ
Staff costs	212,469,067,248	219,368,028,391
Rental expenses	28,103,221,052	25,841,875,403
Material costs	3,690,851,623	5,149,286,712
Depreciation and amortisation expenses	16,788,662,384	17,661,958,173
Others	88,374,384,452	112,786,322,543
Total	<u>349,426,186,759</u>	<u>380,807,471,222</u>

24 OTHER INCOME

	30.06.2019 VNĐ	30.06.2018 VNĐ
Scrap sales and compensations for broken bottles	12,399,749,394	35,196,649,222
Gain from fixed assets disposals	1,902,909,091	498,453,379
Others	5,535,473,602	4,226,221,885
Total	<u>19,838,132,087</u>	<u>39,921,324,486</u>

25 OTHER EXPENSES

	30.06.2019 VNĐ	30.06.2018 VNĐ
Expenses for fixed assets disposals	757,196	70,695,769
Others	12,767,865,410	13,320,671,497
Total	<u>12,768,622,606</u>	<u>13,391,367,266</u>

26 RELATED PARTY TRANSACTIONS

Related party transactions

During the period, the following transactions were carried out with related parties:

	30.06.2019 VNĐ	01.01.2019 VNĐ
Short-term trade accounts receivable		
<i>Associates</i>		
Saigon - Phutho Beer Joint Stock Company	13,239,376,168	7,688,953,934
Saigon Tay Do Beer - Beverage Joint Stock Company	7,056,608,277	12,553,413,185
Malaya - Vietnam Glass Limited	-	19,875,240
San Miguel Yamamura Phu Tho Packaging Company Limited	414,044,400	162,439,200
Saigon - Binh Tay Beer Group Joint Stock Company	7,813,102,784	26,202,728,309
Sai Gon – Mien Trung Beer Joint Stock Company	12,763,603,017	11,937,316,293
Saigon – Baclieu Beer Joint Stock Company	475,389,500	1,295,023,699
Sai Gon – Vinh Long Beer Joint Stock Company	7,489,443,324	7,503,558,108
Sai Gon – Kien Giang Beer Joint Stock Company	9,246,911,180	63,349,221,846
Sai Gon – Khanh Hoa Beer Joint Stock Company	9,233,920,359	14,862,841,933
Saigon – Bentre Beer Joint Stock Company	4,370,588,729	22,467,798,416
Saigon – Lamdong Beer Joint Stock Company	16,452,308,204	
	<u>88,555,295,942</u>	<u>168,043,170,163</u>
Other short-term receivables		
Saigon - Phutho Beer Joint Stock Company	-	84,907,293
Crown Beverage Cans Saigon Limited	128,123,009,996	
San Miguel Yamamura Phu Tho Packaging Company Limited	8,165,500,000	
Saigon - BinhTay Beer Trading Joint Stock Company	28,540,879,958	
Sai Gon – Mien Trung Beer Joint Stock Company	-	19,587,812,354
Tan Thanh Investment Trading Company Limited	277,230,733,543	277,230,733,543
Saigon – Baclieu Beer Joint Stock Company	3,603,600,000	814,325,684
Sai Gon – Vinh Long Beer Joint Stock Company	325,000,000	1,194,336,210
Sai Gon – Khanh Hoa Beer Joint Stock Company	83,916,000	83,916,000
Saigon – Bentre Beer Joint Stock Company	-	99,712,159
	<u>446,072,639,497</u>	<u>299,095,743,243</u>
Short-term trade accounts payable		
<i>Associates</i>		
Truong Sa Food - Food Business Joint Stock Company	-	436,148,400
Saigon - Phutho Beer Joint Stock Company	29,293,946,000	34,832,174,850
Saigon Tay Do Beer - Beverage Joint Stock Company	9,613,731,754	28,504,068,582
Crown Beverage Cans Saigon Limited	152,762,550,402	217,001,205,735
Malaya - Vietnam Glass Limited	6,392,116,678	34,009,252,977
San Miguel Yamamura Phu Tho Packaging Company Limited	9,832,498,500	13,248,400,000
Saigon - Binh Tay Beer Group Joint Stock Company	42,467,643,390	80,479,565,925
Sai Gon – Mien Trung Beer Joint Stock Company	36,309,687,260	68,770,742,216
Saigon – Baclieu Beer Joint Stock Company	3,332,839,030	6,121,281,540
Sai Gon – Vinh Long Beer Joint Stock Company	8,316,360,624	42,224,298,050
Sai Gon – Kien Giang Beer Joint Stock Company	10,734,793,686	55,072,169,614
Sai Gon – Khanh Hoa Beer Joint Stock Company	15,215,133,340	43,265,809,950
Saigon – Bentre Beer Joint Stock Company	3,548,276,600	36,922,865,100

SAIGON BEER - ALCOHOL - BEVERAGE CORPORATION
Notes to the consolidated financial statements (continued)

Form B09-DN/HN

Saigon – Lamdong Beer Joint Stock Company 12,904,320,000

Other related party

TBC - Ball Beverage Can Vietnam Limited

27,662,398,408

368,386,295,672

660,887,982,939

Other payables

Associates

Thanh Nam Consultant Investment - Engineering and
Technology Transfer Joint Stock Company

340,000,000

340,000,000

Saigon - Binh Tay Beer Group Joint Stock Company

2,854,448,349

287,780,949

3,194,448,349

627,780,949

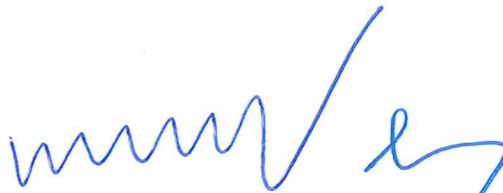


27 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



Hoàng Thanh Vân
Preparer

29th July 2019



Trần Nguyên Trung
Chief Accountant

Teo Hong Keng
Deputy General Director



Neo Gim Siong Bennett
General Director

