

Ho Chi Minh City, April 11<sup>th</sup>, 2019

DOCUMENTS OF ANNUAL GENERAL MEETING OF SHAREHOLDERS  
SAIGON BEER – ALCOHOL – BEVERAGE CORPORATION

To: Shareholders of SABECO

The Board of Directors of SABECO would like to submit to the Shareholders for consideration and approval of these matters as follows:

1. **Audited Financial Statements 2018:**

Please refer to the attached report.

2. **Board of Directors' report on business performance in 2018 and orientation for 2019:**

Please refer to the attached report.

3. **Activity report of the Board of Supervisors from January 1<sup>st</sup> 2018 to July 21<sup>st</sup> 2018:**

Please refer to the attached report.

4. **Activity report of the Audit Committee in 2018:**

Please refer to the attached report.

5. **Selection of independent auditor for SABECO's financial statements in the fiscal year 2019 and Q1/2020:**

The Board proposes to the AGM to grant authorities to the Board to select the independent auditor for SABECO's financial statements in the fiscal year 2019, Q1/2020 and all relevant period as necessary from the list below:

- KPMG (Vietnam) Limited
- PricewaterhouseCoopers (PwC) (Vietnam) Limited
- Ernst & Young (Vietnam) Limited
- Deloitte (Vietnam) Limited

6. **2018 profit distribution:**

No.	Categories	Budget 2018 (Mil. dong)	Actual 2018 (Mil. dong)
1	Undistributed profit - beginning	6,014,311	5,823,904
2	Profit after tax	4,007,025	4,402,750
3	Profit distribution, in which:	2,508,559	3,512,272
	- Distribute to Bonus and Welfare Fund	226,168	265,052
	- Distribute to Investment and Development fund	1,744	3,156
	- Distribute to Social activities fund	36,163	37,658
	- Dividend	2,244,484	(*)3,206,406
	- Dividend ratio	35.0%	(*)50.0%
4	Undistributed profit - ending	7,512,777	6,714,382

(\*) 15% of 2018 special dividend is subjected to the approval of the SABECO's BOD based on the authorization of the shareholders held in the 2019 AGM on April 12<sup>th</sup>, 2019.

The Board of Directors proposes to the AGM to approve the authorization to the Board of Directors to decide the payment of 2018 special dividend of 15% that shall be paid in 2019.



7. 2019 profit distribution plan:

No	Categories	Actual 2018 (Mil. dong)	Budget 2019 (Mil. dong)
1	Undistributed profit – beginning	5,823,904	6,714,382
2	Profit after tax	4,402,750	4,716,987
3	Profit distribution, in which:	3,512,272	2,583,946
	- Distribute to Bonus and Welfare Fund	265,052	286,193
	- Distribute to Investment and Development fund	3,156	2,802
	- Distribute to Social activities fund	37,658	50,467
	- Dividend	3,206,406	2,244,484
	- Dividend ratio	50.0%	35.0%
4	Undistributed profit - ending	6,714,382	8,847,423

8. Settlement of salary, remuneration, bonus of the Board of Directors in 2018 and the Board of Supervisors from January 1<sup>st</sup> 2018 to July 21<sup>st</sup> 2018:

No	Explain	Unit	Budget 2018	Actual 2018
1	Salary fund	VND	3,723,160,000	3,621,616,250
2	Remuneration fund	VND	1,438,639,488	1,823,120,957
3	Bonus fund	VND	604,240,000	452,702,031
	Total	VND	5,766,039,488	5,897,439,238

9. Salary, remuneration, bonus plan of the Board of Directors in 2019:

The Board of Directors proposes the shareholders to approve the VND 6,322,680,000 salary, remuneration, bonus of the Board of Directors and Audit Committee in 2019.

10. Amendment of the Charter:

Please refer to the attached file.

11. Amendment of the Internal Regulations on Corporate Governance:

Please refer to the attached file.

*Recipients:*

- As above;
- Saved: BOD Office, Archived.

ON BEHALF OF BOARD OF DIRECTORS  
CHAIRMAN



Koh Poh Tiong





**Saigon Beer – Alcohol – Beverage  
Corporation**

Separate Financial Statements  
for the year ended 31 December 2018



## Saigon Beer – Alcohol – Beverage Corporation Corporate Information

### Enterprise Registration Certificate No.

0300583659

29 February 2012

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

### Board of Directors

Mr Koh Poh Tiong	Chairman (from 23 April 2018)
Mr Vo Thanh Ha	Chairman (until 22 April 2018)
Mr Nguyen Tien Vy	Member (from 21 July 2018)
Mr Pramoad Phornprapha	Member (from 21 July 2018)
Mr Michael Chye Hin Fah	Member (from 21 July 2018)
Ms Tran Kim Nga	Member (from 9 May 2018)
Mr Nguyen Tien Dung	Member (from 21 July 2018)
Mr Luong Thanh Hai	Member (from 21 July 2018)
Mr Tan Tiang Hing, Malcolm	Member (from 23 April 2018 to 20 July 2018)
Mr Sunyaluck Chaikajornwat	Member (from 23 April 2018 to 20 July 2018)
Mr Bui Ngoc Hanh	Member (until 20 July 2018)
Mr Nguyen Thanh Nam	Member (until 20 July 2018)
Mr Nguyen Bich Dat	Member (until 20 July 2018)



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

<b>Board of Management</b>	Mr Neo Gim Siong Bennett	General Director (from 1 August 2018)
	Mr Nguyen Thanh Nam	General Director (until 30 July 2018)
	Mr Lam Du An	Deputy General Director Sai Gon – Nguyen Chi Thanh Factory’s Director
	Mr Teo Hong Keng	Deputy General Director (from 9 May 2018)
	Mr Hoang Dao Hiep	Deputy General Director (from 1 October 2018)
	Mr Neo Gim Siong Bennett	Deputy General Director (from 9 May 2018 to 31 July 2018)
	Mr Ng Kuan Ngee Melvyn	Deputy General Director (from 9 May 2018)
	Mr Nguyen Minh An	Deputy General Director (until 20 June 2018)

<b>Board of Supervisors</b>	Mr Nguyen Van Minh	Head of the Board of Supervisors (until 20 July 2018)
	Mr Ly Minh Hoang	Member (until 20 July 2018)

According to Decision No. 87/2018/NQ-DHDCD dated 21 July 2018, the shareholders approved to change the Company’s management structure, in which Board of Supervisors structure was replaced by Audit Committee structure.

<b>Audit Committee</b>	Mr Pramoad Phornprapha	Chairman (from 30 October 2018)
	Mr Nguyen Tien Vy	Member (from 30 October 2018)
	Mr Michael Chye Hin Fah	Member (from 30 October 2018)

<b>Legal representative</b>	Mr Koh Poh Tiong	Chairman (from 23 April 2018)
	Mr Vo Thanh Ha	Chairman (until 22 April 2018)
	Mr Neo Gim Siong Bennett	General Director (from 1 August 2018)
	Mr Nguyen Thanh Nam	General Director (until 30 July 2018)

**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

**Auditor**                                      KPMG Limited  
Vietnam

## Saigon Beer – Alcohol – Beverage Corporation Statement of the Board of Management

The Board of Management of Saigon Beer – Alcohol – Beverage Corporation (“the Company”) presents this statement and the accompanying separate financial statements of the Company for the year ended 31 December 2018.

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

- (a) the separate financial statements set out on pages 7 to 61 give a true and fair view of the unconsolidated financial position of the Company as at 31 December 2018, and of the unconsolidated results of operations and the unconsolidated 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 separate financial statements for issue.

On behalf of the Board of Management



Neo Gim Siong Bennett  
*General Director*

Ho Chi Minh City, 28 March 2019



KPMG Limited Branch  
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## **INDEPENDENT AUDITOR'S REPORT**

### **To the Shareholders Saigon Beer – Alcohol – Beverage Corporation**

We have audited the accompanying separate financial statements of Saigon Beer – Alcohol – Beverage Corporation (“the Company”), which comprise the separate balance sheet as at 31 December 2018, the separate 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 28 March 2019, as set out on pages 7 to 61.

### **Management’s Responsibility**

The Company’s Board of Management is responsible for the preparation and fair presentation of these separate 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 separate 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 separate 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 separate 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 separate financial statements give a true and fair view, in all material respects, of the unconsolidated financial position of Saigon Beer – Alcohol – Beverage Corporation as at 31 December 2018, and of its unconsolidated results of operations and its unconsolidated 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 separate financial statements of the Company for the year ended 31 December 2017 were audited by another firm of auditors whose reports dated 29 March 2018 expressed an unqualified opinion on those separate financial statements.

### KPMG Limited's Branch in Ho Chi Minh City

Vietnam

Audit Report No.: 18-01-00346-19-3



  
Ha Vu Dinh  
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, 28 March 2019



**Saigon Beer – Alcohol – Beverage Corporation**  
**Separate balance sheet as at 31 December 2018**

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

	Code Note	31/12/2018 VND	1/1/2018 VND
<b>ASSETS</b>			
<b>Current assets</b> <b>(100 = 110 + 120 + 130 + 140 + 150)</b>	<b>100</b>	<b>11,527,825,623,390</b>	<b>11,323,011,283,213</b>
<b>Cash and cash equivalents</b>	<b>110 5</b>	<b>2,540,016,444,290</b>	<b>2,382,294,145,898</b>
Cash	111	85,016,444,290	262,294,145,898
Cash equivalents	112	2,455,000,000,000	2,120,000,000,000
<b>Short-term financial investments</b>	<b>120</b>	<b>7,143,000,000,000</b>	<b>6,374,000,000,000</b>
Held-to-maturity investments	123 6	7,143,000,000,000	6,374,000,000,000
<b>Accounts receivable – short-term</b>	<b>130</b>	<b>1,352,954,918,810</b>	<b>2,156,246,766,937</b>
Accounts receivable from customers	131 7	859,788,447,512	1,305,092,241,908
Prepayments to suppliers	132	31,576,528,053	9,564,895,915
Other short-term receivables	136 8(a)	479,285,849,478	867,877,020,095
Allowance for doubtful short-term debts	137 9(a)	(40,787,786,892)	(40,787,786,892)
Shortage of assets awaiting resolution	139 10	23,091,880,659	14,500,395,911
<b>Inventories</b>	<b>140 11(a)</b>	<b>441,938,225,352</b>	<b>388,093,755,215</b>
Inventories	141	488,654,385,720	414,420,214,598
Allowance for inventories	149	(46,716,160,368)	(26,326,459,383)
<b>Other current assets</b>	<b>150</b>	<b>49,916,034,938</b>	<b>22,376,615,163</b>
Short-term prepaid expenses	151 12(a)	49,915,822,214	1,491,233,083
Deductible value added tax	152	-	20,885,169,356
Taxes receivable from State Treasury	153	212,724	212,724

*The accompanying notes are an integral part of these separate financial statements*

**Saigon Beer – Alcohol – Beverage Corporation**  
**Separate balance sheet as at 31 December 2018 (continued)**

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

	Code	Note	31/12/2018 VND	1/1/2018 VND
<b>Long-term assets</b>				
<b>(200 = 210 + 220 + 230 + 240 + 250 + 260)</b>	<b>200</b>		<b>5,932,482,742,257</b>	<b>6,156,832,349,207</b>
<b>Accounts receivable – long-term</b>	<b>210</b>		<b>321,018,071,414</b>	<b>319,351,652,760</b>
Loans receivable – long-term	215		4,000,000,000	4,000,000,000
Other long-term receivables	216	8(b)	349,886,951,319	348,220,532,665
Allowance for doubtful long-term debts	219	9(b)	(32,868,879,905)	(32,868,879,905)
<b>Fixed assets</b>	<b>220</b>		<b>1,626,479,824,180</b>	<b>1,840,303,606,752</b>
Tangible fixed assets	221	13	749,264,192,839	954,626,221,143
<i>Cost</i>	222		3,454,267,214,398	3,427,249,784,365
<i>Accumulated depreciation</i>	223		(2,705,003,021,559)	(2,472,623,563,222)
Intangible fixed assets	227	14	877,215,631,341	885,677,385,609
<i>Cost</i>	228		992,475,603,824	989,440,803,824
<i>Accumulated amortisation</i>	229		(115,259,972,483)	(103,763,418,215)
<b>Investment properties</b>	<b>230</b>	<b>15</b>	<b>3,962,026,116</b>	<b>4,354,990,620</b>
<i>Cost</i>	231		7,859,289,977	7,859,289,977
<i>Accumulated depreciation</i>	232		(3,897,263,861)	(3,504,299,357)
<b>Long-term work in progress</b>	<b>240</b>		<b>101,997,344,337</b>	<b>61,211,627,837</b>
Construction in progress	242	16	101,997,344,337	61,211,627,837
<b>Long-term financial investments</b>	<b>250</b>	<b>6</b>	<b>3,662,586,585,828</b>	<b>3,810,074,657,892</b>
Investments in subsidiaries	251		2,731,387,995,029	2,728,068,835,029
Investments in associates, jointly controlled entities	252		633,705,350,635	687,084,845,720
Equity investments in other entities	253		808,576,870,344	783,539,401,803
Allowance for diminution in the value of long-term financial investments	254		(531,952,510,085)	(409,487,304,565)
Held-to-maturity investments	255		20,868,879,905	20,868,879,905
<b>Other long-term assets</b>	<b>260</b>		<b>216,438,890,382</b>	<b>121,535,813,346</b>
Long-term prepaid expenses	261	12(b)	82,269,846,366	85,450,744,309
Deferred tax assets	262	17	101,294,504,779	34,929,597,381
Long-term tools, supplies and spare parts	263	11(b)	32,874,539,237	1,155,471,656
<b>TOTAL ASSETS (270 = 100 + 200)</b>	<b>270</b>		<b>17,460,308,365,647</b>	<b>17,479,843,632,420</b>

*The accompanying notes are an integral part of these separate financial statements*

**Saigon Beer – Alcohol – Beverage Corporation**  
**Separate balance sheet as at 31 December 2018 (continued)**

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

	Code	Note	31/12/2018 VND	1/1/2018 VND
<b>RESOURCES</b>				
<b>LIABILITIES (300 = 310 + 330)</b>	<b>300</b>		<b>4,353,797,152,149</b>	<b>5,370,277,081,680</b>
<b>Current liabilities</b>	<b>310</b>		<b>4,118,949,860,019</b>	<b>5,239,437,665,215</b>
Accounts payable to suppliers	311	18	2,370,788,454,823	2,017,620,399,768
Advances from customers	312		239,402,546	3,366,746,525
Taxes payable to State Treasury	313	19	490,139,152,871	574,189,634,734
Payables to employees	314		114,397,611,496	53,540,955,885
Accrued expenses	315	20	186,052,510,853	53,169,977,301
Other payables – short-term	319	21(a)	883,626,808,228	2,440,537,137,922
Bonus and welfare fund	322	22	73,705,919,202	97,012,813,080
<b>Long-term liabilities</b>	<b>330</b>		<b>234,847,292,130</b>	<b>130,839,416,465</b>
Other payables – long-term	337	21(b)	51,602,316,000	51,602,316,000
Provisions – long-term	342	23	99,246,846,000	24,966,447,042
Science and technology development fund	343		83,998,130,130	54,270,653,423
<b>EQUITY (400 = 410)</b>	<b>400</b>		<b>13,106,511,213,498</b>	<b>12,109,566,550,740</b>
<b>Owners' equity</b>	<b>410</b>	<b>24</b>	<b>13,106,511,213,498</b>	<b>12,109,566,550,740</b>
Share capital	411	25	6,412,811,860,000	6,412,811,860,000
- Ordinary shares with voting rights	411a		6,412,811,860,000	6,412,811,860,000
Investment and development fund	418	26	760,819,802,040	760,819,802,040
Retained profits	421		5,932,879,551,458	4,935,934,888,700
- Retained profits brought forward	421a		4,909,158,361,575	2,790,638,035,073
- Retained profit for the current year	421b		1,023,721,189,883	2,145,296,853,627
<b>TOTAL RESOURCES (440 = 300 + 400)</b>	<b>440</b>		<b>17,460,308,365,647</b>	<b>17,479,843,632,420</b>

28 March 2019

Prepared by:

Nguyen Van Hoa  
Accountant

Tran Nguyen Trung  
Chief Accountant

Approved by:

Teo Hong Keng  
Deputy General Director



Neo Gim Siong Bennett  
General Director

*The accompanying notes are an integral part of these separate financial statements*

**Saigon Beer – Alcohol – Beverage Corporation**  
**Separate statement of income for the year ended 31 December 2018**

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

	Code	Note	2018 VND	2017 VND
<b>Revenue from sales of goods and provision of services</b>	<b>01</b>	<b>29</b>	<b>36,861,469,032,546</b>	<b>34,503,890,606,310</b>
<b>Revenue deductions</b>	<b>02</b>	<b>29</b>	<b>31,672,266,679</b>	<b>-</b>
<b>Net revenue (10 = 01 - 02)</b>	<b>10</b>	<b>29</b>	<b>36,829,796,765,867</b>	<b>34,503,890,606,310</b>
<b>Cost of sales</b>	<b>11</b>	<b>30</b>	<b>32,627,544,258,893</b>	<b>29,588,446,699,863</b>
<b>Gross profit (20 = 10 - 11)</b>	<b>20</b>		<b>4,202,252,506,974</b>	<b>4,915,443,906,447</b>
Financial income	21	31	1,747,790,837,952	2,142,341,449,056
Financial expenses	22	32	123,171,219,786	(50,027,658,964)
Selling expenses	25	33	1,426,024,833,322	1,446,841,604,384
General and administration expenses	26	34	418,418,135,868	370,150,098,282
<b>Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}</b>	<b>30</b>		<b>3,982,429,155,950</b>	<b>5,290,821,311,801</b>
Other income	31		4,033,336,353	2,310,276,092
Other expenses	32		7,566,942,469	10,148,296,672
<b>Results of other activities (40 = 31 - 32)</b>	<b>40</b>		<b>(3,533,606,116)</b>	<b>(7,838,020,580)</b>
<b>Accounting profit before tax (50 = 30 + 40)</b>	<b>50</b>		<b>3,978,895,549,834</b>	<b>5,282,983,291,221</b>
<b>Income tax expense – current</b>	<b>51</b>	<b>36</b>	<b>630,858,736,453</b>	<b>733,785,378,516</b>
<b>Income tax benefit – deferred</b>	<b>52</b>	<b>36</b>	<b>(66,364,907,398)</b>	<b>(13,084,896,507)</b>
<b>Net profit after tax (60 = 50 - 51 - 52)</b>	<b>60</b>		<b>3,414,401,720,779</b>	<b>4,562,282,809,212</b>

28 March 2019

Prepared by:

Nguyen Van Hoa  
Accountant

Tran Nguyen Trung  
Chief Accountant

Approved by:

Teo Hong Keng  
Deputy General Director



Neo Gim Siong Bennett  
General Director

*The accompanying notes are an integral part of these separate financial statements*

**Saigon Beer – Alcohol – Beverage Corporation**  
**Separate statement of cash flows for the year ended 31 December 2018**  
**(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	2018 VND	2017 VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Accounting profit before tax</b>	<b>01</b>	<b>3,978,895,549,834</b>	<b>5,282,983,291,221</b>
<b>Adjustments for</b>			
Depreciation and amortisation	02	246,045,034,923	253,988,694,122
Allowances and provisions	03	233,870,384,777	(22,032,201,776)
Exchange (gains)/losses arising from revaluation of monetary items denominated in foreign currencies	04	(34,569,290)	79,253,350
Profits from investing activities	05	(1,746,153,461,982)	(2,141,713,389,269)
Other adjustments	07	29,737,976,707	-
<b>Operating profit before changes in working capital</b>	<b>08</b>	<b>2,742,360,914,969</b>	<b>3,373,305,647,648</b>
Change in receivables	09	470,302,277,271	(52,854,933,835)
Change in inventories	10	(121,785,266,517)	(1,689,372,857)
Change in payables and other liabilities	11	402,135,192,936	(91,685,154,119)
Change in prepaid expenses	12	(45,243,691,188)	(4,037,943,372)
		<b>3,447,769,427,471</b>	<b>3,223,038,243,465</b>
Corporate income tax paid	15	(706,977,980,688)	-
Other payments for operating activities	17	(129,682,908,733)	(210,551,412,537)
<b>Net cash flows from operating activities</b>	<b>20</b>	<b>2,611,108,538,050</b>	<b>3,012,486,830,928</b>

*The accompanying notes are an integral part of these separate financial statements*



**Saigon Beer – Alcohol – Beverage Corporation**  
**Separate statement of cash flows for the year ended 31 December 2018**  
**(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	2018 VND	2017 VND
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for additions to fixed assets	21	(103,130,623,894)	(70,241,373,207)
Placement of term deposits at banks	23	(10,283,000,000,000)	(7,024,000,000,000)
Collection of term deposits at banks	24	9,514,000,000,000	3,595,900,000,000
Payments for investments in other entities	25	(3,319,160,000)	(40,000,000,000)
Collections on disposals of investments in other entities	26	28,339,826,544	66,048,265,300
Receipts of interests and dividends	27	2,074,797,151,374	1,970,351,289,322
<b>Net cash flows from investing activities</b>	<b>30</b>	<b>1,227,687,194,024</b>	<b>(1,501,941,818,585)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payments of dividends	36	(3,681,063,074,450)	(1,008,864,945,050)
<b>Net cash flows from financing activities</b>	<b>40</b>	<b>(3,681,063,074,450)</b>	<b>(1,008,864,945,050)</b>
<b>Net cash flows during the year (50 = 20 + 30 + 40)</b>	<b>50</b>	<b>157,732,657,624</b>	<b>501,680,067,293</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>60</b>	<b>2,382,294,145,898</b>	<b>1,880,612,291,229</b>
<b>Effect of exchange rate fluctuations on cash and cash equivalents</b>	<b>61</b>	<b>(10,359,232)</b>	<b>1,787,376</b>
<b>Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61)</b>	<b>70</b>	<b>2,540,016,444,290</b>	<b>2,382,294,145,898</b>

28 March 2019

Prepared by:  

Approved by:  

Nguyen Van Hoa      Tran Nguyen Trung      Teo Hong Keng      Neo Gim Siong Bennett  
Accountant      Chief Accountant      Deputy General Director      General Director

*The accompanying notes are an integral part of these separate financial statements*



**Saigon Beer – Alcohol – Beverage  
Corporation and its subsidiaries**

Consolidated Financial Statements  
for the year ended 31 December 2018



## Saigon Beer – Alcohol – Beverage Corporation Corporate Information

### Enterprise Registration Certificate No.

0300583659

29 February 2012

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

### Board of Directors

Mr Koh Poh Tiong	Chairman (from 23 April 2018)
Mr Vo Thanh Ha	Chairman (until 22 April 2018)
Mr Nguyen Tien Vy	Member (from 21 July 2018)
Mr Pramoad Phornprapha	Member (from 21 July 2018)
Mr Michael Chye Hin Fah	Member (from 21 July 2018)
Ms Tran Kim Nga	Member (from 9 May 2018)
Mr Nguyen Tien Dung	Member (from 21 July 2018)
Mr Luong Thanh Hai	Member (from 21 July 2018)
Mr Tan Tiang Hing, Malcolm	Member (from 23 April 2018 to 20 July 2018)
Mr Sunyaluck Chaikajornwat	Member (from 23 April 2018 to 20 July 2018)
Mr Bui Ngoc Hanh	Member (until 20 July 2018)
Mr Nguyen Thanh Nam	Member (until 20 July 2018)
Mr Nguyen Bich Dat	Member (until 20 July 2018)

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

<b>Board of Management</b>	Mr Neo Gim Siong Bennett	General Director (from 1 August 2018)
	Mr Nguyen Thanh Nam	General Director (until 30 July 2018)
	Mr Lam Du An	Deputy General Director Sai Gon – Nguyen Chi Thanh Factory’s Director
	Mr Teo Hong Keng	Deputy General Director (from 9 May 2018)
	Mr Hoang Dao Hiep	Deputy General Director (from 1 October 2018)
	Mr Neo Gim Siong Bennett	Deputy General Director (from 9 May 2018 until 31 July 2018)
	Mr Ng Kuan Ngee Melvyn	Deputy General Director (from 9 May 2018)
	Mr Nguyen Minh An	Deputy General Director (until 20 June 2018)

<b>Board of Supervisors</b>	Mr Nguyen Van Minh	Head of the Board (until 20 July 2018)
	Mr Ly Minh Hoang	Member (until 20 July 2018)

According to Decision No. 87/2018/NQ-DHDCD dated 21 July 2018, the shareholders approved to change the Company’s management structure, in which Board of Supervisors structure was replaced by Audit Committee structure.

<b>Audit Committee</b>	Mr Pramoad Phornprapha	Chairman (from 30 October 2018)
	Mr Nguyen Tien Vy	Member (from 30 October 2018)
	Mr Michael Chye Hin Fah	Member (from 30 October 2018)

<b>Legal representative</b>	Mr Koh Poh Tiong	Chairman (from 23 April 2018)
	Mr Vo Thanh Ha	Chairman (until 22 April 2018)
	Mr Neo Gim Siong Bennett	General Director (from 1 August 2018)
	Mr Nguyen Thanh Nam	General Director (until 30 July 2018)

**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

**Auditor**                                      KPMG Limited  
Vietnam



## Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries Statement of the Board of Management

The Board of Management of Saigon Beer – Alcohol – Beverage Corporation (“the Company”) presents this statement and the accompanying consolidated financial statements of the Company and its subsidiaries (collectively “the Group”) for the year ended 31 December 2018.

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

- (a) the consolidated financial statements set out on pages 7 to 66 give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of the consolidated results of operations and the consolidated cash flows of the Group 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 Group 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 consolidated financial statements for issue.

On behalf of the Board of Management



Neo Gim Siong Bennett  
*General Director*

Ho Chi Minh City, 28 March 2019



KPMG Limited Branch  
10<sup>th</sup> Floor, Sun Wah Tower  
115 Nguyen Hue Street, Ben Nghe Ward  
District 1, Ho Chi Minh City, Vietnam  
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## **INDEPENDENT AUDITOR'S REPORT**

### **To the Shareholders Saigon Beer – Alcohol – Beverage Corporation**

We have audited the accompanying consolidated financial statements of Saigon Beer – Alcohol – Beverage Corporation (“the Company”) and its subsidiaries (collectively “the Group”), which comprise the consolidated balance sheet as at 31 December 2018, the consolidated 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 28 March 2019, as set out on pages 7 to 66.

### **Management’s Responsibility**

The Company’s Board of Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries as at 31 December 2018 and of its consolidated results of operations and its consolidated 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 consolidated financial statements of the Group for the year ended 31 December 2017 were audited by another firm of auditors whose reports dated 2 April 2018 expressed an unqualified opinion on those consolidated financial statements.

## KPMG Limited's Branch in Ho Chi Minh City

Vietnam

Audit Report No.: 18-01-00346-19-4



  
Ha Vu Dinh  
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, 28 March 2019

**Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries**  
**Consolidated balance sheet as at 31 December 2018**

**Form B 01 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	31/12/2018 VND	1/1/2018 VND
<b>ASSETS</b>				
<b>Current assets</b> (100 = 110 + 120 + 130 + 140 + 150)	<b>100</b>		<b>14,690,168,205,219</b>	<b>13,686,327,476,651</b>
<b>Cash and cash equivalents</b>	<b>110</b>	<b>5</b>	<b>4,467,391,585,137</b>	<b>4,268,598,818,042</b>
Cash	111		1,595,188,808,377	1,631,824,576,797
Cash equivalents	112		2,872,202,776,760	2,636,774,241,245
<b>Short-term financial investments</b>	<b>120</b>		<b>7,544,188,420,764</b>	<b>6,558,801,231,269</b>
Held-to-maturity investments	123	6(a)	7,544,188,420,764	6,558,801,231,269
<b>Accounts receivable – short-term</b>	<b>130</b>		<b>765,630,597,003</b>	<b>715,326,353,415</b>
Accounts receivable from customers	131	7	244,119,166,060	171,320,969,298
Prepayments to suppliers	132		74,757,986,951	108,549,780,497
Other short-term receivables	136	8(a)	473,750,492,186	468,739,410,975
Allowance for doubtful short-term debts	137	9(a)	(55,871,302,744)	(53,455,692,637)
Shortage of assets awaiting resolution	139	10	28,874,254,550	20,171,885,282
<b>Inventories</b>	<b>140</b>	<b>11(a)</b>	<b>1,813,754,190,894</b>	<b>2,003,535,067,335</b>
Inventories	141		2,034,063,807,573	2,116,546,352,025
Allowance for inventories	149		(220,309,616,679)	(113,011,284,690)
<b>Other current assets</b>	<b>150</b>		<b>99,203,411,421</b>	<b>140,066,006,590</b>
Short-term prepaid expenses	151	12(a)	86,456,727,461	24,912,851,252
Deductible value added tax	152		7,564,621,909	112,192,286,560
Taxes receivable from State Treasury	153	19(b)	5,182,062,051	2,960,868,778

*The accompanying notes are an integral part of these consolidated financial statements*

**Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries**  
**Consolidated balance sheet as at 31 December 2018 (continued)**

**Form B 01 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	31/12/2018 VND	1/1/2018 VND
<b>Long-term assets</b>				
<b>(200 = 210 + 220 + 230 + 240 + 250 + 260)</b>	<b>200</b>		<b>7,676,574,586,994</b>	<b>8,327,361,633,259</b>
<b>Accounts receivable – long-term</b>	<b>210</b>		<b>5,860,731,012</b>	<b>20,093,775,062</b>
Accounts receivable from customers				
– long-term	211		6,077,549,878	4,761,134,371
Loans receivable – long-term	215		4,000,000,000	4,000,000,000
Other long-term receivables	216	8(b)	35,180,710,917	49,118,570,411
Allowance for doubtful long-term debts	219	9(b)	(39,397,529,783)	(37,785,929,720)
<b>Fixed assets</b>	<b>220</b>		<b>4,567,091,079,194</b>	<b>5,008,100,480,672</b>
Tangible fixed assets	221	13	3,614,850,885,054	4,044,747,362,200
Cost	222		9,497,449,925,191	9,343,836,360,323
Accumulated depreciation	223		(5,882,599,040,137)	(5,299,088,998,123)
Intangible fixed assets	227	14	952,240,194,140	963,353,118,472
Cost	228		1,091,397,605,211	1,088,315,805,211
Accumulated amortisation	229		(139,157,411,071)	(124,962,686,739)
<b>Investment properties</b>	<b>230</b>	<b>15</b>	<b>54,567,837,235</b>	<b>67,657,774,573</b>
Cost	231		71,444,026,942	83,725,457,765
Accumulated depreciation	232		(16,876,189,707)	(16,067,683,192)
<b>Long-term work in progress</b>	<b>240</b>		<b>144,377,898,065</b>	<b>111,505,655,106</b>
Construction in progress	242	16	144,377,898,065	111,505,655,106
<b>Long-term financial investments</b>	<b>250</b>		<b>2,119,042,308,110</b>	<b>2,152,327,824,131</b>
Investments in associates, jointly controlled entities	252	6(c)	1,800,203,395,934	1,747,121,088,747
Equity investments in other entities	253	6(c)	688,510,888,053	736,652,914,597
Allowance for diminution in the value of long-term financial investments	254	6(c)	(390,540,855,782)	(352,315,059,118)
Held-to-maturity investments	255	6(b)	20,868,879,905	20,868,879,905
<b>Other long-term assets</b>	<b>260</b>		<b>785,634,733,378</b>	<b>967,676,123,715</b>
Long-term prepaid expenses	261	12(b)	551,794,760,319	816,991,436,755
Deferred tax assets	262	17	184,533,845,767	136,822,415,511
Long-term tools, supplies and spare parts	263	11(b)	49,306,127,292	13,862,271,449
<b>TOTAL ASSETS (270 = 100 + 200)</b>	<b>270</b>		<b>22,366,742,792,213</b>	<b>22,013,689,109,910</b>

*The accompanying notes are an integral part of these consolidated financial statements*



**Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries**  
**Consolidated balance sheet as at 31 December 2018 (continued)**

**Form B 01 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	31/12/2018 VND	1/1/2018 VND
<b>RESOURCES</b>				
<b>LIABILITIES (300 = 310 + 330)</b>	<b>300</b>		<b>6,254,837,224,044</b>	<b>7,593,162,674,962</b>
<b>Current liabilities</b>	<b>310</b>		<b>5,925,696,932,383</b>	<b>7,401,584,603,555</b>
Accounts payable to suppliers	311	18	2,027,262,167,712	2,020,399,662,484
Advances from customers	312		110,463,408,413	89,250,848,970
Taxes payable to State Treasury	313	19(a)	1,100,614,318,513	1,209,757,064,447
Payables to employees	314		308,694,031,650	222,226,205,331
Accrued expenses	315	20	473,169,060,350	196,525,953,248
Unearned revenue – short-term	318		1,739,369,694	606,060,605
Other payables – short-term	319	21(a)	1,079,538,511,465	2,630,180,684,051
Short-term borrowings	320	22(a)	594,242,788,680	722,903,981,780
Provisions – short-term	321	23(a)	7,668,228,740	12,991,411,679
Bonus and welfare fund	322	24	222,305,047,166	296,742,730,960
<b>Long-term liabilities</b>	<b>330</b>		<b>329,140,291,661</b>	<b>191,578,071,407</b>
Long-term advances from customers	332		22,183,449	22,183,449
Other payables – long-term	337	21(b)	53,149,616,000	53,632,516,000
Long-term borrowings	338	22(b)	14,618,022,047	1,941,629,834
Deferred tax liabilities	341	17	31,483,891,699	17,217,198,238
Provisions – long-term	342	23(b)	145,868,448,336	64,493,890,463
Science and technology development fund	343		83,998,130,130	54,270,653,423


*The accompanying notes are an integral part of these consolidated financial statements*

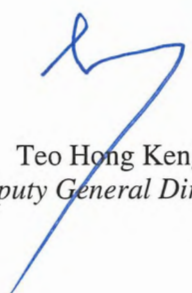
**Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries**  
**Consolidated balance sheet as at 31 December 2018 (continued)**

**Form B 01 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	31/12/2018 VND	1/1/2018 VND
<b>EQUITY (400 = 410 + 430)</b>	<b>400</b>		<b>16,111,905,568,169</b>	<b>14,420,526,434,948</b>
<b>Owners' equity</b>	<b>410</b>	<b>25</b>	<b>16,111,868,168,169</b>	<b>14,420,489,034,948</b>
Share capital	411	26	6,412,811,860,000	6,412,811,860,000
- Ordinary shares with voting rights	411a		6,412,811,860,000	6,412,811,860,000
Other capital	414		3,208,666,226	3,208,666,226
Foreign exchange differences	417		21,099,487,654	19,113,771,975
Investment and development fund	418	27	1,130,147,220,442	1,118,963,482,640
Other equity funds	420		5,327,112,664	5,327,112,664
Retained profits	421		7,473,777,581,426	5,823,903,898,574
- Retained profits brought forward	421a		5,787,247,290,578	2,946,086,838,409
- Retained profit for the current year	421b		1,686,530,290,848	2,877,817,060,165
Non-controlling interest	429		1,065,496,239,757	1,037,160,242,869
<b>Non-business expenditure fund and other funds</b>	<b>430</b>		<b>37,400,000</b>	<b>37,400,000</b>
Non-business expenditure fund	431		37,400,000	37,400,000
<b>TOTAL RESOURCES</b> (440 = 300 + 400)	<b>440</b>		<b>22,366,742,792,213</b>	<b>22,013,689,109,910</b>

28 March 2019

Prepared by:  

Approved by:  

Hoang Thanh Van      Tran Nguyen Trung      Teo Hong Keng      Neo Gim Siong Bennett  
 Accountant            Chief Accountant      Deputy General Director      General Director

*The accompanying notes are an integral part of these consolidated financial statements*

**Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries**  
**Consolidated statement of income the year ended 31 December 2018**

**Form B 02 – DN/HN**

*(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	2018 VND	2017 VND
<b>Revenue from sales of goods and provision of services</b>	<b>01</b>	<b>30</b>	<b>36,043,018,331,946</b>	<b>34,438,171,048,592</b>
<b>Revenue deductions</b>	<b>02</b>	<b>30</b>	<b>94,465,769,999</b>	<b>244,780,494,353</b>
<b>Net revenue (10 = 01 - 02)</b>	<b>10</b>	<b>30</b>	<b>35,948,552,561,947</b>	<b>34,193,390,554,239</b>
<b>Cost of sales</b>	<b>11</b>	<b>31</b>	<b>27,864,413,389,551</b>	<b>25,327,872,489,662</b>
<b>Gross profit (20 = 10 - 11)</b>	<b>20</b>		<b>8,084,139,172,396</b>	<b>8,865,518,064,577</b>
Financial income	21	32	630,350,383,424	506,107,630,554
Financial expenses	22	33	74,634,952,869	(25,805,674,678)
<i>In which: Interest expense</i>	23		<i>35,244,808,353</i>	<i>42,111,534,689</i>
Share of profits in associates, jointly controlled entities	24	6(c)	354,965,023,940	411,873,934,391
Selling expenses	25	34	2,731,090,859,491	2,811,111,874,500
General and administration expenses	26	35	912,705,312,866	935,974,797,536
<b>Net operating profit {30 = 20 + (21 - 22) + 24 - (25 + 26)}</b>	<b>30</b>		<b>5,351,023,454,534</b>	<b>6,062,218,632,164</b>
Other income	31		81,737,853,570	106,139,463,217
Other expenses	32		42,321,666,598	91,266,440,247
<b>Results of other activities (40 = 31 - 32)</b>	<b>40</b>		<b>39,416,186,972</b>	<b>14,873,022,970</b>
<b>Accounting profit before tax (50 = 30 + 40)</b>	<b>50</b>		<b>5,390,439,641,506</b>	<b>6,077,091,655,134</b>
<b>Income tax expense – current</b>	<b>51</b>	<b>37</b>	<b>1,021,134,431,877</b>	<b>1,140,540,458,945</b>
<b>Income tax benefit – deferred</b>	<b>52</b>	<b>37</b>	<b>(33,444,736,795)</b>	<b>(12,048,055,675)</b>
<b>Net profit after tax (60 = 50 - 51 - 52) (carried forward to next page)</b>	<b>60</b>		<b>4,402,749,946,424</b>	<b>4,948,599,251,864</b>

*The accompanying notes are an integral part of these consolidated financial statements*

**Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries**  
**Consolidated statement of income the year ended 31 December 2018 (continued)**

**Form B 02 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	2018 VND	2017 VND
<b>Net profit after tax (60 = 50 - 51 - 52) (brought forward from previous page)</b>	<b>60</b>		<b>4,402,749,946,424</b>	<b>4,948,599,251,864</b>
<b>Attributable to:</b>				
Equity holders of the Company	61		4,177,432,235,379	4,711,485,204,581
Non-controlling interest	62		225,317,711,045	237,114,047,283
<b>Earnings per share</b>				
Basic earnings per share	70	38	6,190	6,915

28 March 2019

Prepared by:



Hoang Thanh Van  
Accountant



Tran Nguyen Trung  
Chief Accountant

Approved by:



Teo Hong Keng  
Deputy General Director



Neo Gim Siong Bennett  
General Director

*The accompanying notes are an integral part of these consolidated financial statements*

**Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries**  
**Consolidated statement of cash flows for the year ended 31 December 2018**  
**(Indirect method)**

**Form B 03 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

	Code Note	2018 VND	2017 VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Accounting profit before tax</b>	<b>01</b>	<b>5,390,439,641,506</b>	<b>6,077,091,655,134</b>
<b>Adjustments for</b>			
Depreciation and amortisation	02	634,592,696,360	625,353,451,649
Allowances and provisions	03	241,180,788,466	81,974,112,122
Exchange (gains)/losses arising from revaluation of monetary items denominated in foreign currencies	04	(71,937,562)	105,642,811
Profits from investing activities	05	(628,666,671,052)	(508,813,877,974)
Shared profits in associates, jointly controlled entities	05	(354,965,023,940)	(411,873,934,391)
Interest expense	06	35,244,808,353	42,111,534,689
Other adjustments	07	29,737,976,707	-
<b>Operating profit before changes in working capital</b>	<b>08</b>	<b>5,347,492,278,838</b>	<b>5,905,948,584,040</b>
Change in receivables	09	119,830,562,870	187,690,969,602
Change in inventories	10	36,215,461,662	50,519,655,998
Change in payables and other liabilities	11	324,263,923,251	(329,359,651,676)
Change in prepaid expenses	12	203,652,800,227	(17,853,632,868)
		<b>6,031,455,026,848</b>	<b>5,796,945,925,096</b>
Interest paid	14	(35,956,684,154)	(44,424,319,099)
Corporate income tax paid	15	(1,140,987,498,904)	(294,736,168,316)
Other payments for operating activities	17	(339,724,962,299)	(389,966,128,772)
<b>Net cash flows from operating activities</b>	<b>20</b>	<b>4,514,785,881,491</b>	<b>5,067,819,308,909</b>

*The accompanying notes are an integral part of these consolidated financial statements*

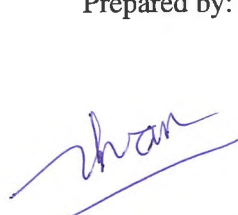
**Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries**  
**Consolidated statement of cash flows for the year ended 31 December 2018**  
**(Indirect method – continued)**

**Form B 03 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

	Code Note	2018 VND	2017 VND
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for additions to fixed assets	21	(290,439,347,849)	(151,157,759,584)
Proceeds from disposals of fixed assets	22	2,009,409,588	14,863,280,117
Placement of term deposits at banks	23	(10,860,587,189,495)	(7,278,046,709,349)
Collection of term deposits at banks	24	9,875,200,000,000	3,893,566,652,296
Payments for investments in other entities	25	-	(43,880,715,400)
Proceeds from withdrawal of investments in other entities	26	28,339,826,544	66,048,265,300
Receipts of interests and dividends	27	934,229,165,303	678,088,897,966
<b>Net cash flows from investing activities</b>	<b>30</b>	<b>(311,248,135,909)</b>	<b>(2,820,518,088,654)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from equity issued or capital contributed by owners	31	-	67,207,854,357
Proceeds from borrowings	33	3,255,664,065,073	3,541,517,218,824
Payments to settle loan principals	34	(3,371,648,865,960)	(4,023,393,560,638)
Payments of dividends	36	(3,888,748,971,778)	(1,008,864,945,050)
<b>Net cash flows from financing activities</b>	<b>40</b>	<b>(4,004,733,772,665)</b>	<b>(1,423,533,432,507)</b>
<b>Net cash flows during the year (50 = 20 + 30 + 40)</b>	<b>50</b>	<b>198,803,972,917</b>	<b>823,767,787,748</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>60</b>	<b>4,268,598,818,042</b>	<b>3,444,825,444,503</b>
<b>Effect of exchange rate fluctuations on cash and cash equivalents</b>	<b>61</b>	<b>(11,205,822)</b>	<b>5,585,791</b>
<b>Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61)</b>	<b>70</b> <b>5</b>	<b>4,467,391,585,137</b>	<b>4,268,598,818,042</b>

28 March 2019

Prepared by:

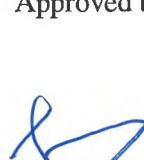


Hoang Thanh Van  
Accountant



Tran Nguyen Trung  
Chief Accountant

Approved by:



Teo Hong Keng  
Deputy General Director



Neo Gim Siong Bennett  
General Director

*The accompanying notes are an integral part of these consolidated financial statements*



**REPORT OF THE BOARD OF DIRECTORS  
FOR 2018 PERFORMANCE AND 2019 ORIENTATION**

**To: Shareholders of SABECO**

The Board of Directors of Saigon Beer – Alcohol – Beverage Corporation (SABECO) would like to report to the Annual General Meeting of Shareholders on 2018 performance and 2019 orientation.

**I. Assessment of 2018 Performance**

**1. Overview**

2018 was a transition year with opportunities and challenges for both the Vietnam beer industry and SABECO.

- Vietnam Economic growth in 2018 reached 7.08% - the highest rate in 11 years that - has facilitated the growth of business.
- Vietnam economy is growing fast with increasing GDP, increasing per capita income, increasing urbanization and high proportion of young population. These drive the demand of consumption and support future growth of the Vietnam beer industry.
- Vietnam ranks first (1<sup>st</sup>) in Southeast Asia, and third (3<sup>rd</sup>) in Asia after China and Japan in terms of annual beer consumption. This position shows the attractiveness of the market with a population of over 96 million, attracting the participation of many leading beer firms in the world.
- With the purpose of gaining value for consumers, SABECO has constantly enhanced technology and the ability of control to ensure the quality of product. At the same time, SABECO has been investing in marketing activities to promote its image and brand value as a part of a long-term sustainable development strategy.
- The 5% increase in special sales tax rate from 60% to 65% in 2018 has put considerable pressure on SABECO's profit target amid fierce competition. Foreign brewers with their strong financial resources, have been spending more on capacity expansion and advertising and marketing to access the market and consumers as well as capture market share.
- In addition, the fact that prices of raw materials had increased sharply due to seasonal effects and bad weather led to the continued decline in industry's profit margin. Some ingredients for beer production in Vietnam which will increase in 2019 are Malt and Rice.
- The alcohol, non-alcohol and beverage business have faced with many difficulties in distribution. Inappropriate investment in warehousing and machinery had an impact on the result of overall business.

**2. Business Performance in 2018**

Vietnam Beverage Company Limited acquired 53.59% of SABECO's share in late 2017 and joined the BOD and the Management team and from the second quarter of 2018 also set the plan to improve company's management and operation and enhance competitiveness.





The Company's financial performance was better than plan/ budget despite the increase in SST and raw materials prices. Volume was flat because of destocking at distributor level, to manage unhealthy inventory levels and to ensure beer freshness. The key results of 2018 are:

Categories	Unit	2017 Actual	2018 Plan	2018 Actual	% Growth rate 2018/2017 actual	% Growth rate 2018 actual/ 2018 plan
Total Volume	Million Litres	1,791	1,803	1,796	0.28%	-0.39%
Net Sales	Billion VND	34,193	35,198	35,949	5.14%	2.13%
Profit After Tax	Billion VND	4,949	4,007	4,403	-11.03%	9.88%

### 3. The Board of Directors' Activities in 2018

In 2018, SABECO's BOD held seventeen (17) meetings to facilitate the implementation of company strategic plans and to supervise the business activities of SABECO and its group companies. Apart from regular BOD meetings, the Board also approved circular resolutions for urgent business matters.

In response to SABECO's expanding operating scale, business activities have to be adjusted regularly to adapt to complex market conditions and changes in the economic environment. Therefore, BOD members have been working with the highest sense of responsibility, developing their leadership capacity to pursue SABECO's sustainable development for the interests of shareholders.

The approved BOD resolutions are delegated to the Management for implementation in line with business plan.

Summary of BOD's supervising activities is outlined below:

#### 3.1. Organizational Structure

- Set up Audit Committee to replace Board of Supervisors as approved by shareholders at 2018 Annual General Meeting (AGM).
- Setting up of Internal Audit function in progress.

#### 3.2. Sales and Marketing Activities

- Invested in marketing activities and branding campaign to strengthen the image of Company and brands, in line with long-term strategic plans particularly in positioning of each of the brands. (eg. Sponsorship of AFF Suzuki cup)
- Reviewed product portfolio and tracked market share.
- Satisfied customer's requirements and needs in each market segment.
- Monitored and guided the sales support programs to increase effectiveness and ensure consistency throughout the system for achievement of targeted sales volume.
- Focused on key distributors and distribution channels to meet market demand, taking into consideration the pricing strategies and market competitiveness.
- Developed a strategy to grow sales through stimulating sales to consumers (such as Launch of Under The Cap ("UTC") Promotions for Saigon Special Beer).

#### 3.3. Production and Supply Chain Activities

- Maintained highest standard for product quality by improving procurement process of raw materials and production process.
- Ensured production resources are operating at optimum capacity and efficiency.
- Closely monitored price movement of raw materials and ensure timely purchasing of production materials to ensure production costs are optimized.
- Enhanced efficiency and capabilities for supply chain within SABECO system.

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- Properly performed quality management, machinery and equipment management, improved training for workers to ensure quality and food safety.
- Managed experimental and beer analysis activities at testing laboratories of the Company's system, developed documentation, maintained and improved the laboratory management system ISO 17025:2005.
- Invested in R&D activities and applied innovative technologies to diversify product portfolio, improve product quality and reduced manufacturing costs. The brewery's operational procedures always ensure the health, environment and sustainable development.
- Restructured warehouse, developed transportation roadmap and gradually optimized transport activities, centralized the operation of long-range transport; diversified methods of transportation and ensured adequate supply during peak occasions.

### 3.4. Investment Activities

- Ensured compliance with law on bidding during implementation of capital investment projects.
- Invested in projects for expansion of production capacity in order to meet business needs.

### 3.5. Human Resource Activities

- Reviewed and developed Company's structure to streamline organization and increase effectiveness of business management and operation by reviewing the functions and duties of various sections of the corporation, subsidiaries and standardizing of job descriptions to properly evaluate the staff capacity.
- Strengthened the management structure by combining international management experience, understanding of local and network, high expertise.

### 3.6. Subsidiaries, Associates and Joint Ventures' Activities

- As at December 31<sup>st</sup>, 2018, SABECO has 25 subsidiaries with over 51% of ownership and 19 associates and joint ventures.
- With the growth in sales volume in 2018, most of SABECO's subsidiaries and associates in main business activities (beer manufacturing and trading) and supporting industries (packaging, transportation, mechanical) had recorded positive results in comparison to 2017, thereby increased the effectiveness of SABECO's capital investment.

## II. 2019 Outlook

2018 marked a milestone in the transition and integration phase of SABECO. The appointment of new members of the BOD and the Management team, coupled with the heritage of Saigon Beer brand, would lead the Company to the next phase of transformation and development.

The lifting of foreign ownership limit in SABECO from 49% to 100% would help to enhance the attractiveness of SABECO's shares as well as easily attract more foreign capital from overseas.

Thus, 2019 is a pivotal year for the Company to continue generating business momentum and pursuing targeted performance. The BOD would like to propose the following business plan for 2019:

Categories	Unit	2018 Actual	2019 Plan	% Growth Rate
Total Volume	Million Litres	1,796	1,908	6.24%
Net Sales	Billion VND	35,949	38,871	8.13%
Profit After Tax	Billion VND	4,403	4,717	7.13%



To achieve the proposed 2019 business plan, the BOD would provide directives in the following areas:

- Implement resolutions of the General Meeting of Shareholders including achieving 2019 business plan.
- Focus resources on branding and marketing activities, including building brand position, production and distribution strategies matching the trend of consumption, in parallel with completing distribution network restructuring and effectively supporting channel and product segment control.
- Maintain market share in rural, expanding urban market and promoting export market.
- Promote research and development initiatives to improve product quality and develop new product offerings.
- Enhance capabilities and efficiency of supply chain throughout SABECO system.
- Focus on improving business productivity and efficiencies.
- Restructure SABECO organization to integrate human resource management; apply the key performance indicator (KPI) system.
- Focus on major reforms to increase investment and operational efficiency, reduce operating costs, aimed at increasing productivity.
- Commit to achieving sustainable development for the community and environment through implementing social responsibility activities, community support and environmental protection programs.
- Improve corporate governance by applying high governance standards to efficiently leverage SABECO's internal values and strengths, build strong relations and trust among shareholders and investors.

The Board respectfully propose to 2019 General Meeting Shareholders the BOD report for approval.  
Sincerely,

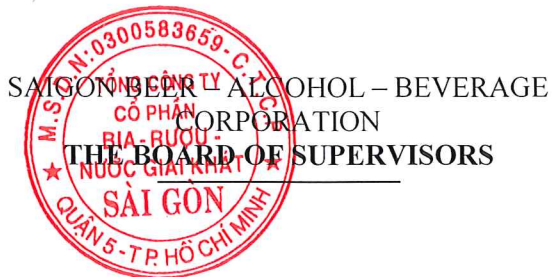
**ON BEHALF OF THE BOARD OF DIRECTORS**

**CHAIRMAN**



Koh Poh Tiong





SAIGON BEER - ALCOHOL - BEVERAGE  
CORPORATION  
THE BOARD OF SUPERVISORS

SOCIALIST REPUBLIC OF VIETNAM  
Independence – Freedom - Happiness

Ho Chi Minh city, March 28<sup>th</sup>, 2019

## ACTIVITY REPORT OF THE BOARD OF SUPERVISORS FROM 01/01/2018 TO 21/7/2018

To: Shareholders of SABECO

Pursuant to Resolution 87/2018/NQ-ĐHĐCĐ dated July 21<sup>st</sup>, 2018, General Meeting of Shareholders of SABECO approved the change of structure of organization of SABECO. Accordingly, the Board of Supervisors was replaced by the Audit Committee under Board of Directors. The Board of Supervisors would like to submit to shareholders of SABECO the activity report from 01/01/2018 to 21/7/2018.

The Board of Supervisors has performed its duties in accordance with the Enterprise Law and SABECO's Charter:

- Number of meetings of the Board of Supervisory: 02
- **Supervision activities of Board of Supervisors to Board of Directors (BOD) and Board of Management and shareholders:** Carry out the report of the Board of Supervisors to the Annual General Meeting of Shareholders 2018; study reports, resolutions, decision notices, BOD's opinions lifts; attend meetings of the BOD, monthly meetings of the Board of Management, response to the inquire about the performance of the units, attend some of the General Meeting of Shareholders of the subsidiaries, associated companies, joint ventures; meet customers and shareholders to perform the supervisory function of the Board of Supervisors; regularly review and comment on the lawfulness, order and procedures of the issuance of resolutions of the BOD and decisions of the Board of Management, to ensure the correctness and the interests of SABECO shareholders.
- **Coordination among the Board of Supervisors, the Board of Directors, the Board of Management and other managers:** Draft report of the Board of Supervisors to be agreed by the BOD, comment in the BOD meetings or opinion lifts if deemed necessary; provide necessary opinions to the BOD at the BOD meetings; inspect and supervise the operation of the organization and collect information, verify information, as well as analyze the situation and give comments to individuals and units.
- **Recommendations to improve the effectiveness of the management of the company:** Comment at BOD meetings, comment on the hiring of consultants to evaluate the governance model and the issuance of the operating regulation of the Board of Supervisors; comment on the idea of building cost management by brand, by region; comment on BOD's activities that should focus on strategic planning, direction and supervision of the BOD in accordance with the strategy and direction of the Board.



- **Selection of auditor:** Select the independent auditor in 2018 to be report to the BOD and General Meeting of Shareholder. KPMG Vietnam Company Limited is the external auditor for 2018 Financial Statements.

**ON BEHALF OF THE BOARD OF SUPERVISORS  
HEAD OF THE BOARD**



Nguyen Van Minh







SOCIALIST REPUBLIC OF VIETNAM  
Independence – Freedom – Happiness

Ho Chi Minh City, March 29<sup>th</sup>, 2019

## ACTIVITY REPORT OF THE AUDIT COMMITTEE IN 2018

To: Shareholders of SABECO

Pursuant to SABECO's Annual General Meeting (AGM) 2018 dated July 21<sup>st</sup>, 2018, the organization of SABECO approved that the previous Board of Supervisors would be replaced by the Audit Committee (AC).

Under the new structure, the Board of Directors (BOD) established the AC on October 30<sup>th</sup>, 2018 and appointed Directors as members of the AC. The AC under the BOD of SABECO comprises three Directors as follows:

- **Mr. Pramoad Phornprapha** - Independent member of the BOD, Chairman of the AC
- **Mr. Nguyen Tien Vy** - Independent member of the BOD, Member
- **Mr. Michael Chye Hin Fah** - Member of the BOD, Member

In general, the Audit Committee would meet at least once a quarter or more if circumstances require. In the fiscal year ended December 31<sup>st</sup>, 2018, the AC held two meetings attended by all three members.

After each meeting and at the end of the financial year, the Audit Committee would consolidate and report its activities to the BOD which can be summarized as follows:

### Review of Financial Statements

The Audit Committee would review quarterly, semi-annual and annual financial statements before they were submitted by the Board of Management to the BOD, by the BOD to shareholders at the AGM, or for public release as required by the law, and assessed whether they were fairly, completely and timely presented in accordance with current accounting regulations, accounting standards and legal requirements. For 2018, the review results showed that:

- Quarterly and annual financial statements were prepared and disclosed in accordance with current accounting standards and regulations.
- During the year, there were no changes in accounting policies, accounting standards or tax policies that have a material impact on the disclosed financial position and financial statements.
- During the year, the Company received the Notification of the tax authority requesting provisional payments in relation to the late payment penalty and late interest on Special Sales Tax (SST) for the period from 2007 to 2015 and, on 28 December 2018, the Company received Decisions from the Ho Chi Minh City Tax Department regarding the enforcement and implementation of the tax administrative decisions by seizing the Company's cash from the Company's bank account. In this regard, the Company's position has always been clear and consistent that the Company did not violate regulations on the declaration, calculation and payment of SST and has always complied with the written guidance of the authorities. Subsequently, on 2 January 2019, the Company received decisions from the Ho Chi Minh City Tax Department to suspend the above decisions on the enforcement. The Company has sent the official letters to the relevant authorities to resolve these matters.



### **Oversight of compliance and fraud prevention**

The Audit Committee would supervise the effectiveness of internal controls to prevent fraud and ensure compliance with the law and company's charter and regulations. Initially, the AC would focus on the efficiency of internal audit and risk management systems.

### **Oversight of independent auditing**

For the fiscal year 2019, the Audit Committee will review and submit the proposal for selection of an independent auditing firm to the BOD to propose to AGM for approval.

### **Setting up of Internal Audit function (IA) under the Audit Committee**

For 2018 – 2019, the AC also has supervised the setting up of the IA function.

The Internal Audit function operates under and subject to the Audit Committee's independent supervision through the approval of the annual audit plan and review of the Internal Audit Charter and internal audit methodology.

Under the direction of the Board of Directors, the Audit Committee had worked with the Board of Management to implement steps to select the "Internal Audit Co-sourcing service provider" and establish an Internal Audit function.

It was expected that the Internal Audit function would officially operate by second quarter of 2019. The roles and responsibilities of the IA include the following:

- Provide an annual assessment on the adequacy and effectiveness of the organization's corporate governance, risk management and internal control processes in all areas of SABECO's operations.
- Report significant issues related to corporate governance, risk management and internal controls in SABECO's operation and provide information concerning such issues through resolution.
- Periodically provide information on the status and results of the annual audit plan and the sufficiency of departmental resources.
- Develop a flexible annual audit plan using an appropriate risk-based methodology and submit that plan to the Audit Committee for review and approval.
- Implement the annual audit plan, as approved, including any special tasks or projects requested by the Management and the Audit Committee.
- Evaluate and assess significant merging/consolidating functions and new or changing services, processes, operations and control processes coincident with their development, implementation, and/or expansion.
- Issue periodic reports to the Audit Committee and the Board of Management summarizing results of audit activities.
- Keep the AC informed of emerging trends and successful practices in internal auditing.
- Assist the investigation of significant suspected fraudulent activities within the organization and notify the Management and the AC of the results.
- Consider the scope of work of the external auditors, as appropriate, for the purpose of providing optimal audit coverage to the organization at a reasonable overall cost.

**ON BEHALF OF AUDIT COMMITTEE  
CHAIRMAN**



Pramoad Phornprapha

