

**REPORT OF BOARD OF MANAGEMENT**  
**For 2017 performance and 2018 business plan**

**I. Assessment of 2017 Performance:**

In 2017, global beer industry, was in the trend of decline, Vietnam beer market had been still able to maintain its steady growth. Vietnam economy is growing fast with increasing GDP, high urbanization speed and young generation accounts for 60% of total population. These support future growth for the Vietnam beer industry. Currently, Vietnam is listed in top 10 beer manufacturing countries, ranked 1<sup>st</sup> in Asean and 3<sup>rd</sup> in Asia in terms of beer consumption, with an average of 43 litres per capita per year. With a promising 5% growth per year, Vietnam would be an attractive market for all players in the beer industry.

In 2017, alongside the changes in excise tax policy, Saigon Beer – Alcohol – Beverages Corporation (SABECO) had to fiercely compete against other competitors, especially global brands with extensive market experience and strong financial resources. To counter these challenges, the Board of Management followed the direction and business plan of the Board of Directors, made timely and flexible changes in the products, sales and marketing strategies, to ensure Company's performance is in line with the original plan in terms of sales volume, revenue, profit as well as market share.

As a leader in Vietnam beer sales volume, SABECO has achieved remarkable results in 2017 and has exported products to over 30 countries. The BOM would like to report the key results of 2017 as follows:

**Financial Position:**

The Company maintained its financial performance in 2017 with good growth, compared to 2016 in terms of sales volume, revenue and profit. Other indicators such as working capital, receivables, payables, and capital structure, were closely monitored and effectively managed.

Categories	Unit	2016	2017	% growth rate
Total Volume	Million Litres	1,647	1,791	8.7%
Total Revenue	Billion VND	31,662	35,218	11.2%
Profit After Tax	Billion VND	4,517	4,949	9.6%

**Evaluation of Key Operating Activities:**

▪ **Marketing and Selling Activities:**

- Invested in marketing activities and branding campaign to strengthen Company's image, in line with long-term strategic plans particularly in positioning of each brands.
- Assessed and analysed each market segment to deploy appropriate marketing programs in line with long-term strategic plans supported by regional trading companies.
- 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.
- **Research & Development (R&D) Activities:**
- Invested in R&D activities and applied innovative technologies to diversify product portfolio, to improve product quality and reduced manufacturing costs to affirm Company's leading position in Vietnam beer industry and meet changing customer preferences.
- **Production 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.
  - Projects to expand production capacity were carried out on schedule to ensure market demand is met. The regulations and procedures in preparing and executing the projects were streamlined to increase efficiency and speed of implementation.
  - Focused on intensive application of technologies and constantly updated with new production technologies in asset management and technical practices.
  - Ensured health, environmental and sustainable requirements are met for all operational processes and procedures.
  - Closely monitored price movement of raw materials and ensure timely purchasing of production materials to ensure production costs are optimized.
  - Ensured adequate raw materials were distributed to the breweries as per production plan.
- **Human Resources Activities:**
- Restructured Company's structure to increase effectiveness of business management.
  - Reviewed the duties of each department within the Company and subsidiaries, standardized job descriptions for ease of competency assessment and developed action plans based on assessment results.
  - Upgraded IT system to ensure the safe archive and security of information of the Company, support in business management and operation of the Company's system.
- **Other Activities:**
- Implemented policies to ensure benefits and welfare of employees were well taken care of.
  - Put in place policies and procedures on environment protection, food hygiene, labor safety, fire and explosion prevention.
  - Actively implemented social responsibilities through charities, community support and other social events.
- **Subsidiaries, Associates and Joint Ventures' Activities:**
- As at 31<sup>st</sup> December 2017, SABECO has 3 wholly-owned companies, 19 subsidiaries with over 51% of ownership and 19 associates and joint ventures.
  - With the growth in sales volume in 2017, most of SABECO's subsidiaries and associates in core business activities (beer manufacturing and trading) and supporting industries



(packaging, transportation, mechanical) had recorded positive results in comparison to 2016, thereby increased the effectiveness of SABECO's capital investment.

- In addition, other associates and joint ventures in non-core businesses (e.g. banking, insurance, real estate, etc.) also contributed to the growth in profit in 2017. Overall, profit from associates and joint ventures in 2017 had significantly increased by 30% as compared to 2016.
- With the aim in improving operating performance focusing in core business activities, SABECO endeavored to divest the loss-making investments in non-core businesses in order to optimize the returns for shareholders.

## II. 2018 business plan:

2018 marked a significant milestone in the history of SABECO as the sale of majority equity stake to Vietnam Beverage Co. Ltd. was completed. With new members of the BOD and BOM joining the Company, coupled with the long-lasting tradition of Saigon Beer brand will lead the Company to a next phase of development and transformation. Thus, 2018 is a pivotal year for the Company to continue generating business momentum and pursuing targeted performance.

The following are the potential opportunities and threats of SABECO in 2018:

### ▪ Opportunities:

- Stable market demand with a 5% growth per year.
- Robust growth in non-urban areas and in mainstream product segment.
- Stable population growth with young population accounts for 62% of total population and growing economy, rising middle income consumers and urbanization are key contributing factors to Vietnam beer industry.

### ▪ Threats:

- Intense competition among beer companies within Vietnam market.
- Increase raw material prices due to seasonal weather changes have significant impact over beer industry performance.
- Limited products availability in the premium segment to meet the preference of young population with growing income.
- Increase of excise tax by 5% from 1<sup>st</sup> January 2018.

After taking into consideration the opportunities and threats, the Company would like to implement the following plans:

- Continue to review Company's system, structure and functional departments to meet business needs.
- Review branding strategy.
- Design appropriate marketing programs for each brand in line with product positioning for each market segment.
- Promote PR activities and events to reinforce brand awareness among consumers.
- Invest in new technologies, improve manufacturing procedure in production to meet market demand, improve product quality, reduce costs and meet environment regulatory requirements.
- Complete and adhere to the quality control procedure following the ISO 17025 standards, implement new analysis method to improve quality.
- Supply adequate raw materials and packaging to breweries as per production plan.



- Update and monitor approved supplier list, monitor and analyze raw materials to plan for purchasing schedule within the year.
- Improve recruitment and training activities to enhance competencies of employees.
- Meet regulatory requirements in environment protection, food hygiene, labor safety, fire and explosion prevention.
- Coordinate and participate in events and programs for corporate social responsibility.

We respectfully propose to 2018 General Meeting of Shareholders the BOM report for approval.

Sincerely,

**Recipients:**

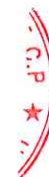
- SABECO shareholders;
- BOD, BOS;
- Archived, Deputy General Director – Mr. Bennett Neo, Mr. Teo Hong Keng

**On behalf of SABECO's BOM**

**General Director**



**Nguyễn Thành Nam**



**SAIGON BEER – ALCOHOL – BEVERAGE CORPORATION**

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**



## SAIGON BEER – ALCOHOL – BEVERAGE CORPORATION

### CORPORATE INFORMATION

#### Business registration certificate

No. 4103010027 dated 17 April 2008 issued by the Department of Planning and Investment of Ho Chi Minh City.

#### Enterprise registration certificate

No. 0300583659 dated 29 February 2012 issued by the Department of Planning and Investment of Ho Chi Minh City.

The Business registration certificate was amended to the Enterprise registration certificate under joint stock company form on 29 February 2012. The sixth amended Enterprise registration certificate was issued on 1 September 2017.

#### Board of Management

Mr. Vo Thanh Ha	Chairman
Mr. Bui Ngoc Hanh	Member
Mr. Nguyen Bich Dạt	Member
Mr. Nguyen Thanh Nam	Member (from 16 February 2017)
Mr. Vu Quang Hai	Member (until 16 February 2017)
Mr. Le Hong Xanh	Member (until 8 August 2017)

#### Board of Directors

Mr. Nguyen Thanh Nam	General Director (from 12 June 2017) Deputy General Director (until 12 June 2017) Sai Gon – Cu Chi Factory's Director (until 22 September 2017)
Mr. Le Hong Xanh	Managing Director (until 12 June 2017) Deputy General Director (until 1 July 2017)
Mr. Nguyen Minh An	Deputy General Director
Mr. Nguyen Huu Loc	Sai Gon – Cu Chi Factory's Director (From 22 September 2017)
Mr. Lam Du An	Deputy General Director (until 12 October 2017) Sai Gon – Nguyen Chi Thanh Factory's Director

#### Board of Supervisors

Mr. Nguyen Van Minh	Head of the Board (from 9 August 2017)
Mr. Dong Viet Trung	Head of the Board (until 8 August 2017)
Mr. Nguyen Van Minh	Member (from 16 February 2017 to 8 August 2017)
Mr. Ly Minh Hoang	Member (from 8 August 2017)
Mr. Hoang Giang Binh	Member (until 18 April 2017)
Mr. Chung Tri Dung	Member (until 16 February 2017)

#### Legal representative

Mr. Vo Thanh Ha	Chairman
Mr. Nguyen Thanh Nam	General Director (from 12 June 2017)

#### 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

**SAIGON BEER – ALCOHOL – BEVERAGE CORPORATION**

**CORPORATE INFORMATION (continued)**

**Representative office** The representative office of Saigon Beer – Alcohol – Beverage Corporation in Hanoi City: 6th Floor, No.97, Tran Hung Dao Street, Cua Nam Ward, Hoan Kiem District, Hanoi City, Vietnam

**Branches** Sai Gon – Cu Chi Beer Factory  
Lot C1, D3 Street, Northwest Cu Chi Industrial Zone, Cu Chi Town,  
Cu Chi District, Ho Chi Minh City, Vietnam

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

**Auditor** PwC (Vietnam) Limited

## SAIGON BEER – ALCOHOL – BEVERAGE CORPORATION

### STATEMENT OF THE RESPONSIBILITY OF THE BOARD OF DIRECTORS IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors of Saigon Beer – Alcohol - Beverage Corporation (“the Company”) is responsible for preparing the consolidated financial statements of the Company and its subsidiaries (together, “the Group”) which give a true and fair view of the financial position of the Group as at 31 December 2017, and of the results of operation and cash flows for the year then ended. In preparing these consolidated financial statements, the Board of Directors is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the consolidated financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Board of Directors is responsible for ensuring that proper accounting records are maintained, which disclose, with reasonable accuracy at any time, the financial position of the Group and which enable the consolidated financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the consolidated financial statements. We are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

We hereby approve the accompanying consolidated financial statements as set out on pages 6 to 68 which give a true and fair view of the financial position of the Group as at 31 December 2017 and of the results of its operations and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements.

On behalf of the Board of Directors



Nguyen Thanh Nam  
General Director

Ho Chi Minh City, SR Vietnam  
2 April 2018





## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SAIGON BEER – ALCOHOL – BEVERAGE CORPORATION**

We have audited the accompanying consolidated financial statements of Saigon Beer – Alcohol – Beverage Corporation (“the Company”) and its subsidiaries (together, “the Group”) which were prepared on 31 December 2017 and approved by the Board of Directors on 2 April 2018. These consolidated financial statements include the consolidated balance sheet as at 31 December 2017, the consolidated income statement and consolidated cash flow statement for the year then ended and notes to these consolidated financial statements, as set out on pages 6 to 68.

### **The Board of Directors’ Responsibility**

The Board of Directors is responsible for the preparation and the true and fair presentation of the consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements and for such internal control which the Board of Directors determines necessary to enable the preparation and fair presentation 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 the 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 standards and requirements and plan and perform the audit in order to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including an assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group’s preparation and true and fair presentation of the consolidated 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 Group’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the consolidated 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 present fairly, in all material respects, the financial position of the Group as at 31 December 2017, its financial performance and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of consolidated financial statements.

### Other Matters

The consolidated financial statements of the Group for the year ended 31 December 2016 were audited by another auditor, who expressed an unmodified opinion on those statements on 7 March 2017. The Board of Directors decided to restate the consolidated financial statements for the year ended 31 December 2016 as disclosed in Note 44.

The independent auditor's report is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English copies, the Vietnamese copy shall take precedence.

### For and on behalf of PwC (Vietnam) Limited



Quach Thanh Chau  
Audit Practising Licence No: 0875-2018-006-1  
Authorised signatory

Luong Thi Anh Tuyet  
Audit Practising Licence No: 3048-2017-006-1

Report reference number: HCM7186  
Ho Chi Minh City, 2 April 2018

As indicated in Note 2.1 to the consolidated financial statements, the accompanying consolidated financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than SR Vietnam, and furthermore their utilisation is not designed for those who are not informed about SR Vietnam's accounting principles, procedures and practices.

## CONSOLIDATED BALANCE SHEET

Code	ASSETS	Note	As at 31 December	
			2017 VND	2016 VND (Restated – Note 44)
<b>100</b>	<b>CURRENT ASSETS</b>		<b>13,686,327,476,651</b>	<b>10,722,470,187,475</b>
		3		
<b>110</b>	<b>Cash and cash equivalents</b>		<b>4,268,598,818,042</b>	<b>3,444,825,444,503</b>
111	Cash		1,631,824,576,797	1,067,588,147,827
112	Cash equivalents		2,636,774,241,245	2,377,237,296,676
<b>120</b>	<b>Short-term investments</b>	4(a)	<b>6,558,801,231,269</b>	<b>3,174,321,174,216</b>
123	Investments held-to-maturity		6,558,801,231,269	3,174,321,174,216
<b>130</b>	<b>Short-term receivables</b>		<b>715,326,353,415</b>	<b>1,090,484,124,645</b>
131	Short-term trade accounts receivable	5	171,320,969,298	551,218,730,609
132	Short-term prepayments to suppliers	6	108,549,780,497	166,784,656,218
136	Other short-term receivables	7(a)	468,739,410,975	402,155,031,238
137	Provision for doubtful debts – short-term	8(a)	(53,455,692,637)	(49,846,178,702)
139	Shortage of assets awaiting resolution	9	20,171,885,282	20,171,885,282
<b>140</b>	<b>Inventories</b>	10(a)	<b>2,003,535,067,335</b>	<b>2,134,361,489,832</b>
141	Inventories		2,116,546,352,025	2,171,045,269,254
149	Provision for decline in value of inventories		(113,011,284,690)	(36,683,779,422)
<b>150</b>	<b>Other current assets</b>		<b>140,066,006,590</b>	<b>878,477,954,279</b>
151	Short-term prepaid expenses	11(a)	24,912,851,252	67,695,049,694
152	Value Added Tax to be reclaimed	19	112,192,286,560	133,125,768,230
153	Taxes and other payables to the State Budget	12, 19	2,960,868,778	677,657,136,355


**CONSOLIDATED BALANCE SHEET**  
**(continued)**

Code	ASSETS (continued)	Note	As at 31 December	
			2017 VND	2016 VND (Restated – Note 44)
<b>200</b>	<b>LONG-TERM ASSETS</b>		<b>8,327,361,633,259</b>	<b>8,472,277,522,027</b>
<b>210</b>	<b>Long-term receivables</b>		<b>20,093,775,062</b>	<b>17,479,816,391</b>
211	Long-term account receivables		4,761,134,371	5,317,157,150
215	Long-term lending		4,000,000,000	4,000,000,000
216	Other long-term receivables	7(b)	49,118,570,411	46,503,666,490
219	Provision for doubtful debts – long-term	8(b)	(37,785,929,720)	(38,341,007,249)
<b>220</b>	<b>Fixed assets</b>		<b>5,008,100,480,672</b>	<b>5,473,890,167,787</b>
221	Tangible fixed assets	13(a)	4,044,747,362,200	4,488,854,249,443
222	Cost		9,343,836,360,323	9,186,604,019,960
223	Accumulated depreciation		(5,299,088,998,123)	(4,697,749,770,517)
227	Intangible fixed assets	13(b)	963,353,118,472	985,035,918,344
228	Cost		1,088,315,805,211	1,098,990,100,615
229	Accumulated amortisation		(124,962,686,739)	(113,954,182,271)
<b>230</b>	<b>Investment properties</b>	14	<b>67,657,774,573</b>	<b>56,987,547,102</b>
231	Cost		83,725,457,765	71,374,464,942
232	Accumulated depreciation		(16,067,683,192)	(14,386,917,840)
<b>240</b>	<b>Long-term assets in progress</b>		<b>111,505,655,106</b>	<b>76,866,965,060</b>
242	Construction in progress	15	111,505,655,106	76,866,965,060
<b>250</b>	<b>Long-term investments</b>		<b>2,152,327,824,131</b>	<b>1,959,509,760,655</b>
252	Investments in associates, joint ventures	4(b)	1,747,121,088,747	1,602,030,153,562
253	Investments in other entities	4(b)	736,652,914,597	763,251,332,167
254	Provision for long-term investments	4(b)	(352,315,059,118)	(426,640,604,979)
255	Investments held-to-maturity	4(a)	20,868,879,905	20,868,879,905
<b>260</b>	<b>Other long-term assets</b>		<b>967,676,123,715</b>	<b>887,543,265,032</b>
261	Long-term prepaid expenses	11(b)	816,991,436,755	756,355,605,445
262	Deferred income tax assets	16	136,822,415,511	121,304,649,369
263	Long-term supplies and spare parts	10(b)	13,862,271,449	9,883,010,218
<b>270</b>	<b>TOTAL ASSETS</b>		<b>22,013,689,109,910</b>	<b>19,194,747,709,502</b>

The notes on pages 11 to 68 are an integral part of these consolidated financial statements.

**CONSOLIDATED BALANCE SHEET**  
**(continued)**

Code	RESOURCES	Note	As at 31 December	
			2017 VND	2016 VND (Restated – Note 44)
<b>300</b>	<b>LIABILITIES</b>		<b>7,593,162,674,962</b>	<b>6,898,812,937,830</b>
<b>310</b>	<b>Short-term liabilities</b>		<b>7,401,584,603,555</b>	<b>6,613,016,425,796</b>
311	Short-term trade accounts payable	17	2,020,399,662,484	2,016,162,043,577
312	Short-term advances from customers	18	89,250,848,970	490,295,652,849
313	Tax and other payables to the State Budget	19	1,209,757,064,447	971,134,583,923
314	Payable to employees		222,226,205,331	264,807,999,201
315	Short-term accrued expenses	20	196,525,953,248	226,577,837,383
318	Short-term unearned revenue		606,060,605	800,000,000
319	Other short-term payables	21(a)	2,630,180,684,051	1,270,403,801,122
320	Short-term borrowings	22(a)	722,903,981,780	1,042,309,667,870
321	Provision for long-term liabilities		12,991,411,679	-
322	Bonus and welfare funds	23	296,742,730,960	330,524,839,871
<b>330</b>	<b>Long-term liabilities</b>		<b>191,578,071,407</b>	<b>285,796,512,034</b>
332	Long-term advances from customers		22,183,449	22,183,449
337	Other long-term payables	21(b)	53,632,516,000	52,776,316,000
338	Long-term borrowings	22(b)	1,941,629,834	164,412,285,558
341	Deferred income tax liabilities	16	17,217,198,238	13,747,487,771
342	Provision for long-term liabilities		64,493,890,463	567,585,833
343	Fund for science and technology development		54,270,653,423	54,270,653,423
<b>400</b>	<b>OWNERS' EQUITY</b>		<b>14,420,526,434,948</b>	<b>12,295,934,771,672</b>
<b>410</b>	<b>Capital and reserves</b>		<b>14,420,489,034,948</b>	<b>12,295,897,371,672</b>
411	Owners' capital	24, 25	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	Owners' other capital	25	3,208,666,226	3,208,666,226
415	Treasury shares	25	-	(23,450,000,000)
417	Foreign exchange differences	25	19,113,771,975	17,006,600,079
418	Investment and development funds	25	1,118,963,482,640	1,118,398,295,310
420	Other funds	25	5,327,112,664	6,040,737,039
421	Undistributed earnings	25	5,823,903,898,574	3,713,726,741,137
421a	- Undistributed earnings of the previous years		2,946,086,838,409	1,675,604,484,894
421b	- Post-tax profit of current year		2,877,817,060,165	2,038,122,256,243
429	Non-controlling interests	25, 26	1,037,160,242,869	1,048,154,471,881
<b>430</b>	<b>Budget sources and other funds</b>		<b>37,400,000</b>	<b>37,400,000</b>
431	Budget sources		37,400,000	37,400,000
<b>440</b>	<b>TOTAL RESOURCES</b>		<b>22,013,689,109,910</b>	<b>19,194,747,709,502</b>

  
 Hoang Thanh Van  
 Preparer

  
 Nguyen Tien Dung  
 Chief Accountant


  
 Nguyen Thanh Nam  
 General Director  
 2 April 2018



The notes on pages 11 to 68 are an integral part of these consolidated financial statements.

## CONSOLIDATED INCOME STATEMENT

Code	Note	For the year ended 31 December	
		2017 VND	2016 VND (Restated – Note 44)
01	Sales	34,438,171,048,592	30,602,446,316,556
02	Less deductions	(244,780,494,353)	(135,752,579,713)
10	Net sales	30 34,193,390,554,239	30,466,693,736,843
11	Cost of sales	31 (25,327,872,489,662)	(22,299,654,609,655)
20	Gross profit	8,865,518,064,577	8,167,039,127,188
21	Financial income	32 506,107,630,554	751,041,069,989
22	Financial expenses	33 25,805,674,678	(68,664,200,785)
23	- Including: Interest expenses	(42,111,534,689)	(82,182,081,908)
24	Profit sharing from investment in joint ventures and associates	411,873,934,391	305,649,678,623
25	Selling expenses	34 (2,811,111,874,500)	(2,671,906,350,771)
26	General and administration expenses	35 (935,974,797,536)	(780,911,026,732)
30	Net operating profit	6,062,218,632,164	5,702,248,297,512
31	Other income	106,139,463,217	138,614,329,944
32	Other expenses	(91,266,440,247)	(113,519,220,050)
40	Net other income	36 14,873,022,970	25,095,109,894
50	Net accounting profit before tax	6,077,091,655,134	5,727,343,407,406
51	Business income tax - current	38 (1,140,540,458,945)	(411,415,406,799)
52	Business income tax - deferred	16, 38 12,048,055,675	(798,584,559,967)
60	Net profit after tax	4,948,599,251,864	4,517,343,440,640
	In which:		
61	Profit after tax attributable to the Company	4,711,485,204,581	4,338,773,356,882
62	Profit after tax attributable to non - controlling interests	237,114,047,283	178,570,083,758
70	Earnings per share	29 6,915	6,194
71	Diluted earnings per share	29 6,915	6,194

  
Hoang Thanh Van  
Preparer

  
Nguyen Tien Dung  
Chief Accountant

  
Nguyen Thanh Nam  
General Director  
2 April 2018



**COSOLIDATED CASH FLOW STATEMENT**  
**(Indirect method)**

		For the year ended 31 December	
		2017	2016
		VND	VND
Code	Notes		(Restated – Note 44)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	<b>Net accounting profit before tax</b>	<b>6,077,091,655,134</b>	<b>5,727,343,407,406</b>
	Adjustments for:		
02	Depreciation and amortisation	625,353,451,649	632,464,161,880
03	Provisions/(reversal of provisions)	81,974,112,122	(7,126,993,043)
04	Unrealised foreign exchange losses	105,642,811	1,407,026
05	Profits from investing activities	(920,687,812,365)	(1,053,307,864,078)
06	Interest expenses	42,111,534,689	82,182,081,908
08	<b>Operating profit before changes in working capital</b>	<b>5,905,948,584,040</b>	<b>5,381,556,201,099</b>
09	Decrease/(increase) in receivables	187,690,969,602	(106,137,506,487)
10	Decrease/(increase) in inventories	50,519,655,998	(210,519,271,008)
11	Decrease in payables	(329,359,651,676)	(2,915,780,040,492)
12	Increase in prepaid expenses	(17,853,632,868)	(54,335,072,441)
14	Interest paid	(44,424,319,099)	(87,165,769,568)
15	Business income tax paid	(294,736,168,316)	(984,037,331,258)
17	Other payments on operating activities	(389,966,128,772)	(304,207,973,110)
20	<b>Net cash inflows from operating activities</b>	<b>5,067,819,308,909</b>	<b>719,373,236,735</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchases of fixed assets and other long-term assets	(151,157,759,584)	(156,346,954,556)
22	Proceeds from disposals of fixed assets and other long-term assets	14,863,280,117	40,502,081,658
23	Deposits at banks with maturity exceeding 3 months	(7,278,046,709,349)	(3,034,021,174,216)
24	Proceeds from lendings, deposits at banks with maturity exceeding 3 months	3,893,566,652,296	809,466,940,162
25	Investments in other entities	(43,880,715,400)	(27,824,678,187)
26	Proceeds from divestment in other entities	66,048,265,300	581,149,667,139
27	Dividends and interest received	678,088,897,966	783,616,859,474
30	<b>Net cash outflows from investing activities</b>	<b>(2,820,518,088,654)</b>	<b>(1,003,457,258,526)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	Proceeds from reissue of treasury shares	67,207,854,357	5,820,025,630
33	Proceeds from borrowings	3,541,517,218,824	3,880,680,269,651
35	Repayments of borrowings	(4,023,393,560,638)	(4,336,074,219,633)
36	Dividends paid	(1,008,864,945,050)	(3,757,483,070,376)
40	<b>Net cash outflows from financing activities</b>	<b>(1,423,533,432,507)</b>	<b>(4,207,056,994,728)</b>
50	<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>823,767,787,748</b>	<b>(4,491,141,016,519)</b>
60	<b>Cash and cash equivalents at beginning of year</b>	<b>3,444,825,444,503</b>	<b>7,935,974,303,078</b>
61	Effect of foreign exchange differences	5,585,791	(7,842,056)
70	<b>Cash and cash equivalents at end of year</b>	<b>4,268,598,818,042</b>	<b>3,444,825,444,503</b>

Major non-cash transactions in the year were presented in Note 40.

  
 Hoang Thanh Van  
 Preparer

  
 Nguyen Tien Dung  
 Chief Accountant

  
 Nguyen Thanh Nam  
 General Director  
 2 April 2018



The notes on pages 11 to 68 are an integral part of these consolidated financial statements.

**SAIGON BEER – ALCOHOL – BEVERAGE CORPORATION**

**SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**





## SAIGON BEER – ALCOHOL – BEVERAGE CORPORATION

### CORPORATE INFORMATION

#### Business registration certificate

No. 4103010027 dated 17 April 2008 issued by the Department of Planning and Investment of Ho Chi Minh City.

#### Enterprise registration certificate

No. 0300583659 dated 29 February 2012 issued by the Department of Planning and Investment of Ho Chi Minh City.

The Business registration certificate was amended to the Enterprise registration certificate under joint stock company form on 29 February 2012. The sixth amended Enterprise registration certificate was issued on 1 September 2017.

#### Board of Management

Mr. Vo Thanh Ha	Chairman
Mr. Bui Ngoc Hanh	Member
Mr. Nguyen Bich Dat	Member
Mr. Nguyen Thanh Nam	Member (from 16 February 2017)
Mr. Vu Quang Hai	Member (until 16 February 2017)
Mr. Le Hong Xanh	Member (until 8 August 2017)

#### Board of Directors

Mr. Nguyen Thanh Nam	General Director (from 12 June 2017) Deputy General Director (until 12 June 2017) Sai Gon – Cu Chi Factory's Director (until 22 September 2017)
Mr. Le Hong Xanh	Managing Director (until 12 June 2017) Deputy General Director (until 1 July 2017)
Mr. Nguyen Minh An	Deputy General Director
Mr. Nguyen Huu Loc	Sai Gon – Cu Chi Factory's Director (From 22 September 2017)
Mr. Lam Du An	Deputy General Director (until 12 October 2017) Sai Gon – Nguyen Chi Thanh Factory's Director

#### Board of Supervisors

Mr. Nguyen Van Minh	Head of the Board (from 9 August 2017)
Mr. Dong Viet Trung	Head of the Board (until 8 August 2017)
Mr. Nguyen Van Minh	Member (from 16 February 2017 to 8 August 2017)
Mr. Ly Minh Hoang	Member (from 8 August 2017)
Mr. Hoang Giang Binh	Member (until 18 April 2017)
Mr. Chung Tri Dung	Member (until 16 February 2017)

#### Legal representative

Mr. Vo Thanh Ha	Chairman
Mr. Nguyen Thanh Nam	General Director (from 12 June 2017)

#### 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

**SAIGON BEER – ALCOHOL – BEVERAGE CORPORATION**

**CORPORATE INFORMATION (continued)**

**Representative office**    The representative office of Saigon Beer – Alcohol – Beverage Corporation in Hanoi City: 6th Floor, No.97, Tran Hung Dao Street, Cua Nam Ward, Hoan Kiem District, Hanoi City, Vietnam

**Branches**                      Sai Gon – Cu Chi Beer Factory  
Lot C1, D3 Street, Northwest Cu Chi Industrial Zone, Cu Chi Town,  
Cu Chi District, Ho Chi Minh City, Vietnam

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

**Auditor**                        PwC (Vietnam) Limited

## SAIGON BEER – ALCOHOL – BEVERAGE CORPORATION

### STATEMENT OF THE RESPONSIBILITY OF THE BOARD OF DIRECTORS IN RESPECT OF THE SEPARATE FINANCIAL STATEMENTS

The Board of Directors of Saigon Beer – Alcohol - Beverage Corporation (“the Company”) is responsible for preparing the separate financial statements of the Company which give a true and fair view of the financial position of the Company as at 31 December 2017, and of the results of operation and cash flows for year ended. In preparing these separate financial statements, the Board of Directors is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the separate financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Board of Directors is responsible for ensuring that proper accounting records are maintained, which disclose, with reasonable accuracy at any time, the financial position of the Company and which enable the separate financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the separate financial statements. We are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS

We hereby approve the accompanying separate financial statements as set out on pages 6 to 63 which give a true and fair view of the financial position of the Company as at 31 December 2017 and of the results of its operations and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of separate financial statements.

Users of these separate financial statements of the Company should read them together with the consolidated financial statements of the Company and its subsidiaries (together, “the Group”) for the year ended 31 December 2017 in order to obtain full information on the financial position and results of the operations and cash flows of the Group.

On behalf of the Board of Directors



Nguyen Thanh Nam  
General Director

Ho Chi Minh City, SR Vietnam  
29 March 2018



## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SAIGON BEER – ALCOHOL – BEVERAGE CORPORATION**

We have audited the accompanying separate financial statements of Saigon Beer – Alcohol – Beverage Corporation (“the Company”) which were prepared on 31 December 2017 and approved by the Board of Directors on 29 March 2018. These separate financial statements include the separate balance sheet as at 31 December 2017, the separate income statement and separate cash flow statement for the year then ended and notes to these separate financial statements, as set out on pages 6 to 63.

### **The Board of Directors’ Responsibility**

The Board of Directors is responsible for the preparation and the true and fair presentation of the separate financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of separate financial statements and for such internal control which the Board of Directors determines necessary to enable the preparation and fair presentation 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 the 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 standards and requirements and plan and perform the audit in order to obtain reasonable assurance as to whether the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditor’s judgment, including an assessment of the risks of material misstatement of the separate 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 true and fair presentation of the separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the separate 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 present fairly, in all material respects, the separate financial position of the Company as at 31 December 2017, its separate financial performance and separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of separate financial statements.

### Other Matters

The separate financial statements of the Company for the year ended 31 December 2016 were audited by another auditor, who expressed an unmodified opinion on those statements on 7 March 2017. The Board of Directors decided to restate the financial statements for the year ended 31 December 2016 as disclosed in Note 40.

This independent auditor's report is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English copies, the Vietnamese copy shall take precedence.

### For and on behalf of PwC (Vietnam) Limited



  
Quach Thanh Chau  
Audit Practising Licence No: 0875-2018-006-1  
Authorised signatory

  
Luong Thi Anh Tuyet  
Audit Practising Licence No: 3048-2017-006-1

Report reference number: HCM6910  
Ho Chi Minh City, 29 March 2018

As indicated in Note 2.1 to the separate financial statements, the accompanying separate financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than SR Vietnam, and furthermore their utilisation is not designed for those who are not informed about SR Vietnam's accounting principles, procedures and practices.

## SEPARATE BALANCE SHEET

Code	ASSETS	Note	As at 31 December	
			2017 VND	2016 VND (Restated – Note 40)
<b>100</b>	<b>CURRENT ASSETS</b>		<b>11,323,011,283,213</b>	<b>7,197,862,235,245</b>
<b>110</b>	<b>Cash and cash equivalents</b>	3	<b>2,382,294,145,898</b>	<b>1,880,612,291,229</b>
111	Cash		262,294,145,898	180,612,291,229
112	Cash equivalents		2,120,000,000,000	1,700,000,000,000
<b>120</b>	<b>Short-term investments</b>		<b>6,374,000,000,000</b>	<b>2,940,000,000,000</b>
123	Investments held-to-maturity	4(a)	6,374,000,000,000	2,940,000,000,000
<b>130</b>	<b>Short-term receivables</b>		<b>2,156,246,766,937</b>	<b>1,323,984,478,709</b>
131	Short-term trade accounts receivable	5	1,305,092,241,908	654,947,891,118
132	Short-term prepayments to suppliers	6	9,564,895,915	25,835,999,243
136	Other short-term receivables	7(a)	867,877,020,095	669,487,979,329
137	Provision for doubtful debts – short-term	8(a)	(40,787,786,892)	(40,787,786,892)
139	Shortage of assets awaiting resolution	9	14,500,395,911	14,500,395,911
<b>140</b>	<b>Inventories</b>	10(a)	<b>388,093,755,215</b>	<b>395,709,326,162</b>
141	Inventories		414,420,214,598	410,266,010,507
149	Provision for decline in value of inventories		(26,326,459,383)	(14,556,684,345)
<b>150</b>	<b>Other current assets</b>		<b>22,376,615,163</b>	<b>657,556,139,145</b>
151	Short-term prepaid expenses	11(a)	1,491,233,083	7,330,467,472
152	Value Added Tax to be reclaimed	18	20,885,169,356	9,424,137,131
153	Taxes and other payables to the State	12,		
	Budget	18	212,724	640,801,534,542

The notes on pages 11 to 63 are an integral part of these separate financial statements.

SEPARATE BALANCE SHEET  
(continued)

Code	ASSETS (continued)	Note	As at 31 December	
			2017 VND	2016 VND (Restated – Note 40)
<b>200</b>	<b>LONG-TERM ASSETS</b>		<b>6,156,832,349,207</b>	<b>6,268,339,688,713</b>
<b>210</b>	<b>Long-term receivables</b>		<b>319,351,652,760</b>	<b>320,787,195,660</b>
215	Long-term lending		4,000,000,000	9,900,000,000
216	Other long-term receivables	7(b)	348,220,532,665	349,656,075,565
219	Provision for doubtful debts – long-term	8(b)	(32,868,879,905)	(38,768,879,905)
<b>220</b>	<b>Fixed assets</b>		<b>1,840,303,606,752</b>	<b>2,052,019,379,902</b>
221	Tangible fixed assets	13(a)	954,626,221,143	1,157,698,733,135
222	Historical cost		3,427,249,784,365	3,386,884,827,897
223	Accumulated depreciation		(2,472,623,563,222)	(2,229,186,094,762)
227	Intangible fixed assets	13(b)	885,677,385,609	894,320,646,767
228	Historical cost		989,440,803,824	987,925,803,824
229	Accumulated amortisation		(103,763,418,215)	(93,605,157,057)
<b>230</b>	<b>Investment properties</b>	14	<b>4,354,990,620</b>	<b>4,747,955,124</b>
231	Historical cost		7,859,289,977	7,859,289,977
232	Accumulated depreciation		(3,504,299,357)	(3,111,334,853)
<b>240</b>	<b>Long-term assets in progress</b>		<b>61,211,627,837</b>	<b>29,216,550,436</b>
242	Construction in progress	15	61,211,627,837	29,216,550,436
<b>250</b>	<b>Long-term investments</b>		<b>3,810,074,657,892</b>	<b>3,760,530,037,279</b>
251	Investments in subsidiaries	4(b)	2,728,068,835,029	2,728,068,835,029
252	Investments in associates, joint ventures	4(b)	687,084,845,720	666,884,845,720
253	Investments in other entities	4(b)	783,539,401,803	807,063,205,046
254	Provision for long-term investments	4(b)	(409,487,304,565)	(462,355,728,421)
255	Investments held-to-maturity	4(a)	20,868,879,905	20,868,879,905
<b>260</b>	<b>Other long-term assets</b>		<b>121,535,813,346</b>	<b>101,038,570,312</b>
261	Long-term prepaid expenses	11(b)	85,450,744,309	75,573,566,548
262	Deferred income tax assets	16	34,929,597,381	21,844,700,874
263	Long-term supplies and spare parts	10(b)	1,155,471,656	3,620,302,890
<b>270</b>	<b>TOTAL ASSETS</b>		<b>17,479,843,632,420</b>	<b>13,466,201,923,958</b>

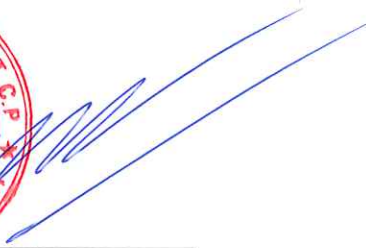
The notes on pages 11 to 63 are an integral part of these separate financial statements.

SEPARATE BALANCE SHEET  
(continued)

Code	RESOURCES	Note	For the year ended 31 December	
			2017 VND	2016 VND (Restated – Note 40)
<b>300</b>	<b>LIABILITIES</b>		<b>5,370,277,081,680</b>	<b>3,425,964,930,845</b>
<b>310</b>	<b>Short-term liabilities</b>		<b>5,239,437,665,215</b>	<b>3,320,091,961,422</b>
311	Short-term trade accounts payable	17	2,017,620,399,768	1,551,081,121,557
312	Short-term advances from customers		3,366,746,525	788,329,086
313	Tax and other payables to the State Budget	18	574,189,634,734	410,027,573,389
314	Payable to employees		53,540,955,885	105,953,656,715
315	Short-term accrued expenses	19	53,169,977,301	74,886,545,328
319	Other short-term payables	20(a)	2,440,537,137,922	988,058,331,719
322	Bonus and welfare funds	21	97,012,813,080	189,296,403,628
<b>330</b>	<b>Long-term liabilities</b>		<b>130,839,416,465</b>	<b>105,872,969,423</b>
337	Other long-term payables	20(b)	51,602,316,000	51,602,316,000
342	Provision for long-term liabilities		24,966,447,042	-
343	Fund for science and technology development		54,270,653,423	54,270,653,423
<b>400</b>	<b>OWNERS' EQUITY</b>		<b>12,109,566,550,740</b>	<b>10,040,236,993,113</b>
<b>410</b>	<b>Capital and reserves</b>		<b>12,109,566,550,740</b>	<b>10,040,236,993,113</b>
411	Owners' capital	22, 23	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
418	Investment and development funds	23	760,819,802,040	760,819,802,040
421	Undistributed earnings	23	4,935,934,888,700	2,866,605,331,073
421a	- Undistributed earnings of the previous years	23	2,790,638,035,073	892,137,789,401
421b	- Post-tax profit of the current year	23	2,145,296,853,627	1,974,467,541,672
<b>440</b>	<b>TOTAL RESOURCES</b>		<b>17,479,843,632,420</b>	<b>13,466,201,923,958</b>

  
Le Thi Thien Thanh  
Preparer

  
Nguyen Tien Dung  
Chief Accountant

  
Nguyen Thanh Nam  
General Director  
29 March 2018



The notes on pages 11 to 63 are an integral part of these separate financial statements.



## SEPARATE INCOME STATEMENT

Code	Note	For the year ended 31 December	
		2017 VND	2016 VND (Restated – Note 40)
01	Sales	34,503,890,606,310	30,895,884,089,945
02	Less deductions	-	(551,915,200)
10	Net sales	34,503,890,606,310	30,895,332,174,745
11	Cost of sales	(29,588,446,699,863)	(26,513,435,310,686)
20	Gross profit	4,915,443,906,447	4,381,896,864,059
21	Financial income	2,142,341,449,056	1,634,597,657,117
22	Financial expenses	50,027,658,964	20,775,323,891
25	Selling expenses	(1,446,841,604,384)	(650,161,156,589)
26	General and administration expenses	(370,150,098,282)	(312,759,691,123)
30	Net operating profit	5,290,821,311,801	5,074,348,997,355
31	Other income	2,310,276,092	49,587,390,746
32	Other expenses	(10,148,296,672)	(13,565,615,120)
40	Net other (expenses)/income	(7,838,020,580)	36,021,775,626
50	Net accounting profit before tax	5,282,983,291,221	5,110,370,772,981
51	Business income tax - current	(733,785,378,516)	(166,240,893,977)
52	Business income tax - deferred	13,084,896,507	(821,161,839,333)
60	Net profit after tax	4,562,282,809,212	4,122,968,039,671

Le Thi Thien Thanh  
Preparer

Nguyen Tien Dung  
Chief Accountant

Nguyen Thanh Nam  
General Director  
29 March 2018



The notes on pages 11 to 63 are an integral part of these separate financial statements.

SAIGON BEER – ALCOHOL – BEVERAGE CORPORATION

Form B 03 - DN

SEPARATE CASH FLOW STATEMENT  
(Indirect method)

		For the year ended 31 December	
		2017	2016
		VND	VND
			(Restated – Note 40)
	Notes		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	Net accounting profit before tax	5,282,983,291,221	5,110,370,772,981
Adjustments for:			
02	Depreciation and amortisation	253,988,694,122	254,946,117,305
03	Reversal of provisions	(22,032,201,776)	(19,487,175,040)
04	Unrealised foreign exchange losses/(gains)	79,253,350	(92,331,846)
05	Profits from investing activities	(2,141,713,389,269)	(1,636,215,668,336)
08	<b>Operating profit before changes in working capital</b>	<b>3,373,305,647,648</b>	<b>3,709,521,715,064</b>
09	Increase in receivables	(52,854,933,835)	(195,472,347,329)
10	Increase in inventories	(1,689,372,857)	(12,973,313,994)
11	Decrease in payables	(91,685,154,119)	(3,021,378,002,920)
12	(Increase)/decrease in prepaid expenses	(4,037,943,372)	20,306,935,044
15	Business income tax paid	-	(536,500,402,568)
17	Other payments on operating activities	(210,551,412,537)	(136,029,298,204)
20	<b>Net cash inflows/(outflows) from operating activities</b>	<b>3,012,486,830,928</b>	<b>(172,524,714,907)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchases of fixed assets and other long-term assets	(70,241,373,207)	(92,578,393,107)
22	Proceeds from disposals of fixed assets and long-term assets	-	33,427,270
23	Deposits at banks with maturity exceeding 3 months	(7,024,000,000,000)	(2,500,000,000,000)
24	Proceeds from deposits at banks with maturity exceeding 3 months	3,595,900,000,000	250,000,000,000
25	Investments in other entities	(40,000,000,000)	(449,947,945,903)
26	Proceeds from divestment in other entities	66,048,265,300	361,795,050,000
27	Dividends and interest received	1,970,351,289,322	1,727,870,978,394
30	<b>Net cash outflows from investing activities</b>	<b>(1,501,941,818,585)</b>	<b>(702,826,883,346)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
36	Dividends paid	24 (1,008,864,945,050)	(3,650,107,852,550)
40	<b>Net cash outflows from financing activities</b>	<b>(1,008,864,945,050)</b>	<b>(3,650,107,852,550)</b>
50	<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>501,680,067,293</b>	<b>(4,525,459,450,803)</b>
60	<b>Cash and cash equivalents at beginning of year</b>	<b>3 1,880,612,291,229</b>	<b>6,406,079,584,088</b>
61	Effect of foreign exchange differences	1,787,376	(7,842,056)
70	<b>Cash and cash equivalents at end of year</b>	<b>3 2,382,294,145,898</b>	<b>1,880,612,291,229</b>

Major non-cash transactions during the year are presented in Note 36.

Le Thi Thien Thanh  
Preparer

Nguyen Tien Dung  
Chief Accountant

Nguyen Thanh Nam  
General Director  
29 March 2018



The notes on pages 11 to 63 are an integral part of these separate financial statements.

No. 300 /2018/TTr-HDQT

Ho Chi Minh City, July 11<sup>th</sup> 2018

**PROPOSAL**

**Re: Settlement of salary, remuneration, bonus in 2017  
of Board of Directors, Supervisory Board**

Respectfully to: The Annual General Meeting of Shareholders

Pursuant to the Resolution No. 93/2017/ NQ-DHDCD dated 08/8/2017 of the General Meeting of Shareholders of Sai Gon Beer-Alcohol-Beverage Corporation;

Pursuant to the Resolution No. 45/2018/NQ-HDQT dated 01/06/2017 of the Board of Directors of Sai Gon Beer-Alcohol-Beverage Corporation;

Based on the production and business targets for 2017 of Saigon Beer-Alcohol-Beverage Corporation

Board of Directors submits to the General Meeting of Shareholders the salary, remuneration and bonus settlement in 2017 for the members of the Board of Directors and Board of Supervisors at SABECO as follows:

No	Explain	Unit	Plan 2017	Actual 2017
<b>I</b>	<b>Salary, bonus</b>			
1	Number of full-time members	People	4	4
2	Salary fund	VND	4.667.476.650	4.966.281.500
3	Bonus fund	VND	583.434.581	620.785.187
<b>II</b>	<b>Remuneration</b>			
1	Number of concurrently members	People	6	4
2	Remuneration fund	VND	1.425.600.000	759.843.840

Respectfully./.

**Recipients:**

- As above;
- Saved: BODs Office,
- Archived, HR Dept.

**ON BEHALF OF BOARD OF DIRECTORS**

**CHAIRMAN**



Koh Poh Tiong

No. 301 /2018/TTr-HDQT

Ho Chi Minh City, July 11<sup>th</sup> 2018

**PROPOSAL**

**Re: Salary, remuneration, bonus plan in 2018  
of the Board of Directors and the Supervisory Board**

Respectfully to: The Annual General Meeting of Shareholders

Pursuant to the Resolution No. 45/2018/NQ-HDQT dated 01/06/2017 of the Board of Directors of Sai Gon Beer-Alcohol-Beverage Corporation;

Based on the production and business targets for 2018 of Saigon Beer-Alcohol-Beverage Joint Stock Corporation;

Board of Directors submits to the General Meeting of Shareholders the salary, remuneration and bonus plan in 2018 for the members of the Board of Directors and Board of Supervisors at SABECO as follows:

No	Explain	Unit	Actual 2017	Plan 2018
<b>I</b>	<b>Salary, bonus</b>			
1	Number of full-time members	People	4	5
2	Salary fund	VND	4.966.281.500	3.723.160.000
3	Bonus fund	VND	620.785.187	604.240.000
<b>II</b>	<b>Remuneration</b>			
1	Number of concurrently members	People	4	10
2	Remuneration fund	VND	759.843.840	1.438.639.488

Respectfully./.

**Recipients:**

- As above;
- Saved: BODs Office,
- Archived, HR Dept.

ON BEHALF OF BOARD OF DIRECTORS

CHAIRMAN



Koh Poh Tiong

No.: 302/2018/TTr-HDQT

Ho Chi Minh city, July 11<sup>th</sup> 2018

**PROPOSAL**  
**Re: 2017 Profit Distribution**

To: Shareholders of SABECO

Pursuant to 2017 actual results, the Board of Directors of SABECO submits to the Shareholders the profit distribution plan for Y2017 as follow:

No.	Categories	Budgeted 2017 (mil. Dongs)	Actual 2017 (mil. Dongs)
1	Undistributed profit - beginning	3.713.727	3.713.727
2	Profit after tax	4.702.820	4.948.599
3	Profit distribution, in which:	2.685.966	2.648.015
	Distribute to Bonus and Welfare Fund (fulfil the budgeted target – 3 months of salary)	375.688	337.126
	Distribute to	16.368	14.782
	Distribute to Social activities fund	49.426	51.623
	Profit distribution	2.244.484	2.244.484
	Announced dividend ratio	35%	35%
4	Undistributed profit - ending	5.730.581	6.014.311

Pursuant to Circular No.28/TT-BLĐTĐBXH dated 01/09/2016, regarding to the stipulation on profit distribution to Bonus and Welfare Fund:

- If the actual profit is equal to the budgeted profit, company can distribute up to three months of salary to the Bonus and Welfare Fund;
- If the actual profit is higher than its budgeted profit, company can distribute up to 20% of the incremental profit (but not higher than three months of salary)

Respectfully.

Recipients:

- As above;
- Saved at BOD Office.

ON BEHALF OF THE BOARD OF DIRECTORS  
CHAIRMAN



Koh Poh Tiong

No.: 303 /2018/TTr-HĐQT

Ho Chi Minh City, July 11<sup>th</sup> 2018

**PROPOSAL**  
**Re: 2018 Profit Distribution Plan**

To: Shareholders of SABECO

Pursuant to 2018 budget plan, the Board of Directors of SABECO submits to the Shareholders the following profit distribution plan for 2018:

No	Categories	Budget 2018 (Mil. Dong)	Actual 2017 (Mil. Dong)
1	Undistributed profit – beginning	6.014.311	3.713.727
2	Profit after tax	4.007.025	4.948.599
3	Profit distribution, in which:	2.508.559	2.648.015
	Bonus and Welfare Fund (fulfil the budgeted target – 3 months of salary)	226.168	337.126
	Investment and Development Fund	1.744	14.782
	Social Activities Fund	36.163	51.623
	Dividend	2.244.484	2.244.484
	Dividend ratio	35%	35%
4	Undistributed profit - ending	7.512.777	6.014.311

Pursuant to Circular No.28/TT-BLĐTBXH dated 01/09/2016, regarding to the stipulation on profit distribution to Bonus and Welfare Fund:

- If the actual profit is equal to the budgeted profit, company can distribute up to three months of salary to the Bonus and Welfare Fund;
- If the actual profit is higher than its budgeted profit, company can distribute up to 20% of the incremental profit (but not higher than three months of salary)

Respectfully.

**Recipients:**

- As above;
- Saved at BOD Office.

**ON BEHALF OF THE BOARD OF DIRECTORS**

**CHAIRMAN**



Koh Poh Tiong

**DRAFT**

**WORKING REGULATIONS OF  
THE ANNUAL GENERAL MEETING OF SHAREHOLDERS 2018  
SAIGON BEER-ALCOHOL-BEVERAGE CORPORATION**

- Pursuant to Law on Enterprises No. 68/2014/QH13 dated November 26<sup>th</sup> 2014;
- Pursuant to the Charter on Organization and Operation of Saigon Beer-Alcohol-Beverage Corporation (SABECO) dated August 8<sup>th</sup> 2017;

In order to ensure the success of SABECO’s Annual General Meeting of Shareholders in 2018, the Board of Directors (BoD) has set up the following regulations, principles of working, conducting and voting in the Annual General Meeting of Shareholders:

**I. OBJECTIVES OF PROMULGATING:**

- This Regulations was established for specifically ensuring the order and principles of conducting and voting at the Annual General Meeting of Shareholders (SABECO) in 2018 (hereinafter referred to as AGM).

**II. SUBJECTS AND SCOPE OF APPLICATION:**

- Subjects: All shareholders, the representatives (the authorized persons) and invited guests to attend AGM shall all have to abide by the provisions of this Regulation, the Charter of the Company and current regulations of the law.
- Scope of Application: This regulation is applied to organize the 2018 AGM.

**III. CONTENT OF THE REGULATION:**

**1. Condition for convening AGM:**

- a. AGM shall be held when it is attended by a number of shareholders/authorized persons represent at least 51% of votes.
- b. If the first meeting fails to meet the conditions prescribed in Point a, Clause 1, Section III; The AGM must be convened for the second time within thirty (30) days from the proposed date of the first meeting. The AGM shall be held when it is attended by a number of shareholders/authorized persons represent at least 33% of

votes.

- c. If the second meeting is not convened, it shall not be eligible to proceed according to the provisions at Point b, Clause 1, Section III; The AGM shall be convened for the third time within twenty (20) days from the planned date of the second meeting, and in this case, the AGM shall be held regardless of the number of shareholders or authorized representatives that attend and are considered to be valid and have the power to determine all issues to be approved at the first AGM.

**2. Condition of shareholders attending the AGM:**

The shareholders of SABECO as listed on **July 2<sup>nd</sup> 2018** are entitled to attend the AGM; They can directly attend or authorize their representatives to attend. **In cases more than one authorized representative is appointed, the number of shares and the number of votes of each representative must be specified.**

**3. Guest at AGM:**

- They are the managers of SABECO, guests, members of the AGM's Convening Committee that are not shareholders of the Company but invited to attend AGM.
- Guests do not participate in a speech at AGM (unless invited by the Chairperson of AGM or registered in advance with the AGM's Convening Committee)

**4. Guests, shareholders attending AGM must comply with the following provisions:**

- Be punctual, polite, formal, comply with the security check (if any), personal documents ... as requested by the AGM's Convening Committee.
- Register the list of shareholders participating in AGM, receive documents, papers serving AGM at the reception department at the AGM's hall.
- Shareholders coming late shall register immediately and then have the right to participate and vote at the meeting. The Chairperson does not have the responsibility for stopping the AGM for the late arrival of shareholders to attend AGM; The voting results of voting issues before attendance of that shareholder will not be affected.
- **The authorized person to attend AGM are not authorized to attend AGM for the third person attending AGM.**
- Keep the phone in vibrate mode or turn off the phone, when necessary, go out for the conversation.



- No smoking in meeting room.
- Comply with the regulations of the AGM's Convening Committee, Chairperson.
- In case shareholders do not comply with the inspection regulations or the above measures and regulations, the Chairperson, after careful consideration, may refuse or expel the above shareholders from the place of AGM to ensure the normal meeting under the plan.

**5. Chairperson of AGM:**

- The Chairperson of AGM is the Chairman of the BoD. In case the Chairman is absent or temporarily incapable of working, the remaining members shall elect one of the Members of BoD to act as the Chairperson of AGM; In case no person can be the Chairperson, the member of BoD with the highest position shall control AGM to elect the chairperson of AGM among the participants and the person with the highest number of votes shall act as Chairperson of AGM.
- Rights and obligations of the Chairperson:
  - The Chairperson shall decide the order, procedures and events arising outside the AGM's agenda in accordance with the Laws and the SABECO's Charter.
  - Instruct shareholders and the General meeting to discuss the contents of the agenda and conclude the necessary issues for the General meeting to vote.
  - Answer or appoint relevant managers to answer issues requested by the General meeting and resolve issues arising during AGM.
  - Other rights and obligations stipulated in the SABECO's Charter.

**6. Secretary of AGM:**

- AGM's Secretary shall be appointed by the Chairperson.
- Rights and Obligations of AGM's Secretary:
  - Carry out the tasks of assisting the General meeting as assigned by the Chairperson.
  - Receive shareholders' speech registration forms.
  - Record and reflect truthfully and accurately all contents of AGM in the minutes of AGM and the drafting of the resolutions of AGM.

**7. Shareholders' eligibility Examination Committee**

## ***Regulation on organization of the 2018 AGM***

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- Shareholders' eligibility Examination Committee elected by AGM's Convening Committee.
- Rights and Obligations of Shareholders' eligibility Examination Committee
  - Shareholders' eligibility Examination Committee is responsible for receiving and checking the documents on eligibility of shareholders attending AGM.
  - Report on the results of examining eligibility of shareholders before the General meeting.
  - In case the attendees fail to prove their eligibility for shareholders attending AGM, the Shareholders' eligibility Examination Committee shall have the right to refuse the issuance of Voting Ballots and AGM's documents.

### **8. Vote Counting Committee:**

- The Vote Counting Committee is nominated by the Chairperson and approved by the General Meeting of Shareholders. Members of the Vote Counting Committee may be employees of SABECO, shareholders and/ or consulting unit on organizing the General Meeting of Shareholders. Members of the Vote Counting Committee are not concurrently Chairperson or Secretary of AGM.
- The Vote Counting Committee has the following tasks:
  - Check the content, form and number of issued votes
  - Disseminate principles, rules, guidelines on voting method
  - Inspect and supervise the voting of shareholders and authorized representatives
  - Organize the counting of votes and make the minutes of counting votes
  - Announce the results of the vote counting in an honest and accurate manner and take responsibility for the vote counting results before the General meeting.

### **9. Speech at AGM:**

- Shareholders who wish to have speech must have the consent of the Chairperson of AGM. Shareholders shall make short speeches and focus on the key contents to be discussed, in accordance with the agenda contents approved by the General meeting or send written opinions to the secretary of AGM to report to the Chairperson.

## Regulation on organization of the 2018 AGM

- The Chairperson of AGM will arrange for the shareholders to speak in the order of registration, at the same time answer questions at AGM or record for later replying in writing.

### **10. Rules of Voting at AGM:**

#### **a. General provisions on voting:**

- Each share owned or represented to own is one voting unit.
- Each shareholder attending AGM will be directly supplied by the AGM's Convening Committee the following: **a (01) Voting Card and a (01) Voting Ballot** with the code of ownership and/ or representative stamped with the Company's seal used to vote for the contents under the AGM's Agenda.

#### **b. Method of voting, order of voting**

Any issues raised at AGM under the jurisdiction of the General Meeting of Shareholders shall be consulted in the following order:

- Approve the content that has just been submitted
- Disapprove the content that has just been submitted
- Abstain the content that has just been submitted

At AGM, the shareholder shall vote by one of the following two forms:

- ❖ **Raising "Voting Card "**: Each shareholder/authorized person(s) is given one (01) Voting Card. When voting at AGM, the shareholders/authorized persons raise the Voting Card towards the Chairperson.
  - In cases where a shareholder/authorized person(s) does not raise his/her vote in all three votes, it is considered that he/ she voted for agreement with the issue.
  - In cases where a shareholder/authorized person(s) raises his/ her vote in all three votes or two of three votes, it is considered that he/ she voted for disagreement with the issue.
  - In the form of voting by raising Voting Card, the members of Vote Counting Committee shall mark the voting code and the corresponding number of votes of each shareholder on agreement, disagreement, no opinion.
- ❖ **Filling in "Voting Ballot"**: Each shareholder/authorized person(s) is given one (01) Voting Ballot with three (03) kind of voting: approval, disapproval, no

opinion on each issue. Shareholders/authorized persons may mark "X" or "✓" for the selected voting status. This form is used to approve the contents of the reports/proposals of AGM.

**c. The validity of Voting Ballot:**

❖ Valid Voting Ballot:

- Follow the template of Convening Committee and having Company stamp
- Not be erased, changed in printed content. In case of having any content needs to be supplemented, the order of such contents must be complied, additional contents shall not be acceptable except for the contents required by AGM's Convening Committee.
- Must be signed, under the signature, must have full name of shareholder/authorized person.
- For separate content (Report, proposal): Choose one (1) of three (03) voting status on Voting Ballot.

❖ Invalid Voting Ballot:

- Is the one which does not meet one of the above conditions for the valid Voting Ballot, though the remained voting contents which proved to be valid shall be counted and recognized.

**d. Record the voting results**

The Vote Counting Committee is responsible for recording, checking the number of votes on agreement, disagreement, no opinion of each content adopted at AGM. At the same time, it is responsible for statistics and reporting results of vote counting at AGM.

**e. Minimum rate to be achieved when voting**

- For decisions on the contents related to the class of shares, the total number of shares of each type; changing business lines; changing the organizational structure of SABECO; Investment projects or sales of assets valued at 35% or more of the total value of assets recorded in SABECO's latest financial statements; reorganizing, dissolving SABECO; extension of SABECO's activities, it shall be approved when having at least 65% of the total number of votes of shareholders having voting rights are present directly or through their authorized representatives present at AGM.
- For other issues to be adopted when approved by a number of shareholders

## ***Regulation on organization of the 2018 AGM***

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representing at least 51% of the total number of votes of all attending shareholders, except for cases stipulated in Clause 8, Article 23 of the Charter

### **11. Minutes and resolutions of the General Meeting of Shareholders**

- All contents of the Annual General Meeting of Shareholders 2018 must be recorded by the Secretariat in the minutes of the AGM.
- Minutes and resolutions of the Annual General Meeting of Shareholders 2018 must be read and adopted before the closing of the General Meeting and be saved at SABECO's head office.

### **IV. IMPLEMENTATION:**

- All shareholders, representatives and guests attending the General Meeting are responsible for compliance with the provisions of this Regulation, current regulations, rules and provisions of SABECO and relevant legal provisions, obey the decisions of the Chairman, the AGM's Convening Committee. If the violation depends on the extent to which the Chairman of the General Assembly will apply the handling measures from the restriction of speech, expulsion from the conference hall where the General meeting takes place, or transfer to legal agencies for settlement in accordance with the law.
- The contents not specified in this Regulation shall be uniformly applied in accordance with SABECO's Charter, Law on Enterprises 2014 and related legal documents.

**This Regulation takes effect immediately after being approved by the General Meeting of Shareholders.**

**ON BEHALF OF THE BOARD OF  
DIRECTOR  
CHAIRMAN**

**KOH POH TIONG**

**DRAFT**

*Ho Chi Minh city, July 21<sup>st</sup> 2018*

**RESOLUTION OF  
THE ANNUAL GENERAL MEETING 2018  
OF SAIGON BEER-ALCOHOL-BEVERAGE CORPORATION**

- Pursuant to Law on Enterprises No. 68/2014/QH13 dated November 26<sup>th</sup> 2014;
- Pursuant to the Charter on Organization and Operation of Saigon Beer-Alcohol-Beverage Corporation (SABECO) dated August 8<sup>th</sup> 2017;
- Pursuant to the Minutes of the Annual General Meeting of Shareholders in 2018 of Saigon Beer - Alcohol - Beverage Corporation dated July 21<sup>st</sup> 2018,

**RESOLVES:**

**Article 1:** Approve the report on the operation of the Company 2017 and business plan for 2018.

**Article 2:** Approve the 2017 audited financial statements.

**Article 3:** Approve the report on the BoD's activities in 2017 and plan for 2018.

**Article 4:** Approve the report on the Supervisory Board's activities in 2017 and plan for 2018

**Article 5:** Approve the proposal on dividends for 2017 and dividends plan for 2018.

**Article 6:** Approve the proposal on BoD and Supervisory Board's remuneration in 2017 and plan in 2018.

**Article 7:** Approve the proposal on change of business line.

**Article 8:** Approve the proposal on change of the structure of managerial organization.

**Article 9:** Approve the proposal on amending the SABECO's Charter.

**Article 10:** Approve the appointment of the Board of Directors for the term of 2018-2023 with 7 members as below:

- Mr/Ms.....

**Article 11:** Implementation provision:

The Resolution of the Annual General Meeting of Shareholders in 2018 of Saigon Beer - Alcohol - Beverage Corporation is unanimously approved and takes effect from July 21<sup>st</sup> 2018.

All shareholders of Saigon Beer – Alcohol - Beverage Corporation, members of the Board of Directors, members of the Supervisory Board, General Director of the Corporation and all employees of the Corporation are responsible for the implementation of this Resolution.

**ON BEHALF OF AGM  
CHAIRPERSON**

**Recipients:**

- SABECO's shareholders;
- BOD, Supervisory Board;
- General Director;
- Saved at BOD Office, Archives.

**Koh Poh Tiong**