

**Saigon Beer – Alcohol – Beverage
Corporation**

Consolidated Financial Statements
Quarter 3 Year 2019



Saigon Beer – Alcohol – Beverage Corporation Corporate Information

**Business Registration
Certificate No.**

0300583659

29 February 2012

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

Board of Directors

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

Board of Management

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

Audit Committee

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

Legal representative

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

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

Registered Office	No. 187, Nguyen Chi Thanh Street, Ward 12, District 5 Ho Chi Minh City, Vietnam
Contact address	5th Floor, Vincom Commercial Centre, 72 Le Thanh Ton and 45A Ly Tu Trong, Ben Nghe Ward, District 1 Ho Chi Minh City, Vietnam
Branches	<p>Sai Gon-Cu Chi Brewery Lot C1, D3 Street, Northwest Cu Chi Industrial Zone, Cu Chi Town, Cu Chi District, Ho Chi Minh City, Vietnam</p> <p>Sai Gon-Nguyen Chi Thanh Brewery 187, Nguyen Chi Thanh Street, Ward 12, District 5 Ho Chi Minh City, Vietnam</p>

CONSOLIDATED BALANCE SHEET

As at 30 September 2019

VND

Code	ASSETS	30/09/2019	01/01/2019
100	A. CURRENT ASSETS	17,575,957,284,443	14,690,168,205,219
110	I. Cash and cash equivalents	3,586,992,705,347	4,467,391,585,137
111	1. Cash	1,056,966,805,381	1,595,188,808,377
112	2. Cash equivalents	2,530,025,899,966	2,872,202,776,760
120	II. Short-term investments	11,173,432,449,320	7,544,188,420,764
123	1. Investments held-to-maturity	11,173,432,449,320	7,544,188,420,764
130	III. Short-term receivables	923,041,316,109	765,630,597,003
131	1. Short-term trade accounts receivable	84,480,823,866	244,119,166,060
132	2. Short-term prepayments to suppliers	62,089,733,522	74,757,986,951
136	3. Other short-term receivables	804,847,342,654	473,750,492,186
137	4. Provision for doubtful debts – short-term	(57,250,838,483)	(55,871,302,744)
139	5. Shortage of assets awaiting resolution	28,874,254,550	28,874,254,550
140	IV. Inventories	1,788,457,837,586	1,813,754,190,894
141	1. Inventories	2,006,391,092,146	2,034,063,807,573
149	2. Provision for decline in value of inventories	(217,933,254,560)	(220,309,616,679)
150	V. Other current assets	104,032,976,081	99,203,411,421
151	1. Short-term prepaid expenses	77,962,162,317	86,456,727,461
152	2. Value Added Tax to be reclaimed	25,214,508,359	7,564,621,909
153	3. Taxes and other receivables to the State Budget	856,305,405	5,182,062,051

CONSOLIDATED BALANCE SHEET

As at 30 September 2019

VND

Code	ASSETS	30/09/2019	01/01/2019
200	B. LONG-TERM ASSETS	7,201,652,313,830	7,676,574,586,994
210	I. Long-term receivables	6,680,101,001	5,860,731,012
211	1. Long-term account receivables	6,075,852,725	6,077,549,878
215	2. Long-term loan receivables	4,000,000,000	4,000,000,000
216	3. Other long-term receivables	36,000,080,906	35,180,710,917
219	4. Provision for doubtful long-term receivables	(39,395,832,630)	(39,397,529,783)
220	II. Fixed assets	4,169,003,227,202	4,567,091,079,194
221	1. Tangible fixed assets	3,224,816,268,965	3,614,850,885,054
222	Cost	9,498,912,914,787	9,497,449,925,191
223	Accumulated depreciation	(6,274,096,645,822)	(5,882,599,040,137)
227	2. Intangible fixed assets	944,186,958,237	952,240,194,140
228	Cost	1,091,627,605,211	1,091,397,605,211
229	Accumulated amortisation	(147,440,646,974)	(139,157,411,071)
230	III. Investment properties	58,894,133,488	54,567,837,235
231	1. Cost	80,830,516,128	71,444,026,942
232	2. Accumulated depreciation	(21,936,382,640)	(16,876,189,707)
240	IV. Long-term assets in progress	212,957,664,582	144,377,898,065
242	1. Construction in progress	212,957,664,582	144,377,898,065
250	V. Long-term investments	2,182,871,518,233	2,119,042,308,110
252	1. Investments in associates; joint ventures	1,819,377,168,970	1,800,203,395,934
253	2. Investments in other entities	665,885,700,116	688,510,888,053
254	3. Provision for long-term investments	(356,260,230,758)	(390,540,855,782)
255	4. Investments held-to-maturity	53,868,879,905	20,868,879,905
260	VI. Other long-term assets	571,245,669,324	785,634,733,378
261	1. Long-term prepaid expenses	342,939,029,997	551,794,760,319
262	2. Deferred income tax assets	184,231,885,648	184,533,845,767
263	3. Long-term supplies and spare parts	44,074,753,679	49,306,127,292
268	4. Other long-term assets		
270	TOTAL ASSETS	24,777,609,598,273	22,366,742,792,213

CONSOLIDATED BALANCE SHEET

As at 30 September 2019

VND


Code	RESOURCES	30/09/2019	01/01/2019
300	C. LIABILITIES	5,796,889,182,989	6,254,837,224,044
310	I. Short-term liabilities	5,492,196,940,763	5,925,696,932,383
311	1. Short-term trade accounts payable	1,443,615,305,518	2,027,262,167,712
312	2. Short-term advances from customers	54,604,861,620	110,463,408,413
313	3. Tax and other payables to the State Budget	1,027,580,970,375	1,100,614,318,513
314	4. Payable to employees	392,049,061,955	308,694,031,650
315	5. Short-term accrued expenses	762,690,191,871	473,169,060,350
318	6. Short-term unearned revenue	574,163,632	1,739,369,694
319	7. Other short-term payables	1,079,463,873,685	1,079,538,511,465
320	8. Short-term borrowings	508,683,238,025	594,242,788,680
321	9. Provision for short-term payables	4,951,068,716	7,668,228,740
322	10. Bonus and welfare funds	217,984,205,366	222,305,047,166
330	II. Long-term liabilities	304,692,242,226	329,140,291,661
332	1. Long-term advances from customers	22,183,449	22,183,449
336	2. Long-term unearned revenue	-	-
337	3. Other long-term payables	53,699,766,000	53,149,616,000
338	4. Long-term borrowings	-	14,618,022,047
341	5. Deferred income tax liabilities	29,162,147,773	31,483,891,699
342	6. Provision for long-term liabilities	137,810,014,874	145,868,448,336
343	7. Fund for science and technology development	83,998,130,130	83,998,130,130


CONSOLIDATED BALANCE SHEET

As at 30 September 2019


VND

Code	RESOURCES	30/09/2019	01/01/2019
400	D. OWNERS' EQUITY	18,980,720,415,284	16,111,905,568,169
410	I. Capital and reserves	18,980,720,415,284	16,111,868,168,169
411	1. Owners' capital	6,412,811,860,000	6,412,811,860,000
411a	- Ordinary shares with voting rights	6,412,811,860,000	6,412,811,860,000
414	2. Owners' other capital	3,208,666,226	3,208,666,226
415	3. Treasury shares	-	-
417	4. Foreign exchange differences	27,039,365,758	21,099,487,654
418	5. Investment and development funds	1,130,372,829,157	1,130,147,220,442
420	6. Other funds	5,327,112,664	5,327,112,664
421	7. Undistributed earnings	10,301,761,124,393	7,473,777,581,426
421a	- Undistributed earnings of the previous years	6,479,515,225,966	5,787,247,290,578
421b	- Post-tax profit of current year	3,822,245,898,427	1,686,530,290,848
429	8. Non-controlling interests	1,100,199,457,086	1,065,496,239,757
430	II. Budget sources and other funds	-	37,400,000
431	1. Budget sources	-	37,400,000
440	TOTAL RESOURCES	24,777,609,598,273	22,366,742,792,213


Hoàng Thanh Vân
Preparer


Trần Nguyễn Trung
Chief Accountant


Teo Hong Keng
Deputy General Director


Neo Gim Siong Bennett
General Director


24 October 2019



CONSOLIDATED INCOME STATEMENT

VND

Code	ITEMS	Quarter 3		For the 09 month period ended 30 September	
		2019	2018	2019	2018
1	1. Sales	9,804,331,840,294	8,563,388,540,570	28,321,694,365,519	25,629,221,402,907
2	2. Less deductions	58,897,471,761	672,367,396	151,717,861,201	86,695,999,318
10	3. Net sales (10 = 01 - 02)	9,745,434,368,533	8,562,716,173,174	28,169,976,504,318	25,542,525,403,589
11	4. Cost of sales	7,346,798,519,028	6,703,128,018,595	21,166,545,831,184	19,642,482,703,431
20	5. Gross profit (20 = 10 - 11)	2,398,635,849,505	1,859,588,154,579	7,003,430,673,134	5,900,042,700,158
21	6. Financial income	251,070,983,705	173,942,627,626	622,109,221,191	456,485,182,968
22	7. Financial expenses	(14,319,721,967)	22,523,224,988	(5,292,946,766)	2,586,009,922
	- Including: Interest expenses	5,792,155,363	8,997,534,676	19,623,150,266	27,332,749,532
24	8. Profit sharing from investment in joint ventures and associates	88,839,463,031	107,487,615,111	255,894,182,824	267,891,303,944
25	9. Selling expenses	763,534,225,029	663,930,244,122	2,099,388,963,581	1,834,312,691,385
26	10. General and administration expenses	181,277,264,334	182,732,215,708	530,703,451,093	563,539,686,930
30	11. Net operating profit	1,808,054,528,845	1,271,832,712,498	5,256,634,609,241	4,223,980,798,833
31	12. Other income	20,092,101,094	21,987,509,794	39,930,233,181	61,908,834,280
32	13. Other expenses	26,958,201,665	18,036,268,209	39,726,824,271	31,427,635,475
40	14. Net other income/(expenses) (40 = 31 - 32)	(6,866,100,571)	3,951,241,585	203,408,910	30,481,198,805
50	15. Net accounting profit before tax (50 = 30 + 40)	1,801,188,428,274	1,275,783,954,083	5,256,838,018,151	4,254,461,997,638
51	16. Business income tax - current	343,965,448,685	249,664,944,034	979,550,928,401	730,621,727,756
52	17. Business income tax - deferred	(2,084,949,429)	(8,638,244,000)	(2,019,783,806)	42,312,797,163
60	18. Net profit after tax	1,459,307,929,018	1,034,757,254,049	4,279,306,873,556	3,481,527,472,719
61	19. Profit after tax attributable to the Company	1,386,489,843,709	974,874,396,940	4,044,948,318,755	3,311,876,741,763
62	20. Profit after tax attributable to non- controlling interests	72,818,085,309	59,882,857,109	234,358,554,801	169,650,730,956
70	21. Basic earnings per share (*)	2,062	1,427	6,014	4,886

Hoàng Thanh Văn
Preparer

Trần Nguyên Trung
Chief Accountant

Teo Hong Keng
Deputy General Director

Ngo Gim Siong Bennett
General Director



CONSOLIDATED CASH FLOW STATEMENT

VND

Code	ITEMS	Note	For the 09 month period ended 30 Sep	
			2019	2018
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
1	Net accounting profit before tax		5,256,838,018,151	4,254,461,997,638
	Adjustments for:			
2	Depreciation and amortisation		477,776,591,500	473,200,218,337
3	Provisions/(reversal of provisions)		(25,107,401,883)	(23,519,525,682)
4	Unrealised foreign exchange gains		172,040,315	29,332,476
5	Profits from investing activities		(864,437,961,360)	(724,071,225,055)
6	Interest expenses		19,623,150,266	27,332,749,532
8	Operating profit before changes in working capital			
9	Change in receivables		121,742,402,882	191,120,807,902
10	Change in inventories		28,994,760,364	(257,778,587,342)
11	Change in payables (exclusive of interest payables, business income tax payables)		(464,524,848,529)	(358,825,255,697)
12	Change in prepaid expenses		216,242,089,769	129,454,246,325
14	Interest paid		(19,724,077,499)	(27,319,074,153)
15	Business income tax paid		(925,128,842,585)	(887,573,737,545)
17	Other cash outflows from operating activities		(255,595,275,826)	(307,677,920,005)
20	Net cash flows from operating activities		3,566,870,645,565	2,488,834,026,731
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets		(87,396,906,176)	(200,379,282,193)
22	Proceeds from disposals of fixed assets and other long-term assets		4,175,086,416	1,304,718,300
23	Loans and purchase of debt instruments from other entities		(8,987,250,425,678)	(7,180,284,743,295)
24	Proceeds from loans and purchase of debt instruments from other entities		5,325,006,397,122	5,872,200,000,000
25	Investments in other entities		(82,000,000,000)	
26	Proceeds from divestment in other entities			
27	Dividends and interest received		610,190,185,110	642,163,961,402
30	Net cash flows from investing activities		(3,217,275,663,206)	(864,995,345,786)

CONSOLIDATED CASH FLOW STATEMENT

VND

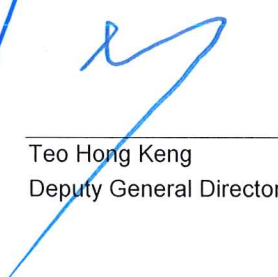
Code	ITEMS	Note	For the 09 month period ended 30 Sep	
			2019	2018
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
32	Proceeds from reissue of treasury shares			
33	Proceeds from borrowings		2,274,200,297,392	2,484,596,430,839
34	Repayments of borrowings		(2,374,377,870,094)	(2,505,047,739,482)
35	Dividends paid		(1,129,824,952,213)	(1,643,669,577,373)
40	Net cash flows from financing activities		(1,230,002,524,915)	(1,664,120,886,016)
50	Net increase/(decrease) in cash and cash equivalents		(880,407,542,556)	(40,282,205,071)
60	Cash and cash equivalents at beginning of year		4,467,391,585,137	4,268,598,818,042
61	Effect of foreign exchange differences		8,662,766	94,254,047
70	Cash and cash equivalents at end of year		3,586,992,705,347	4,228,410,867,018



Hoàng Thanh Vân
Preparer



Trần Nguyên Trung
Chief Accountant



Teo Hong Keng
Deputy General Director



Neo Gim Siong Bennett
General Director

24 October 2019

1. Basis of preparation

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

(b) Basis of measurement

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

(c) Annual accounting period

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

(d) Accounting and presentation currency

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

2. Summary of significant accounting policies

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

(a) Basis of consolidation

(i) Subsidiaries

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

(ii) Non-controlling interests

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

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

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

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

(iv) *Transactions eliminated on consolidation*

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

(b) *Foreign currency transactions*

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

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

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

(c) Cash and cash equivalents

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

(d) Investments

(i) *Held-to-maturity investments*

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

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

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

(e) Accounts receivable

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

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all costs incurred in bringing the inventories to their present location and condition. Cost in the case of finished goods and work in progress includes raw materials, direct labour and attributable manufacturing overheads. Net realisable value is the estimated selling price of inventory items, less the estimated costs of completion and direct selling expenses.

The Group applies the perpetual method of accounting for inventories.

(g) Tangible fixed assets

(i) Cost

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition for its intended use. Expenditure incurred after tangible fixed assets have been put into operation, such as repair, maintenance and overhaul cost, is charged to the consolidated statement of income in the period in which the cost is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

(ii) Depreciation

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

- buildings and structures 5 – 45 years
- machinery and equipment 5 – 30 years
- motor vehicles 3 – 10 years
- office equipment 3 – 15 years
- others 2 – 20 years

(h) Intangible fixed assets

(i) Land use rights

Land use rights comprise:

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

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

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

(ii) Software

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

(i) Investment properties

(i) Investment property held to earn rental

Cost

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

Depreciation

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

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

(ii) Investment property held for capital appreciation

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

(j) Construction in progress

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

(k) Long-term prepaid expenses

(i) *Prepaid land costs*

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

(ii) *Returnable packaging*

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

(iii) *Tools and instruments*

Tools and instruments include assets held for use by the Company in the normal course of business whose costs of individual items are less than VND30 million and therefore not qualified for recognition as fixed assets under prevailing regulation. Cost of tools and instruments are amortised on a straight-line basis over a period ranging from 2 to 3 years.

(iv) *Renovation expenses*

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

(l) Trade and other payables

Trade and other payables are stated at their cost.

(m) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Severance allowance

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

(n) Share capital

Ordinary shares

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

(o) Taxation

Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognised in the separate statement of income except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted at the end of the accounting period, and any adjustment to tax payable in respect of previous periods.

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

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

(p) Revenue and other income

(i) Goods sold

Revenue from the sale of goods is recognised in the consolidated statement of income when significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or possible return of goods. Revenue on sales of goods is recognised at the net amount after deducting sales discounts stated on the invoice.

(ii) Services rendered

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

(iii) Rental income

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

(iv) Interest income

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

(v) Dividend income

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

(q) Operating lease payments

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

(r) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred, except where the borrowing costs relate to borrowings in respect of the construction of qualifying assets, in which case the borrowing costs incurred during the period of construction are capitalised as part of the cost of the assets concerned.

(s) Earnings per share

The Group presents basic earnings per share ("EPS") for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders (after deducting any amounts appropriated to bonus and welfare fund for the accounting period) by the weighted average number of ordinary shares outstanding during the period. The Group has no shares with impact of potential dilution. Therefore, regulations on presentation of diluted earnings per share are not applied.

(t) Segment reporting

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

(u) Related parties

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

4 CASH AND CASH EQUIVALENTS

	30.09.2019 VNĐ	01.01.2019 VNĐ
Cash on hand	2,194,443,340	3,813,388,314
Cash in transit	5,817,240,000	-
Cash at bank	1,048,955,122,041	1,591,375,420,063
Cash equivalents (*)	2,530,025,899,966	2,872,202,776,760
TOTAL	<u>3,586,992,705,347</u>	<u>4,467,391,585,137</u>

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

5 INVESTMENTS

(a) Investments held-to-maturity

(i) Short-term

	30.09.2019			01.01.2019		
	Cost VNĐ	Provision VNĐ	Book value VNĐ	Cost VNĐ	Provision VNĐ	Book value VNĐ
Term deposits (*)	11,173,432,449,320	-	11,173,432,449,320	7,544,188,420,764	-	7,544,188,420,764
	<u>11,173,432,449,320</u>	<u>-</u>	<u>11,173,432,449,320</u>	<u>7,544,188,420,764</u>	<u>-</u>	<u>7,544,188,420,764</u>

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

(ii) Long-term

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

	30.09.2019			01.01.2019		
	Cost VNĐ	Provision VNĐ	Book value VNĐ	Cost VNĐ	Provision VNĐ	Book value VNĐ
Shipbuilding Industry Corporation	20,868,879,905	(20,868,879,905)	-	20,868,879,905	(20,868,879,905)	-
Term deposits	33,000,000,000	-	33,000,000,000	-	-	-
	<u>53,868,879,905</u>	<u>(20,868,879,905)</u>	<u>33,000,000,000</u>	<u>20,868,879,905</u>	<u>(20,868,879,905)</u>	<u>-</u>

(b) Investments in other entities

	30.09.2019		01.01.2019	
	Cost VNĐ	Provision VNĐ	Cost VNĐ	Provision VNĐ
Investments in joint ventures, associates (i)	1,819,377,168,970	(27,026,524,800)	1,800,203,395,934	(24,135,767,100)
Investments in other entities (ii)	<u>665,885,700,116</u>	<u>(329,233,705,958)</u>	<u>688,510,888,053</u>	<u>(366,405,088,682)</u>
	<u>2,485,262,869,086</u>	<u>(356,260,230,758)</u>	<u>2,488,714,283,987</u>	<u>(390,540,855,782)</u>

5 INVESTMENTS (continued)

(b) Investments in other entities (continued)

(i) Investments in associates and joint ventures

Company name	Principal activities	30.09.2019					01.01.2019				
		Voting right	Interest	Cost	Provision		Voting right	Interest	Cost	Provision	
		%	%	VND	VND		%	%	VND	VND	
Thanh Nam Consultant Investment - Engineering and Technology Transfer Joint Stock Company	Construction and design consulting	29%	29%	329,653,546	-		29%	29%	329,653,546	-	
Mechanical And Industrial Construction Joint Stock Company	Manufacturing, installation machinery, bridges and roads and industrial construction products	26%	26%	10,727,077,141	-		26%	26%	10,727,077,141	-	
Saigon Tay Do Beer - Beverage Joint Stock Company	Produce beer, alcohol and beverage	35%	28%	106,868,913,820	-		35%	28%	103,121,828,391	-	
Saigon Binh Tay Beer Group Joint Stock Company	Produce beer, alcohol and beverage	22%	22%	468,746,968,439	-		22%	21%	473,240,164,300	-	
Saigon – Bac Lieu Beer Joint Stock Company	Produce beer, alcohol and beverage	20%	10%	38,529,154,215	-		20%	10%	39,177,284,776	-	
Truong Sa Food - Food Business Joint Stock Company	Produce agricultural products and foods	39%	39%	5,371,831,989	-		39%	39%	5,899,777,115	-	
Saigon - Phutho Beer Joint Stock Company	Produce beer, alcohol and beverage	34%	31%	80,738,955,849	-		34%	31%	76,506,756,665	-	
Sai Gon – Mien Trung Beer Joint Stock Company	Produce beer, alcohol and beverage	32%	32%	163,938,429,876	-		32%	32%	151,198,862,177	-	
Tan Thanh Investment Trading Company Limited	Construction and trade real estates	29%	29%	69,888,052,736	-		29%	29%	69,888,052,736	-	
Sai Gon – Vinh Long Beer Joint Stock Company	Produce beer, alcohol and beverage	20%	20%	50,156,954,852	-		20%	20%	45,161,525,814	-	
Sai Gon – Kien Giang Beer Joint Stock Company	Produce beer, alcohol and beverage	20%	20%	29,003,626,149	-		20%	20%	31,194,049,992	-	
Me Linh Point Limited	Lease office building	25%	35%	120,765,965,759	-		25%	35%	123,970,386,177	-	
Crown Beverage Cans Saigon Limited	Manufacture aluminium cans	30%	30%	259,754,118,983	-		30%	30%	287,070,899,745	-	
Malaya - Vietnam Glass Limited	Manufacture glass products	30%	30%	239,082,661,787	-		30%	30%	216,067,689,657	-	
San Miguel Yamamura Phu Tho Packaging Company Limited	Manufacture and trade metal packaging	35%	35%	57,184,299,948	-		35%	35%	61,605,169,453	-	
Vietnam Spirits And Wine LTD.	Produce and trade alcohol and alcohol-related products	45%	45%	27,026,524,800	(27,026,524,800)		45%	45%	24,135,767,100	(24,135,767,100)	
Sai Gon – Khanh Hoa Beer Joint Stock Company	Produce beer, alcohol and beverage	26%	26%	47,111,663,541	-		26%	26%	42,000,603,692	-	
Saigon – Bentre Beer Joint Stock Company	Produce beer, alcohol and beverage	20%	20%	23,534,822,392	-		20%	20%	18,907,847,457	-	
Saigon – Lamdong Beer Joint Stock Company	Produce beer, alcohol and beverage	20%	20%	20,617,493,148	-		20%	20%	20,000,000,000	-	
				1,819,377,168,970	(27,026,524,800)				1,800,203,395,934	(24,135,767,100)	

5 INVESTMENTS (continued)

(b) Investments in other entities (continued)

(ii) Investments in other entities

	30.09.2019			01.01.2019		
	Ownership	Cost	Provision	Ownership	Cost	Provision
	%	VNĐ	VNĐ	%	VNĐ	VNĐ
Orient Commercial Joint Stock Bank	2.03%	216,579,320,000	-	2.31%	216,579,320,000	(35,135,453,867)
Dong A Commercial Joint Stock Bank	0.95%	136,265,460,000	(136,265,460,000)	0.95%	136,265,460,000	(136,265,460,000)
Sai Gon Packaging Group Joint Stock Company (*)	8.88%	50,000,000,000	-	8.88%	50,000,000,000	-
PVI Holdings	0.21%	51,475,140,000	(35,268,682,680)	0.21%	51,475,140,000	(35,744,486,400)
Underground Space Investment Development Corporation	4.91%	23,085,000,000	(23,085,000,000)	4.91%	23,085,000,000	(23,085,000,000)
Phuong Dong Petroleum Tourism Joint Stock Company	9.80%	30,700,950,000	(24,673,950,000)	9.80%	30,700,950,000	(22,468,950,000)
Saigon Securities Investment Fund A2	10.00%	35,757,720,722	(35,757,720,722)	10.00%	51,107,720,722	(35,757,720,722)
Vietnam Investment Fund	0.00%	-	-	7.97%	7,275,187,937	(7,275,187,937)
Dai Viet Securities Joint Stock Company	7.20%	45,000,000,000	(43,200,000,000)	7.20%	45,000,000,000	(39,600,000,000)
Sai Gon - Dong Nai Beer Beverage Joint Stock Company	10.38%	3,954,000,000	(3,954,000,000)	10.38%	3,954,000,000	(3,954,000,000)
DIC Services and Trading Joint Stock Company	7.74%	14,992,108,200	(759,709,600)	7.74%	14,992,108,200	(849,646,800)
Vietnam - Binh Tay Alcohol Joint Stock Company	6.30%	300,000,000	(300,000,000)	6.30%	300,000,000	(300,000,000)
Dong Ha Tourism Joint Stock Company	3.02%	5,600,000,000	(1,542,596,156)	3.02%	5,600,000,000	(1,542,596,156)
Nha Trang Trading and Tourism Joint Stock Company	0.58%	1,161,147,000	-	0.58%	1,161,147,000	-
Saigon Beer Transportation Joint Stock Company	13.54%	26,588,267,394	-	13.54%	26,588,267,394	-
Sabeco HP Investment Company Limited	8.00%	24,426,586,800	(24,426,586,800)	8.00%	24,426,586,800	(24,426,586,800)
		<u>665,885,700,116</u>	<u>(329,233,705,958)</u>		<u>688,510,888,053</u>	<u>(366,405,088,682)</u>

(*) Sai Gon Packaging Group Joint Stock Company was renamed from Sabeco Song Lam Packaging Joint Stock Company according to the 7th amended Business Registration Certificate dated July 30, 2019.

6 SHORT-TERM RECEIVABLES

	30.09.2019	01.01.2019
	VND	VND
Third parties	45,789,644,978	76,075,995,897
Related parties (Note 26)	38,691,178,888	168,043,170,163
TOTAL	84,480,823,866	244,119,166,060

7 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	30.09.2019	01.01.2019
	VND	VND
Third parties	62,089,733,522	74,757,986,951
Related parties (Note 26)	-	-
	62,089,733,522	74,757,986,951

8 OTHER RECEIVABLES

	30.09.2019	01.01.2019
	VND	VND
(a) Other short-term receivables		
Receivables from land use right capital contribution from a related party	277,230,733,543	277,230,733,543
Interest receivables from term deposits at banks	312,415,924,314	142,655,699,007
Dividend receivables	86,602,959,217	19,345,526,000
Deposits	218,251,079	223,025,685
Advances to employees	9,103,689,640	2,009,018,264
Interest receivables from bonds and loans	7,567,397,260	7,567,397,260
Other receivables from employees		1,217,229,461
Others	111,708,387,601	23,501,862,966
TOTAL	804,847,342,654	473,750,492,186
<i>In which:</i>		
Third parties	356,081,897,238	174,654,748,943
Related parties (Note 26)	448,765,445,416	299,095,743,243
	804,847,342,654	473,750,492,186
(b) Other long-term receivables		
Deposits	27,971,315,906	27,151,945,917
Others	8,028,765,000	8,028,765,000
TOTAL	36,000,080,906	35,180,710,917

9 INVENTORIES

	30.09.2019 VNĐ	01.01.2019 VNĐ
Goods in transit	139,712,477,508	102,764,346,138
Raw materials	455,789,957,057	517,645,998,858
Tools and supplies	274,794,239,202	203,077,547,298
Work in progress	220,392,917,874	207,713,866,901
Finished goods	915,701,500,506	1,002,862,048,378
TOTAL	2,006,391,092,146	2,034,063,807,573



10 FIXED ASSETS

(a) Tangible fixed assets

	<i>Buildings and structures</i>	<i>Machinery and Equipment</i>	<i>Motor vehicles</i>	<i>Office equipment</i>	<i>Others</i>	<i>Total</i>
Cost						
Beginning balance	1,865,206,665,931	7,237,140,026,670	245,035,314,635	140,926,881,281	9,141,036,674	9,497,449,925,191
Increases in the year:	13,658,969,914	62,864,599,090	6,120,355,117	3,332,593,178	108,810,000	86,085,327,299
<i>In which:</i>						
<i>New purchases</i>	293,116,368	31,726,225,298	6,120,355,117	3,440,593,178	108,810,000	41,689,099,961
<i>Transferred from construction in progress</i>	13,365,853,546	28,374,014,295	-	-	-	41,739,867,841
<i>Transferred from long-term prepaid expenses</i>	-	2,618,867,318	-	-	-	2,618,867,318
<i>Reclassification</i>	-	108,000,000	-	(108,000,000)	-	-
<i>Other increases</i>	-	37,492,179	-	-	-	37,492,179
Decreases in the year	(11,323,489,186)	(69,892,023,558)	(2,953,839,492)	(452,985,467)	-	(84,622,337,703)
<i>In which:</i>						
<i>Transferred to investment properties</i>	(9,386,489,186)	-	-	-	-	(9,386,489,186)
<i>Sold, disposed</i>	(1,937,000,000)	(69,892,023,558)	(2,953,839,492)	(452,985,467)	-	(75,235,848,517)
Ending balance	1,867,542,146,659	7,230,112,602,202	248,201,830,260	143,806,488,992	9,249,846,674	9,498,912,914,787
Accumulated depreciation						
Beginning balance	881,383,212,295	4,719,337,707,022	175,715,664,735	101,169,615,456	4,992,840,629	5,882,599,040,137
Depreciation for the year	74,633,162,034	368,397,061,962	14,419,257,372	10,341,516,182	657,783,061	468,448,780,611
<i>Transferred from long-term prepaid expenses</i>	-	1,510,661,621	-	-	-	1,510,661,621
<i>Reclassification</i>	-	22,238,710	-	(22,238,710)	-	-
<i>In which:</i>						
<i>Sold, disposed</i>	(1,937,000,000)	(69,627,412,368)	(2,428,820,765)	(452,985,467)	-	(74,446,218,600)
<i>Transferred to investment properties</i>	(4,015,617,947)	-	-	-	-	(4,015,617,947)
Ending balance	950,063,756,382	5,019,640,256,947	187,706,101,342	111,035,907,461	5,650,623,690	6,274,096,645,822
Net carrying amount:						
Beginning balance	983,823,453,636	2,517,802,319,648	69,319,649,900	39,757,265,825	4,148,196,045	3,614,850,885,054
Ending balance	917,478,390,277	2,210,472,345,255	60,495,728,918	32,770,581,531	3,599,222,984	3,224,816,268,965

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

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

	Land in rights	Softwares	Others	Total
Cost:				
Beginning balance	1,024,215,267,144	66,934,890,585	247,447,482	1,091,397,605,211
New purchase	-	40,000,000	-	40,000,000
Transferred from construction in progress	-	190,000,000	-	190,000,000
Ending balance	1,024,215,267,144	67,164,890,585	247,447,482	1,091,627,605,211
Accumulated amortisation:				
Beginning balance	76,820,881,479	62,142,247,750	194,281,842	139,157,411,071
Amortization for the year	5,105,514,738	3,147,579,326	30,141,839	8,283,235,903
Ending balance	81,926,396,217	65,289,827,076	224,423,681	147,440,646,974
Net carrying amount:				
Beginning balance	947,394,385,665	4,792,642,835	53,165,640	952,240,194,140
Ending balance	942,288,870,927	1,875,063,509	23,023,801	944,186,958,237

10 FIXED ASSETS (continued)

(b) Intangible fixed assets (continued)

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

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

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

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

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10 FIXED ASSETS (continued)

(c) Investment properties

	Beginning balance	Increase	Transferred from Tangibled fixed assets	Decrease	Ending balance
Cost	71,444,026,942	-	9,386,489,186	-	80,830,516,128
- Land use rights	27,812,438,744	-	-	-	27,812,438,744
- Buildings	8,719,766,623	-	9,386,489,186	-	18,106,255,809
- Investment properties held-for-price appreciation	34,911,821,575	-	-	-	34,911,821,575
Accumulated depreciation	16,876,189,707	1,044,574,986	4,015,617,947	-	21,936,382,640
- Land use rights	7,301,656,054	453,463,677	-	-	7,755,119,731
- Buildings	6,423,621,735	591,111,309	4,015,617,947	-	11,030,350,991
- Investment properties held-for-price appreciation	3,150,911,918	-	-	-	3,150,911,918
Net carrying amount	54,567,837,235	(1,044,574,986)	5,370,871,239	-	58,894,133,488
- Land use rights	20,510,782,690	(453,463,677)	-	-	20,057,319,013
- Buildings	2,296,144,888	(591,111,309)	5,370,871,239	-	7,075,904,818
- Investment properties held-for-price appreciation	31,760,909,657	-	-	-	31,760,909,657

11 PREPAID EXPENSES

(a) Short-term

	30.09.2019	01.01.2019
	VNĐ	VNĐ
Rental fee	26,425,276,666	26,653,581,192
Tools and instruments	2,168,620,537	11,208,665,233
Advertising expenses	38,680,781,362	40,229,620,142
Others	10,687,483,752	8,364,860,894
Total	<u>77,962,162,317</u>	<u>86,456,727,461</u>

(b) Long-term

	30.09.2019	01.01.2019
	VNĐ	VNĐ
- Returnable packaging	162,959,066,453	362,332,923,329
- Land rental expenses	29,577,259,879	30,270,072,499
- Land use rights	36,974,671,005	37,629,806,799
- Tools and instruments	26,240,357,009	19,867,926,592
- Warehouse and office rental expenses	5,609,116,061	7,136,857,898
- Repair costs and spare parts	-	32,565,235,266
- Property held for future investment	51,602,316,000	51,602,316,000
- Others	5,088,415,897	10,389,621,936
Total	<u>318,051,202,304</u>	<u>551,794,760,319</u>

12 SHORT-TERM TRADE ACCOUNTS PAYABLE

	30.09.2019	01.01.2019
	VNĐ	VNĐ
Third parties	1,036,487,872,042	1,366,374,184,773
Related parties (Note 26)	407,127,433,476	660,887,982,939
Total	<u>1,443,615,305,518</u>	<u>2,027,262,167,712</u>

13 SHORT-TERM ADVANCES FROM CUSTOMERS

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

	30.09.2019	01.01.2019
	VNĐ	VNĐ
Third parties	53,076,300,620	110,463,408,413
Related parties	1,528,561,000	-
Total	<u>54,604,861,620</u>	<u>110,463,408,413</u>

14 SHORT-TERM ACCRUED EXPENSES

	30.09.2019	01.01.2019
	VNĐ	VNĐ
Advertising and promotion expenses	552,156,112,925	204,884,672,148
Transportation expenses	66,749,295,510	192,363,334,018
Interest expenses	13,378,478,925	13,493,369,109
Others	130,406,304,511	62,427,685,075
Total	<u>762,690,191,871</u>	<u>473,169,060,350</u>

15 OTHER PAYABLES

(a) Short-term

	30.09.2019	01.01.2019
	VNĐ	VNĐ
Dividend payable to shareholders of the Company	52,821,086,818	47,642,016,752
Deposits received	188,988,953,016	186,444,336,213
Social contribution fund	69,591,765,797	32,617,238,575
Estimated land use rights payable to the State in connection with equitisation	735,379,872,700	735,379,872,700
Advance from liquidation process of Saigon Securities Investment Fund A2	-	15,350,000,000
Others	32,682,195,354	62,105,047,225
Total	<u>1,079,463,873,685</u>	<u>1,079,538,511,465</u>
<i>In which:</i>		
Third parties	1,075,369,407,336	1,078,910,730,516
Related parties (Note 26)	4,094,466,349	627,780,949
	<u>1,079,463,873,685</u>	<u>1,079,538,511,465</u>

(b) Long-term

	30.09.2019	01.01.2019
	VNĐ	VNĐ
Deposits received	2,097,450,000	1,547,300,000
Land tax payable to State	51,602,316,000	51,602,316,000
	<u>53,699,766,000</u>	<u>53,149,616,000</u>

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

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16 OWNERS' CAPITAL

16.1 Number of shares

	30.09.2019 <i>(Ordinary shares)</i>	01.01.2019 <i>(Ordinary shares)</i>
Number of shares registered	641,281,186	641,281,186
Number of shares issued	641,281,186	641,281,186
Number of existing shares in circulation	641,281,186	641,281,186

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

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16.2 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital	Owners' other capital	Treasury shares	Foreign exchange differences	Investment and development fund	Other funds	Undistributed earnings	Total
Previous year:								
Beginning balance	6,412,811,860,000	3,208,666,226	-	19,113,771,975	1,118,963,482,640	5,327,112,664	5,823,903,898,574	13,383,328,792,079
Treasury shares								-
Foreign currency differences				1,985,715,679				1,985,715,679
Profit for the year							4,177,432,235,379	4,177,432,235,379
Appropriation to funds					11,093,157,875		(11,093,157,875)	-
Dividends paid							(2,244,484,151,000)	(2,244,484,151,000)
Appropriation to bonus and welfare fund							(234,601,386,687)	(234,601,386,687)
Appropriation to social contribution fund							(37,424,839,159)	(37,424,839,159)
Other increases/ (decreases)					90,579,927		44,982,194	135,562,121
Ending balance	6,412,811,860,000	3,208,666,226	-	21,099,487,654	1,130,147,220,442	5,327,112,664	7,473,777,581,426	15,046,371,928,412
Current year:								
Beginning balance	6,412,811,860,000	3,208,666,226	-	21,099,487,654	1,130,147,220,442	5,327,112,664	7,473,777,581,426	15,046,371,928,412
Foreign currency differences				5,939,878,104				5,939,878,104
Profit for the year							4,044,948,318,755	4,044,948,318,755
Appropriation to funds					221,570,621		(221,570,621)	-
Dividends							(961,921,779,000)	(961,921,779,000)
Appropriation to bonus and welfare fund							(218,113,547,347)	(218,113,547,347)
Appropriation to social contribution fund							(36,710,148,351)	(36,710,148,351)
Other increases/ (decreases)					4,038,094		2,269,531	6,307,625
Ending balance	6,412,811,860,000	3,208,666,226	-	27,039,365,758	1,130,372,829,157	5,327,112,664	10,301,761,124,393	17,880,520,958,198

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

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17 TAX AND OTHER PAYABLES TO THE STATE BUDGET

	<i>At as 1.1.2019</i>	<i>Incurred during the period</i>	<i>Paid during the period</i>	<i>As at 30.09.2019</i>
Corporate income tax	282,342,822,879	979,550,928,401	925,128,842,585	336,764,908,695
Special sales tax	656,687,046,516	5,613,471,320,394	5,701,544,880,725	568,613,486,185
Value added tax	110,864,740,236	1,371,136,812,224	1,408,251,838,404	73,749,714,056
Land tax	1,984,488,652	24,199,247,773	22,075,778,039	4,107,958,386
Personal income tax	33,431,691,285	81,440,639,624	96,554,700,514	18,317,630,395
Import-Export duties	(2,194,320)	12,574,018,698	12,578,371,609	(6,547,231)
Other taxes	2,559,039,305	8,328,815,997	10,924,849,177	(36,993,875)
TOTAL	<u>1,087,867,634,553</u>	<u>8,090,701,783,111</u>	<u>8,177,059,261,053</u>	<u>1,001,510,156,611</u>

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

18 SALES

	30.09.2019 VNĐ	30.09.2018 VNĐ
Sales of beer	24,302,863,619,731	21,831,126,054,405
Sales of raw materials	3,706,571,408,038	3,461,991,751,009
Sales of beverages	186,687,967,907	223,719,745,242
Sales of alcohol	26,932,967,424	26,916,147,296
Sales of spirits	12,740,281,872	13,162,165,871
Others	85,898,120,547	72,305,539,084
Gross sales	28,321,694,365,519	25,629,221,402,907
Sale deductions	(151,717,861,201)	(86,695,999,318)
Trade discounts	(151,656,293,026)	(86,659,720,726)
Sale discounts	(42,331,590)	(36,278,592)
Sales returns	(19,236,585)	
Net sales	28,169,976,504,318	25,542,525,403,589

19 COST OF SALES

	30.09.2019 VNĐ	30.09.2018 VNĐ
Beer	17,322,112,128,098	16,061,945,032,795
Raw materials	3,664,116,983,370	3,380,631,367,007
Beverages	132,287,343,212	158,013,942,597
Alcohol	23,989,394,014	22,961,518,167
Spirits	10,460,295,865	11,336,763,517
Others	13,579,686,624	7,594,079,349
Total	21,166,545,831,184	19,642,482,703,432

20 FINANCIAL INCOME

	30.09.2019 VNĐ	30.09.2018 VNĐ
Interest income from deposits at banks, lending	597,066,888,742	432,931,891,934
Dividend income	7,489,996,873	13,359,439,200
Foreign exchange gains	17,551,289,473	1,649,238,093
Others	1,046,103	8,544,613,741
Total	622,109,221,191	456,485,182,968

21 FINANCIAL EXPENSES

	30.09.2019 VND	30.09.2018 VND
Interest expenses	19,623,150,266	27,332,749,532
Foreign exchange losses	2,089,340,055	1,251,357,042
(Reversal of provision) provision for diminution in value of investments	(27,005,437,087)	(26,038,953,110)
Others	-	40,856,458
Total	<u>(5,292,946,766)</u>	<u>2,586,009,922</u>

22 SELLING EXPENSES

	30.09.2019 VND	30.09.2018 VND
Staff costs	560,072,334,897	507,738,530,025
Depreciation and amortisation expenses	19,572,577,467	20,636,799,091
Material costs - bottles and crates	225,971,176,213	299,303,223,863
Rental expenses	110,981,243,630	145,484,050,690
Transportation expenses	24,000,217,580	31,828,109,441
Trade promotions and advertising expenses	978,535,716,537	653,292,871,236
Others	180,255,697,257	176,029,107,039
Total	<u>2,099,388,963,581</u>	<u>1,834,312,691,385</u>

23 GENERAL AND ADMINISTRATION EXPENSES

	30.09.2019 VND	30.09.2018 VND
Staff costs	323,839,825,681	334,472,124,536
Rental expenses	43,280,825,565	31,558,457,420
Material costs	6,062,237,354	7,494,722,335
Depreciation and amortisation expenses	25,111,979,163	26,100,228,249
Others	132,408,583,330	163,914,154,390
Total	<u>530,703,451,093</u>	<u>563,539,686,930</u>

24 OTHER INCOME

	30.09.2019 VNĐ	30.09.2018 VNĐ
Scrap sales and compensations for broken bottles	25,990,401,191	46,240,708,464
Gain from fixed assets disposals	3,985,846,818	1,559,777,287
Others	9,953,985,172	14,108,348,529
Total	39,930,233,181	61,908,834,280

25 OTHER EXPENSES

	30.09.2019 VNĐ	30.09.2018 VNĐ
Expenses for fixed assets disposals	790,387,113	215,886,991
Others	38,936,437,158	31,211,748,484
Total	39,726,824,271	31,427,635,475

26 RELATED PARTY TRANSACTIONS

Related party transactions

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

	30.09.2019 VNĐ	01.01.2019 VNĐ
Short-term trade accounts receivable		
<i>Associates</i>		
Saigon - Phutho Beer Joint Stock Company	14,459,086,019	7,688,953,934
Saigon Tay Do Beer - Beverage Joint Stock Company	2,671,524,344	12,553,413,185
Malaya - Vietnam Glass Limited	1,013,083,018	19,875,240
San Miguel Yamamura Phu Tho Packaging Company Limited	472,533,600	162,439,200
Saigon Binh Tay Beer Group Joint Stock Company	7,439,529,027	26,202,728,309
Sai Gon – Mien Trung Beer Joint Stock Company	6,231,500	11,937,316,293
Saigon – Bac Lieu Beer Joint Stock Company	2,739,884,019	1,295,023,699
Sai Gon – Vinh Long Beer Joint Stock Company	265,796,850	7,503,558,108
Sai Gon – Kien Giang Beer Joint Stock Company	2,519,664,223	63,349,221,846
Sai Gon – Khanh Hoa Beer Joint Stock Company	1,855,472,589	14,862,841,933
Saigon – Bentre Beer Joint Stock Company	2,919,164,549	22,467,798,416
Saigon – Lamdong Beer Joint Stock Company	2,329,209,150	-
	38,691,178,888	168,043,170,163

Other short-term receivables

Saigon - Phutho Beer Joint Stock Company	1,279,575,000	84,907,293
Crown Beverage Cans Saigon Limited	70,691,205,485	-
San Miguel Yamamura Phu Tho Packaging Company Limited	8,141,000,000	-
Saigon Binh Tay Beer Group Joint Stock Company	5,700,156,669	-
Sai Gon – Mien Trung Beer Joint Stock Company	-	19,587,812,354
Tan Thanh Investment Trading Company Limited	277,230,733,543	277,230,733,543
Saigon – Bac Lieu Beer Joint Stock Company	-	814,325,684
Sai Gon – Vinh Long Beer Joint Stock Company	3,481,434,810	1,194,336,210
Sai Gon – Khanh Hoa Beer Joint Stock Company	83,916,000	83,916,000
Saigon – Bentre Beer Joint Stock Company	157,423,909	99,712,159
Saigon – Lamdong Beer Joint Stock Company	82,000,000,000	-
	448,765,445,416	299,095,743,243

Short-term trade accounts payable

Associates

Truong Sa Food - Food Business Joint Stock Company	-	436,148,400
Saigon - Phutho Beer Joint Stock Company	11,139,022,180	34,832,174,850
Saigon Tay Do Beer - Beverage Joint Stock Company	16,940,290,686	28,504,068,582
Crown Beverage Cans Saigon Limited	160,477,976,362	217,001,205,735
Malaya - Vietnam Glass Limited	26,030,743,250	34,009,252,977
San Miguel Yamamura Phu Tho Packaging Company Limited	18,377,190,700	13,248,400,000
Saigon Binh Tay Beer Group Joint Stock Company	16,212,875,005	80,479,565,925
Sai Gon – Mien Trung Beer Joint Stock Company	13,725,981,192	68,770,742,216
Saigon – Bac Lieu Beer Joint Stock Company	1,782,511,940	6,121,281,540
Sai Gon – Vinh Long Beer Joint Stock Company	1,710,500,451	42,224,298,050
Sai Gon – Kien Giang Beer Joint Stock Company	4,008,565,879	55,072,169,614
Sai Gon – Khanh Hoa Beer Joint Stock Company	11,198,765,820	43,265,809,950

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

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Saigon – Bentre Beer Joint Stock Company	2,859,699,348	36,922,865,100
Saigon – Lamdong Beer Joint Stock Company	14,478,552,880	-
<i>Other related party</i>		
TBC - Ball Beverage Can Vietnam Limited	108,184,757,783	-
	<u>407,127,433,476</u>	<u>660,887,982,939</u>

Other payables

Associates

Thanh Nam Consultant Investment - Engineering and Technology Transfer Joint Stock Company	340,000,000	340,000,000
Saigon Binh Tay Beer Group Joint Stock Company	3,754,466,349	287,780,949
	<u>4,094,466,349</u>	<u>627,780,949</u>

27 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SABECO is in the process of completing the procedure of additional investment contribution in Saigon – Lam Dong Beer Joint Stock Company. Subsequently, Saigon – Lam Dong Beer Joint Stock Company will be a subsidiary of SABECO



Hoàng Thanh Vân
Preparer



Trần Nguyên Trung
Chief Accountant



Teo Hong Keng
Deputy General Director



Neo Gim Siong Bennett
General Director

24 October 2019

