

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

Consolidated financial statements for  
the period from 1 May 2008 (date of  
equitisation) to 31 December 2008

## Saigon Beer – Alcohol – Beverage Corporation Corporate Information

<b>Establishment decision</b>	74/2003/QD-BCN	6 May 2003
	37/2004/QD-BCN	11 May 2004
<b>Equitisation decision</b>	1862/QD-TTg	28 December 2007
<b>Business Registration Certificate No</b>	4106000286	1 September 2006
	4103010027	17 April 2008

The establishment decisions were issued by the Minister of Industry (now the Ministry of Industry and Trade).

The equitisation decision was issued by the Prime Minister.

The business registration certificates were issued by Ho Chi Minh City Planning and Investment Department.

<b>Board of Management</b>	Mr. Nguyen Ba Thi	Chairman
	Mr. Bui Ngoc Hanh	Member
	Mr. Ian McNeilage	Member
	Mr. Ly Quoc Hung	Member
	Mr. Nguyen Quang Minh	Member

<b>Board of Directors</b>	Mr. Nguyen Quang Minh	General Director
	Ms. Pham Thi Hong Hanh	Director
	Ms. Nguyen Thi Dieu Hong	Director
	Mr. Le Hong Xanh	Director
	Mr. Tran Cong Tuoc	Director
	Mr. Tran Duc Hoa	Director
	Ms. Trinh Thi Tuyet Minh	Director
	Mr. Tran Nghia	Director

**Registered Office**  
6 Hai Ba Trung Street  
Ben Nghe Ward  
District 1  
Ho Chi Minh City  
Vietnam

**Auditors**  
KPMG Limited  
Vietnam

## **INDEPENDENT AUDITORS' REPORT**

### **To the Shareholders**

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

#### **Scope**

We have audited the accompanying consolidated balance sheet of Saigon Beer – Alcohol – Beverage Corporation (“the Company”) and its subsidiaries (together referred to as “the Group”) as of 31 December 2008 and the related consolidated statements of income and changes in equity for the period from 1 May to 31 December 2008. These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

Except as discussed in the following paragraphs, we conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

#### **Qualifications**

- 1 We did not carry out an audit of the former state owned company for the period ended 30 April 2008 and we are unable to satisfy ourselves as to the payable to the Government and the results of operations for the four months ended 30 April 2008 by other audit procedures. Since the results of operations of the former state owned company for the four months ended 30 April 2008 and the payable to the Government as at 30 April 2008 enter into the determination of the results of operations for the eight months ended 31 December 2008 and the amount payable to the Government as at 31 December 2008, we were unable to determine whether adjustments to the consolidated results of operations and the payable to the Government might be necessary as of 31 December 2008 and for the eight months then ended in relation to this matter.
- 2 None of the financial statements of the subsidiaries for the four months ended 30 April 2008 were audited and we are unable to satisfy ourselves as to the results of operations of the subsidiaries for the four months ended 30 April 2008 by other audit procedures. Since the results of operations of the subsidiaries for the four months ended 30 April 2008 enter into the determination of the results of operations for the eight months ended 31 December 2008, we were unable to determine whether adjustments to the consolidated results of operations might be necessary for the eight months ended 31 December 2008 in relation to this matter.

- 3 We refer to Note 12 to the consolidated financial statements. No allowance has been provided in the consolidated financial statements for the diminution in value of certain long-term investments which, in our opinion, is not in accordance with the requirement of Vietnamese Accounting Standards, the Vietnamese Accounting System and accounting principles generally accepted in Vietnam. An additional allowance for diminution of these investments of approximately VND49,061 million should have been made as of 31 December 2008, and accordingly, the carrying amount of long-term investments and retained profits as of 31 December 2008 and net profit for the eight months then ended should be reduced by the same amount.
- 4 We refer to Note 5 to the consolidated financial statements. No allowance has been provided in the consolidated financial statements for accounts receivable of the Company which, in our opinion, is not in accordance with the requirement of Vietnamese Accounting Standards, the Vietnamese Accounting System and accounting principles generally accepted in Vietnam. An additional allowance for accounts receivable of approximately VND23,217 million should have been made as of 31 December 2008, and accordingly, the carrying amount of accounts receivable and retained profits as of 31 December 2008 and net profit for the eight months then ended should be reduced by the same amount.
- 5 We refer to Note 7 to the consolidated financial statements. No allowance has been provided in the consolidated financial statements for inventories of the Company which, in our opinion, is not in accordance with the requirement of Vietnamese Accounting Standards, the Vietnamese Accounting System and accounting principles generally accepted in Vietnam. An additional allowance for inventories of approximately VND36,462 million should have been made as of 31 December 2008, and accordingly, the carrying amount of inventories and retained profits as of 31 December 2008 and net profit for the eight months then ended should be reduced by the same amount.
- 6 We refer to Note 23 to the consolidated financial statements. Although a provision has been made in the consolidated financial statements for severance allowance, in our opinion, an additional provision of approximately VND16,420 million should have been made as of 31 December 2008, and accordingly, the carrying amount of provision for severance allowance and retained profits as of 31 December 2008 and net profit for the eight months then ended should be reduced by the same amount.
- 7 The consolidated financial statements do not include a consolidated statement of cash flow for the period from 1 May to 31 December 2008. Presentation of the statement of cash flow is required by the Vietnamese Accounting Standards, the Vietnamese Accounting System and accounting principles generally accepted in Vietnam.
- 8 We refer to Notes 9, 10, 11, 12, 13, 14, 23, 32, and 35 to the consolidated financial statements. These notes do not disclose adequate information in relation to the movements during the eight months ended 31 December 2008 in tangible fixed assets, intangible fixed assets, construction in progress, investments in associates, long-term prepayments, deferred tax assets, provision for severance allowance, income tax and significant transaction with related parties . In our opinion, disclosure of this information is required by the Vietnamese Accounting Standards, the Vietnamese Accounting System and accounting principles generally accepted in Vietnam.

- 9 We refer to Note 2(n) and Note 15. The goodwill on receiving investments in subsidiaries was calculated based on the book value of the assets and liabilities of the subsidiaries as at 30 April 2008. Vietnamese Accounting Standard 11 – Business Combinations requires that goodwill should be calculated based on the fair value of the acquiree’s identifiable assets and liabilities not the book value of the assets and liabilities and the method adopted by the Group in calculating the goodwill is therefore not in compliance with the requirements of Vietnamese Accounting Standards.
- 10 The negative goodwill arising on the consolidation of SABECO Trading Company Limited of VND91,534 million, being the excess of net book assets of this company over the cost of the investment as of 30 April 2008, should, in accordance with Vietnamese Accounting Standard 11 – Business Combinations and the accounting policies of the group, have been charged directly to income in the period. The negative goodwill has however been credited directly to the equitisation amount payable to the Government (refer to Note 20) and as a result of this the consolidated net profit for the period and the consolidated retained earnings as at 31 December 2008 should be increased by VND91,534 million and the equitisation amount payable to the Government should be reduced by VND91,534 million as at 31 December 2008.

### **Qualified audit opinion**

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to the matters referred to in qualifications 1, 2 and 9 and except for the effects on the consolidated financial statements of the matters referred to in qualifications 3, 4, 5, 6 and 10 and the omission of presentation and disclosure referred to in qualifications 7 and 8, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries as of 31 December 2008 and the consolidated results of its operations for the period from 1 May to 31 December 2008 in accordance with the Vietnamese Accounting Standards, the Vietnamese Accounting System and accounting principles generally accepted in Vietnam.

### **Emphases of matter**

Without further qualifying our opinion, we draw attention to Note 1. The Company became a joint stock company on 17 April 2008 and in accordance with Circular 106/2008/TT-BTC dated 17 November 2008, the Company has to “open a new accounting book to reflect the assets and capital transferred”. The Company prepared this first set of consolidated financial statements as a new joint stock company on the basis that (a) investments in subsidiaries were transferred from the former state owned company on the equitisation date and (b) that there are no comparative figures reported, (c) that there is a nil opening balance sheet and (d) that the consolidated income statement is for the 8 month period from 1 May 2008 (the date of equitisation assumed for convenience purposes) to 31 December 2008.

Without further qualifying our opinion, we draw attention to Note 12. The Group acquired shares of Orient Commercial Joint Stock Bank and Dong A Bank as a strategic investor and these shares are not freely transferable before 31 December 2009. The Group also purchased investment fund units of Vietcombank Partners Fund 3 and Vietnam Investment Fund, whose charters stipulate that the transfers of fund units are subject to approval by the respective fund management company. The Group did not make any allowance for these shares and fund units in accordance with guidance provide in Circular 13/2006/TT-BTC dated 27 February 2006, which states that “allowance should not be made for shares that are not freely tradable in the market”. As of 31 December 2008, the market value of these shares and fund units was lower than their cost by an amount of VND285,169 million.

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**KPMG Limited**

Vietnam

Investment Certificate No: 011043000345

Audit Report No: 08-01-497

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John T. Ditty

CPA No. N0555/KTV

*General Director*

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Nguyen Thanh Nghi

CPA No. 0304/KTV

Ho Chi Minh City, 26 June 2009

**Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries**  
**Consolidated balance sheet at 31 December 2008**

	Code	Note	2008 VND
<b>ASSETS</b>			
<b>Current assets</b>	<b>100</b>		<b>4,681,117,234,844</b>
<b>Cash and cash equivalent</b>	<b>110</b>	<b>3</b>	<b>1,787,333,051,162</b>
<b>Short-term investments</b>	<b>120</b>	<b>4</b>	<b>508,870,147,067</b>
<b>Accounts receivable</b>	<b>130</b>	<b>5</b>	<b>1,161,920,670,517</b>
Accounts receivable – trade	131		380,229,744,786
Prepayments to suppliers	132	6	578,872,613,382
Other receivables	135		204,796,653,101
Allowance for doubtful debts	139		(1,978,340,752)
<b>Inventories</b>	<b>140</b>	<b>7</b>	<b>980,529,175,266</b>
Inventories	141		981,682,806,278
Allowance for inventories	149		(1,153,631,012)
<b>Other current assets</b>	<b>150</b>		<b>242,464,190,832</b>
Short-term prepayments	151		7,155,127,436
Deductible value added tax	152		44,102,515,550
Income tax prepaid to the State Treasury	152		101,319,167,546
Other current assets	158	8	89,887,380,300
<b>Long-term assets</b>	<b>200</b>		<b>8,346,226,331,016</b>
<b>Fixed assets</b>	<b>220</b>		<b>4,918,416,889,443</b>
Tangible fixed assets	221	9	2,741,348,532,073
<i>Cost</i>	222		3,867,373,021,354
<i>Accumulated depreciation</i>	223		(1,126,024,489,281)
Intangible fixed assets	230	10	2,047,850,901,571
<i>Cost</i>	231		2,074,377,123,300
<i>Accumulated amortisation</i>	232		(26,526,221,729)
Construction in progress	240	11	129,217,455,799
<b>Investment property</b>	<b>240</b>		<b>27,593,664,903</b>
<i>Cost</i>	241		28,807,542,299
<i>Accumulated depreciation</i>	242		(1,213,877,396)
<b>Long-term investments</b>	<b>250</b>	<b>12</b>	<b>2,275,672,434,379</b>
Investments in associates	252		1,056,266,725,774
Other long-term investments	258		1,275,375,990,472
Allowance for diminution in the value of long-term investments	259		(55,970,281,867)

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

**Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries**  
**Consolidated balance sheet at 31 December 2008 (continued)**

	<b>Code</b>	<b>Note</b>	<b>2008 VND</b>
<b>Other long-term assets</b>	260		<b>1,124,543,342,291</b>
Long-term prepayments	261	13	947,740,931,293
Deferred tax assets	262	14	16,525,812,849
Other long-term assets	268		3,824,952,567
Goodwill	269	15	156,451,645,582
<b>TOTAL ASSETS</b>	<b>270</b>		<b>13,027,343,565,860</b>

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



**Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries**  
**Consolidated balance sheet at 31 December 2008 (continued)**

	Code	Note	2008 VND
<b>RESOURCES</b>			
<b>LIABILITIES</b>	<b>300</b>		<b>5,343,286,126,823</b>
<b>Current liabilities</b>	<b>310</b>		<b>4,925,411,039,984</b>
Short-term borrowings	312	16	106,486,292,266
Accounts payable – trade	312	17	570,795,766,886
Advances from customers	313		18,016,992,545
Taxes payable to State Treasury	314	18	565,569,385,157
Payables to employees	315		65,616,157,987
Accrued expenses	316	19	366,515,123,559
Other payables	318	20	3,232,411,321,584
<b>Long-term liabilities</b>	<b>330</b>		<b>417,875,086,839</b>
Other long-term liabilities	333	21	94,084,792,493
Long-term borrowings	334	22	322,590,432,939
Provision for severance allowance	336	23	1,170,091,954
Deferred tax liabilities	336		29,769,453
<b>EQUITY</b>	<b>400</b>		<b>6,707,652,274,508</b>
Share capital	411	24	6,412,811,860,000
Treasury shares	414		(33,204,392,456)
Foreign exchange differences	416		2,174,670,549
Investment and development fund	417		18,351,395,595
Financial reserve fund	418		44,817,872,266
Other equity fund	419		212,508,699
Retained profits	420		220,242,828,668
Bonus and welfare fund	429		42,245,531,187
<b>MINORITY INTEREST</b>	<b>439</b>	<b>25</b>	<b>976,405,164,529</b>
<b>TOTAL RESOURCES</b>	<b>440</b>		<b>13,027,343,565,860</b>

Prepared by:

Approved by:

Nguyen Tien Dung  
*Chief accountant*

Nguyen Ba Thi  
*Chairman*

26 June 2009

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

**Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries**  
**Consolidated statement of income for the period from 1 May to 31 December 2008**

	<b>Code</b>	<b>Note</b>	<b>Period from 1/5/08 to 31/12/08 VND</b>
<b>Total revenue</b>	<b>01</b>	<b>26</b>	<b>9,065,490,623,812</b>
<b>Less sales deductions</b>	<b>02</b>	<b>26</b>	<b>(1,900,414,886,640)</b>
<b>Net sales</b>	<b>10</b>	<b>26</b>	<b>7,165,075,737,172</b>
<b>Cost of sales</b>	<b>11</b>	<b>27</b>	<b>(5,832,554,917,945)</b>
<b>Gross profit</b>	<b>20</b>		<b>1,332,520,819,227</b>
Financial income	21	28	276,034,461,666
Financial expenses	22	29	(114,282,212,394)
Selling expenses	24		(466,516,418,453)
General and administration expenses	25		(109,204,159,402)
<b>Net operating profit</b>	<b>30</b>		<b>918,552,490,644</b>
<b>Results of other activities</b>	<b>40</b>		
Other income	31	30	116,603,473,319
Other expenses	32	31	(87,479,358,236)
<b>Share of profit in associates</b>	<b>40</b>		<b>70,863,248,412</b>
<b>Profit before tax carried forward</b>	<b>50</b>		<b>1,018,539,854,139</b>

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

**Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries**  
**Consolidated statement of income for the period from 1 May to 31 December 2008**

			<b>Period from 1/5/08 to 31/12/08 VND</b>
<b>Profit before tax brought forward</b>	<b>50</b>		<b>1,018,539,854,139</b>
<b>Income tax expense – current</b>	<b>51</b>	<b>32</b>	<b>(174,169,476,861)</b>
<b>Income tax benefit – deferred</b>	<b>52</b>	<b>32</b>	<b>14,823,334,358</b>
<b>Net profit</b>	<b>60</b>		<b>859,193,711,636</b>
<b>Attributable to:</b>			
Minority interest	61	25	103,621,589,733
Equity holders of the Company	62		755,572,121,903
<b>Basic earnings per share</b>	<b>70</b>	<b>33</b>	<b>1,178</b>

Prepared by:

  
 Nguyen Tien Dung  
 Chief accountant



Approved by:

  
 Nguyen Ba Thi  
 Chairman

26 June 2009

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

**Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries**  
**Consolidated statement of changes in equity for the period from 1 May to 31 December 2008**

	Share capital VND	Treasury shares VND	Foreign exchange differences VND0	Investment and development fund VND	Financial reserve fund VND	Other equity fund VND	Retained profits VND	Bonus and welfare fund VND	Total VND
Shares equititised	6,412,811,860,000	-	-	-	-	-	-	-	6,412,811,860,000
Receipts from the former state owned company	-	-	-	-	-	-	-	23,157,850,230	23,157,850,230
Unrealised exchange differences	-	-	2,174,670,549	-	-	-	-	-	2,174,670,549
Net profit for the period	-	-	-	-	-	-	755,572,121,903	-	755,572,121,903
Appropriation to equity funds	-	-	-	18,351,395,595	44,817,872,266	588,382,714	(86,433,513,035)	22,675,862,460	-
Treasury shares repurchased	-	(33,204,392,456)	-	-	-	-	-	-	(33,204,392,456)
Dividends (Note 33)	-	-	-	-	-	-	(448,895,780,200)	-	(448,895,780,200)
Others	-	-	-	-	-	(255,955,527)	-	-	(255,955,527)
Utilisation of funds	-	-	-	-	-	(119,918,488)	-	(3,588,181,503)	(3,708,099,991)
<b>Balance at 31 December 2008</b>	<b>6,412,811,860,000</b>	<b>(33,204,392,456)</b>	<b>2,174,670,549</b>	<b>18,351,395,595</b>	<b>44,817,872,266</b>	<b>212,508,699</b>	<b>220,242,828,668</b>	<b>42,245,531,187</b>	<b>6,707,652,274,508</b>

Prepared by:

Approved by:

Nguyen Tien Dung  
*Chief accountant*

26 June 2009

Nguyen Ba Thi  
*Chairman*

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

**Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the period from 1 May to 31 December 2008**

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

**1. Reporting entity**

Saigon Beer – Alcohol – Beverage Corporation (“the Company”) was initially established as a State owned general corporation under the Decision No. 74/2003/QD-BCN dated 6 May 2003 of the Ministry of Industry. On 11 May 2004, The Ministry of Industry issued Decision No. 37/2004/QD-BCN to restructure the Company to the parent-subsiary structure. The Company’s operations were licenced by Business Licence Certificate No. 4106000286 issued by Ho Chi Minh City People’s Committee on 1 September 2004.

Saigon Beer – Alcohol – Beverage Corporation was equitised on 17 April 2008 and became a joint stock company under Decision No. 1862/QD-TTg dated 28 December 2007 of the Prime Minister. On the same day the newly established joint stock company assumed the assets and liabilities of the former state-owned company. For convenience purposes, the Company used 1 May as the effective date of conversion to a joint stock company. In accordance with Circular 106/2008/TT-BTC dated 17 November 2008, the Company has to “open a new accounting book to reflect the assets and capital transferred”. The company prepared this first set of consolidated financial statements as a new joint stock company on the basis that investments in subsidiaries were transferred from the former state own company on the equitisation date and that there are no comparative figures reported, there is a nil opening balance sheet and the consolidated income statement is for the 8 month period from 1 May 2008 (the date of equitisation assumed for convenience purposes) to 31 December 2008.

The principal activities of the Company are:

- Produce and sell beer, alcohol and beverages and related products including materials and packaging
- Provide transportation, logistic and warehouse services
- Manufacture mechanical products, build steel structures and provide mechanical installation services
- Construct buildings and provide property services.

The consolidated financial statements of the Group for the year ended 31 December 2008 comprise the Company and its subsidiaries (together referred to as “the Group”) and the Group’s interest in associates and jointly controlled entities.

As at 31 December 2008 the Group had 4,125 employees.

**Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for period from 1 May to 31 December 2008**  
**(continued)**

**2. Summary of significant accounting policies**

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

**(a) Basis of financial statement preparation**

The consolidated financial statements, expressed in Vietnam Dong (“VND”), have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and accounting principles generally accepted in Vietnam.

The consolidated financial statements are prepared on the accrual basis, using the historical cost concept.

**(b) Fiscal year**

The first fiscal period of the newly established joint stock company is from 1 May to 31 December 2008. Succeeding fiscal years will be from 1 January to 31 December.

**(c) Basis of consolidation**

*Subsidiaries*

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

*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 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.

**Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for period from 1 May to 31 December 2008**  
**(continued)**

*Transactions eliminated on consolidation*

Intra-group 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.

**(d) Foreign currency transactions**

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at rates of exchange ruling at the balance sheet date. Transactions in currencies other than VND during the year have been translated into VND at rates approximating those ruling at the transaction dates. All realised and unrealised foreign exchange differences are recorded in the statement of income, except when they relate to the construction of tangible fixed assets or the translation of foreign currency monetary items during the Company's and its subsidiaries' pre-operating stage, in which case they are recorded in the Foreign Exchange Difference Account in equity until the Company or the subsidiaries commences operations and the tangible fixed assets are put into use. Once the Company or the subsidiary commences operations and the tangible fixed assets are put into use, the related realised foreign exchange differences are transferred to the statement of income, unrealised foreign exchange gains are transferred to the Unearned Revenue Account and unrealised foreign exchange losses are transferred to the Long-term Prepayment Account. The unrealised gains and losses are then amortised on a straight line basis over five years.

**(e) 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 amount 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.

**(f) Investments**

Investments received from the state-owned company on equitisation are stated at cost except for certain long-term investments which had been revalued as of 1 January 2007 for the purposes of equitisation. Allowance is made for reductions in investment values which in the opinion of the management are not temporary. The allowance is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the allowance was recognised. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that has been determined if no allowance had been recognised.

**Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for period from 1 May to 31 December 2008**  
**(continued)**

**(g) Accounts receivable**

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

**(h) 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 case of finished goods and work in progress includes raw material, direct labour and attributable manufacturing overheads. Net realisable value is the estimated selling price of inventory items, less the estimated costs of completion and selling expenses.

The Group applies the perpetual method of accounting for inventory.

**(i) Tangible fixed assets**

**(i) Cost**

In connection with the equitisation process of the Company, tangible fixed assets as of 1 January 2007 have been revalued and the revalued assets were included as part of the capital contribution received in the period. Tangible fixed assets are stated at cost/revalued amount 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 and location for its intended use. Expenditure incurred after tangible fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to income in the year in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

**(ii) Depreciation**

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

- buildings and structures                      5 – 25 years
- machinery and equipment                    5 – 12 years
- office equipment                                3 – 5 years
- motor vehicles                                   3 – 8 years



**Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for period from 1 May to 31 December 2008**  
**(continued)**

**(j) Intangible fixed assets**

**(i) Land use rights**

In connection with the equitisation process of the Company, land use rights as of 1 January 2007 have been revalued.

Land use rights with indefinite period of use are stated at cost or revalued amount and land use rights with definite period of use are stated at cost or revalued amount less accumulated amortisation. The initial cost of a land use right comprises its purchase price and any directly attributable costs incurred in conjunction with securing the land use right. Amortisation for land use rights with definite periods of use is computed on a straight-line basis over 43 years.

**(ii) Software**

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

**(k) Investment property**

**(i) Cost**

Investment property is stated at cost less accumulated depreciation. The initial cost of an investment property comprises its purchase price, cost of land use rights and any directly attributable costs of bringing the asset to its working condition for its intended use. Expenditure incurred after investment property has been put into operation, such as repairs and maintenance, is normally charged to income in the period in which the costs are 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, the expenditure is capitalised as an additional cost of investment property.

**(ii) Depreciation**

Depreciation is computed on a straight-line basis over the estimated useful lives of investment property of 50 years.

**Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for period from 1 May to 31 December 2008**  
**(continued)**

**(l) 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 or installation.

**(m) Long-term prepayments**

**(i) Returnable packaging**

Returnable packaging includes crates, kegs and bottles. The cost of returnable packaging is recognised in the statement of income on a straight line basis over 4 years.

**(ii) Goodwill on equitisation**

Goodwill represents goodwill generated internally by the Company from the date of initial establishment to the date of the revaluation of assets undertaken as part of the equitisation process. The value of goodwill value was determined in accordance with Circular 126/2004/TT-BTC issued by The Ministry of Finance on 24 December 2004. Goodwill is amortised on a straight-line basis over a period of 10 years from the date that the Company commenced operations as a joint stock company.

**(iii) Property held for future investment**

Property held for future investments represents land awaiting transfer as part of the Group's capital investments in other entities.

**(n) Good will**

Goodwill arises on the acquisition of subsidiaries, associates and joint ventures. Goodwill is measured at cost less accumulated amortisation. Cost of goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative (negative goodwill), it is recognised immediately in profit or loss. Goodwill is amortised on a straight-line basis over 10 years. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment.

**Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for period from 1 May to 31 December 2008**  
**(continued)**

On the day of equitisation, investments on subsidiaries were received from the former state owned company at cost or revaluation which was performed on 1 January 2007 in the equitisation process. Excess of the carrying amount of investments in subsidiaries over the Group's interest in the net assets of these subsidiaries at the date of equitisation was included in the cost of goodwill. Excess of the Group's interest in the net assets of subsidiaries at the date of equitisation over the carrying amount of investments was included in negative goodwill and was recognised immediately in profit or loss.

**(o) Trade and other payables**

Trade and other payables are stated at their cost.

**(p) 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.

**(q) Taxation**

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

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

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

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.

**Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for period from 1 May to 31 December 2008**  
**(continued)**

**(r) Equity funds**

Equity funds comprise investment and development fund, financial reserve fund, other equity fund and bonus and welfare fund. Allocations are made to equity funds from retained profits each year based on a percentage decided by the shareholders in their annual ordinary general meeting. Funds are used for specific purposes as designated by the shareholders.

**(s) Revenue**

**(i) Goods sold**

Revenue from the sale of goods is recognised in the statement of income when the 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 the possible return of goods.

**(ii) Dividend income**

Dividend is recognised as income when the right to receive the dividend is established.

**(iii) Interest income**

Interest income is recognised when earned.

**(t) Operating lease payments**

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

**(u) Borrowing costs**

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

**Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for period from 1 May to 31 December 2008**  
**(continued)**

**(v) Earnings per share**

The Group presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares, which comprise convertible bonds and share options.

**(w) Off balance sheet items**

Amounts which are defined as off balance sheet items under the Vietnamese Accounting System are disclosed in the relevant notes to these financial statements.

**3.3. Cash and cash equivalents**

	<b>2008</b> <b>VND</b>
Cash on hand	28,273,050,337
Cash in banks	1,515,293,133,164
Cash equivalents	243,766,867,661
	<hr/>
	1,787,333,051,162
	<hr/>

Cash and cash equivalents at 31 December 2008 included amounts denominated in currencies other than VND amounting to VND11,035 million.

**4. Short term investments**

	<b>2008</b> <b>VND</b>
Short-term deposits at banks	468,870,147,067
Loan to associates	40,000,000,000
	<hr/>
	508,870,147,067
	<hr/>

**Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for period from 1 May to 31 December 2008**  
**(continued)**

**5. Accounts receivable**

Accounts receivable included the following amounts due from related parties:

	<b>2008</b> <b>VND</b>
<b>Amounts due from associates</b>	
Trade	221,517,289,889
Non-trade	20,989,089,678
	<hr/>
	242,506,379,567
	<hr/>

Non-trade receivables from associates are unsecured and interest free.

**6. Prepayments to suppliers**

Prepayments to suppliers as of 31 December 2008 included amounts prepaid for the acquisition of fixed assets of VND488,179 million.

**7. Inventories**

	<b>2008</b> <b>VND</b>
Goods in transit	129,993,915,367
Raw materials	350,472,351,222
Tools and supplies	54,000,979,402
Work in progress	135,875,260,086
Finished goods	285,301,058,424
Goods on consignment	26,039,241,777
	<hr/>
	981,682,806,278
Allowance for inventory	(1,153,631,012)
	<hr/>
	980,529,175,266
	<hr/> <hr/>

**Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for period from 1 May to 31 December 2008**  
**(continued)**

**8. Other current assets**

	<b>2008</b> <b>VND</b>
Advances	6,247,091,383
Deposits at bank for payments by letter of credit	82,952,275,532
Others	688,013,385
	<hr/>
	89,887,380,300
	<hr/> <hr/>

**9. Tangible fixed assets**

	<b>2008</b> <b>VND</b>
<b>Cost</b>	
Buildings and structures	653,202,522,822
Machinery and equipment	3,087,359,464,558
Office equipment	54,796,774,426
Motor vehicles	72,014,259,548
	<hr/>
	3,867,373,021,354
	<hr/>
<b>Accumulated depreciation</b>	
Buildings and structures	130,107,932,395
Machinery and equipment	946,388,479,964
Office equipment	20,237,086,209
Motor vehicles	29,290,990,713
	<hr/>
	1,126,024,489,281
	<hr/>
<b>Net book value</b>	2,741,348,532,073
	<hr/> <hr/>

At 31 December 2008 tangible fixed assets with a carrying value of VND436,347 million were pledged with banks as security for loans granted to the Group.

**Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for period from 1 May to 31 December 2008**  
**(continued)**

**10. Intangible fixed assets**

	<b>2008</b> <b>VND</b>
<b>Cost</b>	
Land use rights	2,051,418,736,424
Software	22,958,386,876
	<hr/>
	2,074,377,123,300
	<hr/>
<b>Accumulated amortisation</b>	
Land use rights	18,978,800,058
Software	7,547,421,671
	<hr/>
	26,526,221,729
	<hr/>
<b>Net book value</b>	2,047,850,901,571
	<hr/>

**11. Construction in progress**

	<b>2008</b> <b>VND</b>
Fermentation tank project	43,175,317,295
Cu Chi manufacturing plant	14,791,720,110
Can Tho manufacturing plant	2,656,904,567
Warehouse under construction	6,522,058,909
Land use rights	23,278,597,500
Water purification project	4,363,165,857
Technology Improvement project in Tan Dong Hiep B Industrial Zone	8,607,580,380
Others	25,822,111,181
	<hr/>
	129,217,455,799
	<hr/>



**Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for period from 1 May to 31 December 2008**  
**(continued)**

**12. Long-term investments**

	<b>2008</b> <b>VND</b>
Investments in associates	1,056,266,725,774
Other long-term investments	
▪ Shares	886,092,548,222
▪ Bonds	281,178,016,000
▪ Loans	108,105,426,250
	<hr/>
	2,331,642,716,246
Allowance for diminution in value of long-term investments	(55,970,281,867)
	<hr/>
	<u>2,275,672,434,379</u>

Following were list of the Group's associates as of 31 December 2008:

**Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the period from 1 May to 31 December 2008 (continued)**

<b>Name</b>	<b>Principal activity</b>	<b>Investment licence</b>	<b>% of ownership</b>	<b>2008 VND</b>
Southern Hydroelectric JSC	Building and operating hydrolic generator	No. 4103002486 issued by the Planning and Investment Department of Ho Chi Minh City on 13 July 2004, amended on 23 June 2006	27%	167,156,064,802
SABECO Food JSC	Manufacturing agricultural products and foods	No. 4103005918 issued by the Planning and Investment of Ho Chi Minh City on 15 January 2007, amended on 13 November 2007	28%	2,266,541,426
Sai Gon - Dong Ha Tourism JSC	Providing hotel, foods and beverage services	No. 3003000121 issued by the Planning and Investment Department of Quang Tri on 20 April 2007	20%	5,600,000,000
Sai Gon - Phu Ly Beer JSC	Producing beer, mineral water, providing hotel and transportation services	No. 0603000158 issued by the Planning and Investment Department of Ha Nam on 5 June 2007	23%	11,000,000,000
Sai Gon Beer Delivery and Transportation JSC	Trading and providing transportation services	No. 4103003988 issued by the Planning and Investment Department of Ho Chi Minh City on 31 October 2005	25%	32,976,695,684
Binh Tay Packaging and Warehousing JSC	Manufacturing packaging materials	No. 41030002264 issued by the Planning and Investment Department of Ho Chi Minh City on 16 April 2004	20%	1,579,716,159
Dakai Mineral Water Joint Stock Company	Producing and trading mineral water and beverages	No. 4103004722 issued by the Planning and Investment Department of Ho Chi Minh City on 9 May 2006	36%	708,786,446

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

**Notes to the consolidated financial statements for period from 1 May to 31 December 2008 (continued)**

<b>Name</b>	<b>Principal activity</b>	<b>Investment licence</b>	<b>% of ownership</b>	<b>2008 VND</b>
Thanh Nam Consultant Investment - Engineering and Technology Transfer JSC	Providing consulting and design service in construction	No. 4103004418 issued by the Planning and Investment Department of Ho Chi Minh City on 7 March 2006	23%	325,856,916
SABECO Infrastructure and Industrial Zone JSC	Investing in infrastructure, house and industrial zone	No. 4103004921 issued by the Planning and Investment Department of Ho Chi Minh City on 22 June 2006	28%	8,941,723,345
Sabeco - Song Lam Packaging Joint Stock Company	Manufacturing cans, bottles, glass and paper	No. 2703009091 issued by The Planning and Investment Department of Nghe An on 4 January 2007, amended on 7 March 2007	22%	35,709,517,219
Sabeco - Phu Tho Joint Stock Company	Manufacturing beer, alcohol and beverages	No 1803000511 issued by The Planning and Investment Dept of Phu Tho on May 30 2007	23%	30,460,948,867

**Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for period from 1 May to 31 December 2008 (continued)**

<b>Name</b>	<b>Principal activity</b>	<b>Investment licence</b>	<b>% of ownership</b>	<b>2008 VND</b>
Mechanical and industrial construction Joint Stock Company	Manufacturing and installing machinery in industrial construction	No. 3503000122 issued the Planning and Investment Department of Ho Chi Minh City on 16 January 2006, first amended on 4 June 2007	26%	9,327,940,457
Sai Gon Beer Packaging Joint Stock Company (SABEPA JSC)	Manufacturing packaging materials	No. 41030006949 issued by the Planning and Investment Department of Ho Chi Minh City on 7 June 2007	20%	4,745,352,277
Sabeco Partner Fund 1	Investing in securities	No 102/TB-UBCK is issued by State Securities Board on 12 March 2008	43%	165,016,919,579
Sabeco Fund Management	Establishing and managing security funds/companies and managing portfolio	No 22/UBCK-GP issued by UBCK NN, Ministry of Finance on 16 November 2007	20%	5,671,290,480
Sai Gon - Mien Trung Beer JSC	Producing food and beverages	No 4104005184 issued by the Planning and Investment Department of Ho Chi Minh City on 25 June 2008	33%	120,617,768,618
Allied Domecq Vietnam Co. Ltd.	Producing and trading alcohol and alcohol-related products	No. 1049/GP issued by the Ministry of Planning and Investment on 19 November 1994, amended on 29 November 2006	45%	13,102,803,450
Malaya Glass Co. Ltd.	Producing glass products	No. 701/GP issued by the Ministry of Planning and Investment on 26 October 1993, amended on 20 August 2003	30%	97,827,057,600
Sai Gon Dong Nai Beer Joint Stock Company	Manufacturing and trading wine, beer, beverage. Providing food services. Producing and purchasing agricultural products relating to material for wine and beer production	No. 4703000292 issued by Planning and Investment Department of Dong Nai Province on 23 December 2005, first amended on 8 June 2007.	15%	5,777,154,606

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

**Notes to the consolidated financial statements for period from 1 May to 31 December 2008 (continued)**

<b>Name</b>	<b>Principal activity</b>	<b>Investment licence</b>	<b>% of ownership</b>	<b>2008 VND</b>
Sai Gon- Tay Do Beer Beverage Company	Manufacturing and trading wine, beer, beverage, soyal milk , fruit juice	No. 5703000229 issued by Planning and Investment Department of Can Tho City on 21 September 2006, first amended on 11 April 2007	24%	22,408,630,357
Sai Gon Crown Joint Venture Company	Producing aluminium cans	No. 759/GP issued by the Planning and Investment Department of Ho Chi Minh City on 31 December 1993, amended on 3 November 2000	30%	148,751,925,643
San Miguel Packaging Joint Venture	Producing and selling metal crown products	No. 1504/GP issued by the Ministry of Planning and Investment on 23 March 1996, amended on 1 March 2006	35%	25,025,392,487
Me Linh Point JSC	Leasing and managing office building	No. 1132/GP issued by the Ministry of Planning and Investment on 14 February 1995, amended on 1 March 1996, 27 April 1998, 4 October 2001 and 23 March 2005	25%	37,564,212,750
Sai Gon Binh Tay Beer Joint Stock Company	Manufacturing, processing and trading food, alcohol, beer and beverage, producing construction materials. Providing industrial and civil construction service	No. 4103004075 issued by Planning and Investment Department of Ho Chi Minh City on 25 November 2005, third amended on 20 November 2007	14%	103,704,426,606
				1,056,266,725,774

**Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the period from 1 May to 31 December**  
**2008 (continued)**

**13. Long-term prepayments**

	<b>2008</b> <b>VND</b>
Returnable packaging	408,266,546,387
Prepayment for land rentals	5,401,357,729
Prepayment for warehouse rentals	13,122,847,090
Deferred expenses	11,060,640,616
Goodwill on equitisation	442,628,231,132
Other long-term prepayments	67,261,308,339
	<hr/>
	947,740,931,293
	<hr/>

**14. Deferred tax assets**

	<b>2008</b> <b>VND</b>
Unrealised profit	9,505,750,923
Allowances and provisions	2,205,416,773
Unrealised foreign exchange losses	2,360,186,866
Tax loss carry-forwards	2,454,458,287
	<hr/>
	16,525,812,849
	<hr/>

**15. Goodwill**

	<b>2008</b> <b>VND</b>
Goodwill on receiving investments in subsidiaries	167,626,763,124
Amortisation	(11,175,117,542)
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	156,451,645,582
	<hr/>

**Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for period from 1 May to 31 December 2008**  
**(continued)**

**16. Short term borrowings**

	<b>2008</b> <b>VND</b>
Short-term borrowings from:	
(a) Vietinbank – Can Tho Branch	4,308,602,890
(b) BIDV – Soc Trang Branch	2,000,000,000
(c) Sabeco Management Fund	5,000,000,000
(d) Vietcombank – Vinh City Branch	7,000,000,000
(e) Vietinbank – Quang Minh Industrial Zone Branch	12,093,404,814
(f) Agribank – Thanh Ba Branch	2,457,702,747
(g) Individuals	27,651,447,343
Current portion of long-term borrowings (Note 21)	45,975,134,472

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106,486,292,266

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- a. This loan is secured by tangible fixed assets with carrying amount of VND102,000 million as at 31 December 2008. The loan bore interest at rate of 11% per annum during the period 6 months started from 18 December 2008.
- b. This loan is unsecured and bore interest at 10% per annum.
- c. This loan is secured by 7,000 shares of Binh Tay Liquor JSC and bore interest at 15% per annum.
- d. This loan is unsecured and bore interest at 11.5% per annum.
- e. This loan is secured by tangible fixed assets with carrying value amount of VND39,713 million. The same assets were also pledged with the same bank as security for long-term borrowings granted to the Group (Note 21). The loan bore interest rate 12.6% per annum.
- f. This loan is secured by tangible fixed assets with carrying value of VND11,000 million. The loan bore interest at 1.75% per month.
- g. This comprises several unsecured loans from individuals and bore interest at rates ranging from 0.75% to 0.88% per month.

**Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for period from 1 May to 31 December 2008**  
**(continued)**

**17. Accounts payable - trade**

Accounts payable - trade included the following amounts due to related parties:

	<b>2008</b> <b>VND</b>
Amounts due to associates	235,496,628,498
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Amounts due to associates are unsecured, interest free and repayable on demand.

**18. Taxes payable to State Treasury**

	<b>2008</b> <b>VND</b>
Value added tax	67,816,140,895
Personal income tax	6,957,101,559
Special consumption tax	396,952,192,028
Land tax	8,065,213,325
Income tax	81,551,496,391
Import duty	397,717,375
Fees, duties and other obligations	3,829,523,584
	<hr/>
	565,569,385,157
	<hr/> <hr/>

**19. Accrued expenses**

	<b>2008</b> <b>VND</b>
Accrued for purchase of goods, fixed assets, and construction in progress	327,417,802,362
Accrued for promotion expenses	8,872,516,913
Accrued for transportation and goods handling fees	11,051,095,860
Others	19,173,708,424
	<hr/>
	366,515,123,559
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**Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for period from 1 May to 31 December 2008**  
**(continued)**

**20. Other payables**

	<b>2008</b> <b>VND</b>
Union fee	2,390,279,440
Equitisation payable to the Government	1,241,294,377,915
Revaluation surplus of land use rights payable to the Government	1,492,547,178,700
Short-term deposits	27,663,795,708
Dividend payable to the State shareholder	402,163,393,800
Others	66,352,296,021
	<hr/>
	3,232,411,321,584
	<hr/> <hr/>

Other payables included the following amounts due to associates:

	<b>2008</b> <b>VND</b>
Amounts due to associates	1,161,025,847
	<hr/>

**21. Other long-term liabilities**

	<b>2008</b> <b>VND</b>
Land rental payable	51,602,316,000
Long-term deposits from customers for returnable packaging	42,482,476,493
	<hr/>
	94,084,792,493
	<hr/> <hr/>

**Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for period from 1 May to 31 December 2008**  
**(continued)**

**22. Long term borrowings**

	<b>2008</b> <b>VND'000</b>
Long-term borrowings from:	
(a) Vietinbank Quang Minh Industrial Zone	12,926,903,600
(b) Vietcombank Vinh City Branch	8,687,319,093
(c) Techcombank Ha Noi Branch	346,951,344,718
	<hr/>
	368,565,567,411
Repayable within twelve months	(45,975,134,472)
	<hr/>
Repayable after twelve months	322,590,432,939
	<hr/>

- a. This loan is secured by tangible fixed assets with carrying value as of 31 December 2008 of VND39,713 million. The same assets were pledged with the same bank as security for short-term borrowings granted to the Group. The loan bore interest at 1.75% per month. Principal outstanding as of 31 December 2008 is repayable at 11 September 2012.
- b. This loan is unsecured and bore interest at 11.64% per annum. Principal outstanding as of 31 December 2008 is repayable in 12 quarterly equal installments in 3 years from 2009 to 2011.
- c. This loan is secured by tangible fixed assets with carrying value as of 31 December 2008 of VND283,634 million. The loan bore average interest at 17% per annum. Principal outstanding as of 31 December 2008 is repayable in 8 semi annual instalments, commencing from 5 Dec 2009 to 5 Dec 2014.

**23. Provision for severance allowance**

Under the Vietnamese Labour Code, when employees who have worked for 12 months or more (“eligible employees”) voluntarily terminates his/her labour contract, the employer is required to pay eligible employees severance allowance calculated based on years of service and employees’ compensation at termination.

Pursuant to Law on Social Insurance, effective from 1 January 2009, the Company and its employees are required to contribute to an unemployment insurance fund managed by the Vietnam Social Insurance Agency. The contribution to be paid by each party is calculated at 1% of the lower of the employees’ basic salary and 20 times the general minimum salary level as specified by the Government from time to time (currently VND540,000 per month). With the implementation of the unemployment insurance scheme, the Company is no longer required to provide severance allowance for the service period after 1 January 2009. However, severance allowance to be paid to existing eligible employees as of 31 December 2008 will be determined based on the eligible employees’ years of service as of 31 December 2008 and their average salary for the six-month period prior to the termination date.

**Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for period from 1 May to 31 December 2008**  
**(continued)**

**24. Share capital**

On 17 April 2008 the Company equitised and converted its capital into share capital. The Company issued 641,281,186 ordinary shares at par value of VND10,000 and the State sold 66,762,052 shares to the public on that day.

Each share is entitled to one vote at meetings of the Company. Shareholders are entitled to receive dividends as declared from time to time. All ordinary shares are ranked equally with regard to the Company's residual assets. In respect of the shares bought back by the Group, all rights are suspended until those shares are reissued.

The Company's shareholders at 31 December 2008 were:

	<b>2008</b>
	<b>Number of shares</b>
Ministry of Industry and Trade	574,519,134
Other shareholders	66,762,052
	<hr/>
	641,281,186
	<hr/>

**25. Minority interest**

	<b>2008</b>
	<b>VND</b>
Transfer from the former state-owned company	759,178,407,454
Net earnings attributable to minority interest during the period	103,621,589,733
Capital contribution during the period	399,533,325,314
Dividends	(23,916,054,697)
Appropriation and utilisation of equity funds borne by minority interest	3,770,778,075
Minority interest acquired by the Group	(265,782,881,350)
	<hr/>
Balance at the end of the period	976,405,164,529
	<hr/>

**Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for period from 1 May to 31 December 2008**  
**(continued)**

**26. Total revenue**

Total revenue represents the gross invoiced value of goods sold exclusive of value added tax.

Net sales comprised of:

	<b>Period from 1/5/08 to 31/12/08 VND</b>
Total revenue	
▪ Sales	9,065,490,623,812
Less sales deductions	
▪ Sales return	(2,116,534,540)
▪ Special sales tax	(1,898,298,352,100)
	<hr/>
Net sales	7,165,075,737,172
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**27. Cost of sales**

	<b>Period from 1/5/08 to 31/12/08 VND</b>
Finished goods sold	3,557,029,803,512
Merchandise goods sold	2,186,181,524,830
Transportation fee	39,795,358,033
Services	48,045,169,612
Others	1,503,061,958
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	5,832,554,917,945
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**Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for period from 1 May to 31 December 2008**  
**(continued)**

**28. Financial income**

	<b>Period from 1/5/08 to 31/12/08 VND</b>
Interest income from banks	140,643,820,570
Interest income from investments in bonds	28,178,405,785
Dividend income	76,497,133,316
Foreign exchange gains	26,457,510,295
Others	4,257,591,700
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	276,034,461,666
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**29. Financial expenses**

	<b>Period from 1/5/08 to 31/12/08 VND</b>
Interest expense to banks	11,203,743,948
Foreign exchange losses	42,522,368,729
Allowance for long-term investments	55,970,281,867
Others	4,585,817,850
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	114,282,212,394
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**30. Other income**

	<b>Period from 1/5/08 to 31/12/08 VND</b>
Proceeds from disposal of fixed assets	11,743,113,828
Compensation received from other parties	6,937,587,330
Negative goodwill on receiving investments in subsidiary and acquiring minority interest	65,545,608,237
Others	32,377,163,924
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	116,603,473,319
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**Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for period from 1 May to 31 December 2008**  
**(continued)**

**31. Other expenses**

	<b>Period from 1/5/08 to 31/12/08 VND</b>
Net book value of fixed assets disposed	5,736,866,063
Net book value of returnable packaging written off	50,156,162,108
Amortisation of goodwill	11,175,117,542
Other expenses	20,411,212,523
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	87,479,358,236
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**32. Income tax**

**Applicable tax rates**

The Company and its subsidiaries have obligations to pay the government income tax at rates ranging from 15% to 28% of taxable profits, except for the taxable profits arising from the Cu Chi Plant of the Company, which is exempted from income tax for 3 years starting from the first year it generates revenue and a 50% reduction in income tax for the 5 succeeding years.

Pursuant to Circular No. 03/2009/TT-BTC (“Circular 03”) issued by the Ministry of Finance on 13 January 2009, several of the Group’s subsidiaries’ operations meet the definition of Small and Medium Enterprises (“SME”) and they are therefore entitled to a 30 percent reduction of current income tax expense for the fourth quarter of 2008 and the whole year of 2009. The amount of income tax reduction for the fourth quarter of 2008 has been computed based on either the taxable profit for the fourth quarter of 2008 or one fourth of the taxable profit for the year in accordance with the guidance in Circular 03.

Effective 1 January 2009, entities subject to 28% income tax rate have their tax rate reduced to 25% due to changes in the income tax law.

**Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the period from 1 May to 31 December**  
**2008 (continued)**

**33. Basic earnings per share**

The calculation of basic earnings per share at 31 December 2008 was based on the net profit after tax attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding for the period from 1 May 2008 to 31 December 2008, calculated as follows:

*(i) Net profit attributable to ordinary shareholders*

	<b>Period from 1/5/08 to 31/12/08 VND</b>
Net profit for the period	755,572,121,903
Net profit attributable to ordinary shareholders	<u>755,572,121,903</u>

*(ii) Weighted average number of ordinary shares*

	<b>2008 Number of ordinary shares</b>
Ordinary shares issued at the beginning of the period	641,281,186
Weighted average number of ordinary shares as at 31 December 2008	<u>641,281,186</u>

The Company does not have potentially diluted ordinary shares.

**34. Dividends**

The Board of Management of the Company on 12 December 2008 resolved to pay dividends amounting to VND448,895 million to (VND700 per share). Dividends were paid to non-state shareholders on 25 December 2008. Dividend payable to the Government of VND402,163 million was accrued as at 31 December 2008.

**Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the period from 1 May to 31 December**  
**2008 (continued)**

**35. Significant transactions with related parties**

**Identity of related parties**

The Company has controlling related party relationships with the its subsidiaries:

<b>Name</b>	<b>Principal activity</b>	<b>Investment licence</b>	<b>% of ownership</b>
<b>Subsidiaries directly owned</b>			
Saigon Beer Western JSC	Manufacturing and trading beer	No. 5703000144 issued by the Planning and Investment Department of Can Tho on 13 April 2005, amended on 6 June 2006 and 30 May 2007	51%
Chuong Duong Beverages JSC	Manufacturing and trading beverage, can foods and sub-materials, investing in real estate	No. 4103002362 issued by the Planning and Investment Department of Ho Chi Minh City on 2 June 2004, amended on 26 December 2005	51%
Sai Gon Beer Quang Ngai JSC	Manufacturing and trading beer	No. 3403000072 issued by the Planning and Investment Department of Quang Ngai on 10 January 2008	51%
Sai Gon - Ha Nam Beer JSC	Manufacturing and trading beer and beverage	No. 0603000153 issued by the Planning and Investment Department of Ha Nam on 11 April 2007	51%
Sai Gon - Vinh Long Beer JSC	Manufacturing and trading beer and beverage	No. 5403000048 issued by the Planning and Investment Department of Vinh Long on 29 March 2007	51%
Binh Tay Liquor JSC	Manufacturing and trading beer, beverage, alcohol	No. 4103003919 issued by The Planning and Investment of Ho Chi Minh City on 7 October 2005, amended on 21 May 2007	51%
Saigon - Dong Xuan Beer Alcohol JSC	Manufacturing beer and beverage, and providing transportation services	No. 1803000486 issued by the Planning and Investment Department of Phu Tho on 22 March 2007	51%
Sai Gon - Nghe Tinh Beer JSC	Manufacturing and trading beverage, can foods and sub-materials	No. 2703001006 issued by Planning and Investment Department of Nghe An on 25 September 2006	51%



**Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for period from 1 May to 31 December 2008**  
**(continued)**

<b>Name</b>	<b>Principal activity</b>	<b>Investment licence</b>	<b>% of ownership</b>
Sai Gon Beer Lam River JS Co.	Manufacturing and trading beer, alcohol, can foods and sub-materials	No. 2703001077 issued by the Planning and Investment Department of Nghe An on 20 December 2006, amended on 7 January 2008	51%
Sai Gon - Ha Noi Beer Corporation	Manufacturing and exporting beer and beverage, exporting and importing related raw materials.	No. 0103018367 issued by Planning and Investment Dept of Ha Noi City, on 6 July 2007, first amended on 26 December 2008.	51%
SABECO Trading Company Limited (SATRACO)	Trading beer, alcohol, and beverage	No. 4104000153 issued by Minister of Industry on 11 January 2006, amended on 11 April 2006	100%
SABECO Mechanical Co., Limited (MESAB CO., Ltd)	Manufacturing food-making machinery, installing and maintaining electrical system	No. 4104005184 issued by The Planning and Investment Department of Ho Chi Minh City on 25 June 2008	100%
<b>Subsidiaries indirectly owned through SATRACO</b>			
SABECO Trading Joint Stock Company - Mien Bac	Trading wine, beer, soft drink; trading restaurant, hotel (excluding bar, karaoke, discotheque); transportation and warehouse rental.	No. 0103012107 issued by the Planning and Investment Department of Ha Noi City on 8 May 2006 and last amended on 1 September 2008	90%
SABECO Trading Joint Stock Company - Bac Trung Bo	Trading wine, beer, soft drink; trading restaurant, hotel, warehouse and transportation.	No. 2703000851 issued by the Planning and Investment Department of Nghe An Province on 20 March 2006 and last amended on 31 December 2008	90%
SABECO Trading Joint Stock Company - Mien Trung	Trading wine, beer, soft drink; trading restaurant, hotel, warehouse; trading automobile transportation.	No. 3403000078 issued by the Planning and Investment Department of Quang Ngai Province on 16 March 2006 and last amended on 25 August 2008	90%

**Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for period from 1 May to 31 December 2008**  
**(continued)**

<b>Name</b>	<b>Principal activity</b>	<b>Investment licence</b>	<b>% of ownership</b>
SABECO Trading Joint Stock Company - Tay Nguyen	Trading wine, beer, soft drink; trading restaurant, hotel services, warehouse and transportation.	No. 40.03.000082 issued by the Planning and Investment Department of Dak Lak Province on 21 March 2006 and last amended on 7 August 2008	90%
SABECO Trading Joint Stock Company - Nam Trung Bo	Trading wine, beer, soft drink; trading restaurant, hotel services; transportation and warehouse rental.	No. 3703000191 issued by the Planning and Investment Department of Khanh Hoa Province on 17 March 2006 and last amended on 14 August 2008	90%
SABECO Trading Joint Stock Company - Mien Dong	Trading wine, beer, soft drink; trading restaurant, hotel services; road transportation; warehouse rental.	No. 4603000217 issued by the Planning and Investment Department of Binh Duong Province on 17 March 2006 and last amended on 12 August 2008	90%
SABECO Trading Joint Stock Company - Song Tien	Trading wine, beer, soft drink; trading restaurant, hotel services; warehouse rental; road transportation.	No. 54.0.3.000030 issued by the Planning and Investment Department of Vinh Long Province on 17 March 2006 and last amended on 19 August 2008	90%
SABECO Trading Joint Stock Company - Song Hau	Trading wine, beer, soft drink (for wine more than 30 degree, it must have the certificate approved by Industry and Commercial Office); trading restaurant, hotel; road and water-way transportation.	No. 5703000187 issued by the Planning and Investment Department of Can Tho City on 18 March 2006 and last amended on 12 August 2008	90%

**Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for period from 1 May to 31 December 2008**  
**(continued)**

<b>Name</b>	<b>Principal activity</b>	<b>Investment licence</b>	<b>% of ownership</b>
SABECO Trading Joint Stock Company - Trung Tam	Trading alcoholic and non-alcoholic drink (except providing food service); trading other chemical: alcohol; trading packing; trade automobile transportation; trading restaurant, hotel (hotel has to meet the star standard and not providing restaurant and hotel services at head office); holding and promoting trade.	No. 4103010567 issued by the Planning and Investment Department of Ho Chi Minh City on 10 June 2008.	90%

**Transactions with key management personnel**

Total remuneration and business allowances to key management personnel were as follows:

	<b>2008 VND</b>
Board of Management	2,800,830,000
Supervisory Board	704,935,307
Board of Directors	1,829,450,000
	5,335,215,307

**Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for period from 1 May to 31 December 2008**  
**(continued)**

**36. Commitments**

**(a) Capital commitment**

As at 31 December 2008 the Group had VND705,829,291,390 outstanding capital commitments approved and contracted but not provided for in the balance sheet.

**(b) Lease commitment**

The future minimum lease payments under non-cancellable operating leases were:

	<b>2008 VND</b>
Within one year	1,180,191,179
Within two to five years	6,743,949,592
More than five years	60,695,546,325
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	68,619,687,096
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**37. Corresponding figures**

There are no corresponding figures as this is the first set of consolidated financial statements prepared by the Company since the Company's incorporation as a joint stock company.

Prepared by:

Approved by:

Nguyen Tien Dung  
*Chief accountant*

Nguyen Ba Thi  
*Chairman*

26 June 2009