



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

**Consolidated Interim Financial Statements for
the six-month period ended 30 June 2018**



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

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

Board of Management	Mr Neo Gim Siong Bennett	General Director (from 1 August 2018)
	Mr Nguyen Thanh Nam	General Director (until 30 July 2018)
	Mr Lam Du An	Deputy General Director Sai Gon – Nguyen Chi Thanh Factory's Director
	Mr Nguyen Huu Loc	Sai Gon – Cu Chi Factory's Director
	Mr Neo Gim Siong Bennett	Deputy General Director (from 9 May 2018 until 31 July 2018)
	Mr Melvyn Ng Kuan Ngee	Deputy General Director (from 9 May 2018)
	Mr Nguyen Minh An	Deputy General Director (until 20 June 2018)
Board of Supervisors	Mr Nguyen Van Minh	Head of the Board (until 20 July 2018)
	Mr Ly Minh Hoang	Member (until 20 July 2018)

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

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

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

Auditor
 KPMG Limited
 Vietnam

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

The Board of Management of Saigon Beer – Alcohol – Beverage Corporation (“the Company”) presents this statement and the accompanying consolidated interim financial statements of the Company and its subsidiaries (collectively “the Group”) for the six-month period ended 30 June 2018.

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

- (a) the consolidated interim financial statements set out on pages 6 to 66 give a true and fair view of the consolidated financial position of the Group as at 30 June 2018, and of the consolidated results of operations and the consolidated cash flows of the Group for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Group will not be able to pay its debts as and when they fall due.

The Board of Management has, on the date of this statement, authorised the accompanying consolidated interim financial statements for issue.

On behalf of the Board of Management



Teo Hong Keng
On behalf of General Director
Deputy General Director

Ho Chi Minh City, 10 August 2018



KPMG Limited Branch
10th Floor, Sun Wah Tower
115 Nguyen Hue Street, Ben Nghe Ward
District 1, Ho Chi Minh City, Vietnam
+84 (28) 3821 9266 | kpmg.com.vn

INTERIM FINANCIAL STATEMENTS REVIEW REPORT

To the Shareholders Saigon Beer – Alcohol – Beverage Corporation

We have reviewed the accompanying consolidated interim financial statements of Saigon Beer – Alcohol – Beverage Corporation (“the Company”) and its subsidiaries (collectively “the Group”), which comprise the consolidated balance sheet as at 30 June 2018, the consolidated statements of income and cash flows for the six-month period then ended and the explanatory notes thereto which were authorised for issue by the Company’s Board of Management 10 August 2018, as set out on pages 6 to 66.

Management’s Responsibility

The Company’s Board of Management is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting, and for such internal control as the Board of Management determines is necessary to enable the preparation of consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express a conclusion on these consolidated interim financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review engagements 2410 – *Review of interim financial information performed by the independent auditor of the entity*.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Auditor's Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not give a true and fair view, in all material respects, of the consolidated financial position of Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries as at 30 June 2018 and of its consolidated results of operations and its consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting.

Other Matter

The consolidated financial statements of the Group for the year and six-month period ended 31 December 2017 and 30 June 2017, respectively, were audited and reviewed by another firm of auditors whose reports dated 2 April 2018 and 30 August 2017 expressed an unqualified opinion and an unqualified conclusion on those financial statements.

KPMG Limited's Branch in Ho Chi Minh City

Vietnam
Review Report No.: 18-01-346-HY-2



Hà Vu Đình
Practicing Auditor Registration
Certificate No. 0414-2018-007-1
Deputy General Director

Nguyễn Thanh Nghi
Practicing Auditor Registration
Certificate No. 0304-2018-007-1

Ho Chi Minh City, 10 August 2018

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Consolidated balance sheet as at 30 June 2018

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

	Code	Note	30/6/2018 VND	1/1/2018 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		14,135,939,540,131	13,686,327,476,651
Cash and cash equivalents	110	7	4,184,307,406,199	4,268,598,818,042
Cash	111		963,397,435,900	1,631,824,576,797
Cash equivalents	112		3,220,909,970,299	2,636,774,241,245
Short-term financial investments	120		6,955,374,974,564	6,558,801,231,269
Held-to-maturity investments	123	8(a)	6,955,374,974,564	6,558,801,231,269
Accounts receivable – short-term	130		715,878,089,164	715,326,353,415
Accounts receivable from customers	131	9	84,715,772,895	171,320,969,298
Prepayments to suppliers	132		72,402,751,825	108,549,780,497
Other short-term receivables	136	10(a)	583,218,616,783	468,739,410,975
Allowance for doubtful short-term debts	137	11(a)	(53,222,422,369)	(53,455,692,637)
Shortage of assets awaiting resolution	139	12	28,763,370,030	20,171,885,282
Inventories	140	13(a)	2,145,516,287,784	2,003,535,067,335
Inventories	141		2,262,382,715,579	2,116,546,352,025
Allowance for inventories	149		(116,866,427,795)	(113,011,284,690)
Other current assets	150		134,862,782,420	140,066,006,590
Short-term prepaid expenses	151	14(a)	74,242,818,622	24,912,851,252
Deductible value added tax	152		57,084,891,277	112,192,286,560
Taxes receivable from State Treasury	153		3,535,072,521	2,960,868,778

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

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Consolidated balance sheet as at 30 June 2018 (continued)

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

	Code	Note	30/6/2018 VND	1/1/2018 VND
Long-term assets				
(200 = 210 + 220 + 230 + 240 + 250 + 260)	200		7,890,438,722,147	8,327,361,633,259
Accounts receivable – long-term	210		18,612,165,484	20,093,775,062
Accounts receivable from customers				
– long-term	211		4,761,134,371	4,761,134,371
Loans receivable – long-term	215		4,000,000,000	4,000,000,000
Other long-term receivables	216	10(b)	47,636,960,833	49,118,570,411
Allowance for doubtful long-term debts	219	11(b)	(37,785,929,720)	(37,785,929,720)
Fixed assets	220		4,747,557,499,069	5,008,100,480,672
Tangible fixed assets	221	15	3,788,199,136,267	4,044,747,362,200
Cost	222		9,389,790,995,223	9,343,836,360,323
Accumulated depreciation	223		(5,601,591,858,956)	(5,299,088,998,123)
Intangible fixed assets	227	16	959,358,362,802	963,353,118,472
Cost	228		1,091,350,605,211	1,088,315,805,211
Accumulated amortisation	229		(131,992,242,409)	(124,962,686,739)
Investment properties	230	17	55,151,194,692	67,657,774,573
Cost	231		71,444,026,942	83,725,457,765
Accumulated depreciation	232		(16,292,832,250)	(16,067,683,192)
Long-term work in progress	240		176,608,264,497	111,505,655,106
Construction in progress	242	18	176,608,264,497	111,505,655,106
Long-term financial investments	250		2,084,467,734,679	2,152,327,824,131
Investments in associates, joint ventures	252	8(c)	1,640,724,031,981	1,747,121,088,747
Equity investments in other entities	253	8(c)	736,652,914,597	736,652,914,597
Allowance for diminution in the value of long-term financial investments	254	8(c)	(313,778,091,804)	(352,315,059,118)
Held-to-maturity investments	255	8(b)	20,868,879,905	20,868,879,905
Other long-term assets	260		808,041,863,726	967,676,123,715
Long-term prepaid expenses	261	14(b)	688,324,207,539	816,991,436,755
Deferred tax assets	262	19	102,685,115,242	136,822,415,511
Long-term tools, supplies and spare parts	263	13(b)	17,032,540,945	13,862,271,449
TOTAL ASSETS (270 = 100 + 200)	270		22,026,378,262,278	22,013,689,109,910

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

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Consolidated balance sheet as at 30 June 2018 (continued)

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

	Code	Note	30/6/2018 VND	1/1/2018 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		5,232,425,738,270	7,593,162,674,962
Current liabilities	310		5,015,641,790,233	7,401,584,603,555
Accounts payable to suppliers	311	20	1,757,935,116,177	2,020,399,662,484
Advances from customers	312		90,536,530,685	89,250,848,970
Taxes payable to State Treasury	313	21	1,038,276,722,338	1,209,757,064,447
Payables to employees	314		220,941,549,222	222,226,205,331
Accrued expenses	315	22	284,940,675,983	196,525,953,248
Unearned revenue – short-term	318		257,515,149	606,060,605
Other payables – short-term	319	23(a)	1,026,838,988,157	2,630,180,684,051
Short-term borrowings	320	24(a)	547,419,329,275	722,903,981,780
Provisions – short-term	321	25(a)	13,422,178,360	12,991,411,679
Bonus and welfare fund	322	26	35,073,184,887	296,742,730,960
Long-term liabilities	330		216,783,948,037	191,578,071,407
Long-term advances from customers	332		22,183,449	22,183,449
Other payables – long-term	337	23(b)	54,241,016,000	53,632,516,000
Long-term borrowings	338	24(b)	11,644,361,692	1,941,629,834
Deferred tax liabilities	341	19	34,030,939,132	17,217,198,238
Provisions – long-term	342	25(b)	62,585,294,341	64,493,890,463
Science and technology development fund	343		54,260,153,423	54,270,653,423

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

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Consolidated balance sheet as at 30 June 2018 (continued)

Form B 01a – DN/HN

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

	Code	Note	30/6/2018 VND	1/1/2018 VND
EQUITY (400 = 410 + 430)	400		16,793,952,524,008	14,420,526,434,948
Owners' equity	410	27	16,793,915,124,008	14,420,489,034,948
Share capital	411	28	6,412,811,860,000	6,412,811,860,000
- Ordinary shares with voting rights	411a		6,412,811,860,000	6,412,811,860,000
Other capital	414		3,208,666,226	3,208,666,226
Foreign exchange differences	417		18,867,800,611	19,113,771,975
Investment and development fund	418	29	1,127,748,197,086	1,118,963,482,640
Other equity funds	420		5,327,112,664	5,327,112,664
Retained profits	421		8,140,891,583,470	5,823,903,898,574
- Retained profits brought forward	421a		5,803,889,238,647	2,946,086,838,409
- Retained profit for the current period	421b		2,337,002,344,823	2,877,817,060,165
Non-controlling interest	429		1,085,059,903,951	1,037,160,242,869
Non-business expenditure fund and other funds	430		37,400,000	37,400,000
Non-business expenditure fund	431		37,400,000	37,400,000
TOTAL RESOURCES (440 = 300 + 400)	440		22,026,378,262,278	22,013,689,109,910

10 August 2018

Prepared by:



Hoang Thanh Van
Accountant

Approved by:



Nguyen Tien Dung
Chief Accountant



Leo Hong Keng
On behalf of General Director
Deputy General Director

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

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Consolidated statement of income the six-month period ended 30 June 2018

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

	Code	Note	Six-month period ended 30/6/2018 VND	30/6/2017 VND
Revenue from sales of goods and provision of services	01	32	17,065,832,862,337	15,751,202,808,299
Revenue deductions	02	32	86,023,631,922	108,721,327,849
Net revenue (10 = 01 - 02)	10	32	16,979,809,230,415	15,642,481,480,450
Cost of sales	11	33	12,939,354,684,836	11,358,593,019,671
Gross profit (20 = 10 - 11)	20		4,040,454,545,579	4,283,888,460,779
Financial income	21	34	282,542,555,342	217,605,752,259
Financial expenses	22	35	(19,937,215,066)	1,108,198,585
<i>In which: Interest expense</i>	23		18,335,214,856	23,752,654,459
Share of profits in associates, joint-ventures	24	8(c)	160,403,688,833	191,151,638,737
Selling expenses	25	36	1,170,382,447,263	1,229,842,528,366
General and administration expenses	26	37	380,807,471,222	351,725,939,828
Net operating profit {30 = 20 + (21 - 22) + 24 - (25 + 26)}	30		2,952,148,086,335	3,109,969,184,996
Other income	31		39,921,324,486	43,401,282,872
Other expenses	32		13,391,367,266	40,139,478,872
Results of other activities (40 = 31 - 32)	40		26,529,957,220	3,261,804,000
Accounting profit before tax (50 = 30 + 40)	50		2,978,678,043,555	3,113,230,988,996
Income tax expense – current	51	39	480,956,783,722	517,227,505,482
Income tax expense – deferred	52	39	50,951,041,163	29,242,428,104
Net profit after tax (60 = 50 - 51 - 52) (carried forward)	60		2,446,770,218,670	2,566,761,055,410

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

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Consolidated statement of income the six-month period ended 30 June 2018
(continued)

Form B 02a – DN/HN

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

	Code	Note	Six-month period ended 30/6/2018 VND	30/6/2017 VND
Net profit after tax (60 = 50 - 51 - 52) (brought forward)	60		2,446,770,218,670	2,566,761,055,410
Attributable to:				
Equity holders of the Company	61		2,337,002,344,823	2,441,889,936,080
Non-controlling interest	62		109,767,873,847	124,871,119,330
Earnings per share				
Basic earnings per share	70	40	3,468	3,548

10 August 2018

Prepared by:



Hoang Thanh Van
Accountant

Approved by:




Nguyen Tien Dung
Chief Accountant

Teo Hong Keng
On behalf of General Director
Deputy General Director

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

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Consolidated statement of cash flows for the six-month period ended 30 June 2018
(Indirect method)

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

	Code	Note	Six-month period ended 30/6/2018 VND	30/6/2017 VND
CASH FLOWS FROM OPERATING ACTIVITIES				
Accounting profit before tax	01		2,978,678,043,555	3,113,230,988,996
Adjustments for				
Depreciation and amortisation	02		314,543,387,945	314,057,635,855
Allowances and provisions	03		(37,121,739,896)	(22,588,283,703)
Exchange losses arising from revaluation of monetary items denominated in foreign currencies	04		56,854,132	401,120,990
Profits from investing activities	05		(282,172,218,959)	(160,891,894,364)
Shared profits in associates, joint-ventures	05		(160,403,688,833)	(191,151,638,737)
Interest expense	06		18,335,214,856	23,752,654,459
Operating profit before changes in working capital	08		2,831,915,852,800	3,076,810,583,496
Change in receivables	09		165,680,632,184	(386,657,289,821)
Change in inventories	10		(146,452,607,072)	76,846,624,026
Change in payables and other liabilities	11		(326,530,719,833)	(611,766,953,113)
Change in prepaid expenses	12		79,337,261,846	28,548,863,641
			2,603,950,419,925	2,183,781,828,229
Interest paid	14		(18,772,742,124)	(7,231,758,052)
Corporate income tax paid	15		(617,615,723,032)	(130,948,097,978)
Other payments for operating activities	17		(278,915,905,622)	(251,713,027,267)
Net cash flows from operating activities	20		1,688,646,049,147	1,793,888,944,932

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

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Consolidated statement of cash flows for the six-month period ended 30 June 2018
(Indirect method – continued)

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

		Six-month period ended	
		30/6/2018	30/6/2017
	Code Note	VND	VND
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets	21	(133,033,758,859)	(76,298,870,315)
Proceeds from disposals of fixed assets	22	1,012,738,181	14,281,920,000
Placement of term deposits at banks	23	(4,712,000,000,000)	(1,779,766,940,162)
Collection of term deposits at banks	24	4,317,200,000,000	1,676,566,940,162
Payments for investments in other entities	25	-	(23,880,715,400)
Collections on disposal of investments in other entities	26	-	36,603,803,243
Receipts of interests and dividends	27	436,411,507,984	357,325,967,437
Net cash flows from investing activities	30	(90,409,512,694)	204,832,104,965
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from equity issued or capital contributed by owners	31	-	61,727,955,481
Proceeds from borrowings	33	1,685,867,326,984	1,787,763,974,644
Payments to settle loan principals	34	(1,851,649,247,631)	(2,030,381,335,127)
Payments of dividends	36	(1,516,745,232,082)	(202,177,500,050)
Net cash flows from financing activities	40	(1,682,527,152,729)	(383,066,905,052)
Net cash flows during the period (50 = 20 + 30 + 40)	50	(84,290,616,276)	1,615,654,144,845
Cash and cash equivalents at the beginning of the period	60	4,268,598,818,042	3,444,825,444,503
Effect of exchange rate fluctuations on cash and cash equivalents	61	(795,567)	-
Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61)	70	4,184,307,406,199	5,060,479,589,348

10 August 2018

Prepared by:



Hoang Thanh Van
Accountant

Approved by:


Nguyen Tien Dung
Chief Accountant




Teo Hong Keng
On behalf of General Director
Deputy General Director

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

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period
ended 30 June 2018

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

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

1. Reporting entity

(a) Ownership structure

Saigon Beer - Alcohol - Beverage Corporation (“the Company”) was established as a State-Owned General Corporation under Decision No. 74/2003/QD-BCN dated 6 May 2003 of the Ministry of Industry (now the Ministry of Industry and Trade) by restructuring Saigon Beer Company and merging it with Binh Tay Liquor Company, Chuong Duong Beverages Company and Phu Tho Glass Company into the Company. On 11 May 2004, the Ministry of Industry issued Decision No. 37/2004/QD-BCN to restructure the Company into a parent - subsidiary structure. The Company’s operation was licenced in accordance with Business Registration Certificate No. 4106000286 issued by the Department of Planning and Investment of Ho Chi Minh City on 1 September 2006.

The Company was equitised as per Decision No. 1862/QD-TTg dated 28 December 2007 of the Prime Minister and was approved under Joint Stock Business Registration Certificate No. 4103010027 dated 17 April 2008 by the Department of Planning and Investment of Ho Chi Minh City. As at that date, the newly established joint stock company assumed control over all assets and liabilities from the former State-Owned General Corporation.

The Company’s shares were listed on the Ho Chi Minh City Stock Exchange with trading code SAB in accordance with Decision No. 470/QO-SGDHCM dated 25 November 2016 issued by the Ho Chi Minh City Stock Exchange.

The consolidated interim financial statements of the Company for the six-month period ended 30 June 2018 comprise the Company and its subsidiaries (together referred to as (“the Group”) and the Group’s interest in associates and jointly controlled entities.

(b) Principal activities

The principal activities of the Group are to produce and sell beer, alcohol, beverages and related products including material and packaging materials; to provide warehousing, logistics and transportation services; to manufacture mechanical equipment, structural steel construction, and mechanical equipment installation services; and to construct and provide real estates services.

(c) Normal operating cycle

The normal operating cycle of the Group is generally within 12 months.

(d) Group structure

As at 30 June 2018, the Group had 23 subsidiaries and 20 joint-ventures, associates as follows:

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended 30 June 2018 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

No	Company name	Principal activities	30/6/2018		1/1/2018	
			% of equity interest	% of voting rights	% of equity interest	% of voting rights
I	Subsidiaries					
1	Saigon Beer Western Joint Stock Company	Producing and trading beer			51%	51%
2	Chuong Duong Beverages Joint Stock Company	Producing and trading beverage, canned food and accessories	62.06%	62.06%	62.06%	62.06%
3	Sai Gon - Quang Ngai Beer Joint Stock Company	Producing and trading beer	66.56%	66.56%	66.56%	66.56%
4	Binh Tay Liquor Joint Stock Company	Producing and trading alcohol	93.32%	93.46%	93.32%	93.46%
5	Sai Gon - Dong Xuan Beer Alcohol Joint Stock Company	Producing and trading beer and soft drinks	55.91%	56.24%	55.91%	56.24%
6	Saigon - Nghetinh Beer Joint Stock Company	Producing and trading beer, alcohol and beverage	54.73%	54.73%	54.73%	54.73%
7	Saigon - Songlam Beer Joint Stock Company	Producing and trading beer and beverage; import and export related materials	68.78%	68.78%	68.78%	68.78%
8	Sai Gon - Ha Noi Beer Corporation	Producing and trading beer and beverage; import and export related materials	52.11%	52.11%	52.11%	52.11%
9	Sai Gon Beer Trading Company Limited	Trading beer, alcohol and beverage	100%	100%	100%	100%
10	Northern Sai Gon Beer Trading Joint Stock Company	Trading beer, alcohol and beverage; transportation and warehousing services	94.72%	94.72%	94.72%	94.72%
11	Sai Gon Beer Bac Trung Bo Trading Joint Stock Company	Trading beer, alcohol and beverage; transportation and warehousing services	94.92%	94.92%	94.92%	94.92%
12	Saigon Beer Center Trading Joint Stock Company	Wholesale of beer, alcohol drinks; wholesale of non-alcohol drinks, wholesale of other chemicals, alcohol; trading packaging; providing cargo transportation by car	94.41%	94.41%	94.21%	94.21%

30/6/2018

1/1/2018

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2018 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

No	Company name	Principal activities	% of equity interest	% of voting rights	% of equity interest	% of voting rights
13	Bia Saigon Mien Trung Trading Joint Stock Company	Trading beer, alcohol and beverage; provision warehousing and cargo transportation by car services	91.24%	91.24%	91.24%	91.24%
14	Sai Gon Beer Tay Nguyen Trading Joint Stock Company	Trading beer, alcohol and beverage; provision warehousing and transportation services	90%	90%	90%	90%
15	Saigon Beer Nam Trung Bo Trading Joint Stock Company	Trading beer, alcohol and beverage; provision warehousing and cargo transportation services	90.14%	90.14%	90.14%	90.14%
16	Sai Gon Beer Eastern Trading Joint Stock Company	Trading beer, alcohol and beverage; provision cargo transportation by road and waterway services	90.68%	90.68%	90.68%	90.68%
17	Saigon Song Tien Beer Trading Joint Stock Company	Trading beer, alcohol and beverage; provision warehousing cargo transportation by road services	90%	90%	90%	90%
18	Saigon Song Hau Beer Trading Joint Stock Company	Trading beer, alcohol and beverage; provision cargo transportation by road and waterway services	90%	90%	90%	90%
19	Sa Be Co Mechanical Co.,Ltd	Manufacturing equipment used in food manufacturing, install and maintain machinery system and equipment	100%	100%	100%	100%
20	Saigon - Soc Trang Beer One Member Limited Company	Producing and trading beer, yeasty malt, mineral water, bottled purified water	51%	100%	51%	100%
21	Sai Gon Beer Northeast Trading Joint Stock Company	Trading beer, alcohol and beverage; provision warehousing and cargo transportation services	90.45%	90.45%	90.45%	90.45%
22	Sai Gon - Ha Tinh Beer One Member Company Limited	Producing and trading beer, yeasty malt, mineral water, bottled purified water	100%	100%	100%	100%
23	Sai Gon Beer Packaging Joint Stock Company	Producing and trading tin lid rings and metal packaging, packaging for food and beverage industry	76.81%	76.81%	76.81%	76.81%

30/6/2018 **1/1/2018**

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2018 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

No	Company name	Principal activities	% of equity interest	% of voting rights	% of equity interest	% of voting rights
II Joint ventures						
1	Me Linh Point Limited (*)	Provision office building leasing and management services	35%	25%	35%	25%
2	Crown Beverage Cans Saigon Limited Company	Manufacturing aluminium cans	30.04%	30.04%	30.04%	30.04%
3	Malaya - Vietnam Glass Limited	Manufacturing glass products	30%	30%	30%	30%
4	San Miguel Phutho Packaging Company Limited	Manufacturing and trading metal packaging	35%	35%	35%	35%
5	Vietnam Spirits And Wine Ltd	Producing and trading alcohol and alcohol-related products	45%	45%	45%	45%
III Associates						
6	Thanh Nam Consultant Investment - Engineering and Technology Transfer Joint Stock Company	Providing consulting construction and designing services	28.57%	28.57%	28.57%	28.57%
7	Truong Sa Food - Food Business Joint Stock Company	Producing agricultural products and foods	38.53%	38.98%	38.53%	38.98%
8	Saigon - Phutho Beer Joint Stock Company	Producing beer, alcohol and beverage	30.52%	33.85%	30.52%	33.85%
9	Sai Gon - Phu Ly Beer Joint Stock Company (**)	Producing beer, mineral water, provision hotel and transportation services	29.76%	29.76%	29.76%	29.76%
10	Sai Gon - Mien Trung Beer Joint Stock Company	Producing and trading beer, alcohol, beverage and spare parts	32.39%	32.41%	32.39%	32.41%
11	Tan Thanh Investment Trading Company Limited	Construction and real estates	29%	29%	29%	29%
12	Mechanical And Industrial Construction Joint Stock Company	Manufacturing, installing machinery, bridges and roads and industrial construction products	26%	26%	26%	26%
13	Sai Gon - Vinh Long Beer Joint Stock Company	Producing beer, alcohol and beverage	20%	20%	20%	20%

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2018 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

No	Company name	Principal activities	30/6/2018		1/1/2018	
			% of equity interest	% of voting rights	% of equity interest	% of voting rights
14	Sai Gon - Kien Giang Beer Joint Stock Company	Producing and trading beer, alcohol, beverage and spare parts	20%	20%	20%	20%
15	Sai Gon - Khanh Hoa Beer Joint Stock Company	Producing and trading beer, alcohol, beverage and spare parts	26%	26%	26%	26%
16	Saigon - Ben Tre Beer Joint Stock Company	Producing beer, alcohol and beverage	20%	20%	20%	20%
17	Sai Gon Binh Tay Beer Joint Stock Company (**)	Producing, processing and trading food, beverage, beer and alcohol drinks	21.43%	22.17%	21.43%	22.17%
18	Saigon - Tay Do Beer & Beverage Joint Stock Company	Producing and trading beer, alcohol, beverage, soya milk and fruit juice	27.62%	34.92%	27.62%	34.92%
19	Saigon - Baclieu Beer Joint Stock Company	Producing beer, alcohol and beverage	10.2%	20%	10.2%	20%
20	Saigon - Lam Dong Beer Joint Stock Company	Producing beer, alcohol and beverage	20%	20%	20%	20%

(*) The ownership of the Group in the joint venture with Me Linh Point Limited was stated in the joint venture agreement dated 24 November 1994 between Chuong Duong Beverages Joint Stock Company (“Chuong Duong”), a subsidiary of the Company, and the counter party Centrepoint Properties Ltd., a company established in Singapore. At the equitisation of Chuong Duong in 2014, the ownership of this joint venture agreement was transferred from Chuong Duong to the Company following the approval of the Ministry of Industry (now is the Ministry of Industry and Trade). According to the joint venture agreement, profit is allocated to each party in the joint venture follows a schedule stated in this agreement. In the six-month period ended 2018, the ratio are 35% and 65% (six-month period ended 30 June 2017: 35% and 65%) for the Group and the counter party, respectively.

(**) According to Resolution of Annual General Meeting of Sai Gon Binh Tay Beer Joint Stock Company (“Sai Gon Binh Tay”) on 15 April 2017, the plan to issue shares into the public to swap and merge Sai Gon - Ninh Thuan Beer Joint Stock Company and Sai Gon - Phu Ly Beer Joint Stock Company into Sai Gon Binh Tay was approved. The swap and merge was completed successfully on 9 July 2018. As a result, The Group has no longer investment to Sai Gon - Ninh Thuan Beer Joint Stock Company and Sai Gon - Phu Ly Beer Joint Stock Company since 9 July 2018 and the percentage of voting right and equity interest of the Group in Sai Gon Binh Tay changed from 22.17% to 22.18% and from 21.43% to 21.79%, respectively.

As at 30 June 2018, the Group had 7,899 employees (1/1/2018: 8,395 employees).

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period
ended 30 June 2018 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

2. Basis of preparation

(a) Statement of compliance

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

(b) Basis of measurement

The consolidated interim 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. The consolidated interim financial statements are prepared for the six-month period ended 30 June 2018.

(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.

3. Summary of significant accounting policies

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

The accounting policies that have been adopted by the Group in the preparation of these consolidated interim financial statements are consistent with those adopted in the preparation of the latest consolidated annual 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 interim financial statements from the date that control commences until the date that control ceases.

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period
ended 30 June 2018 (continued)

Form B 09a – DN/HN

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

(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 interim 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 period have been translated into VND at rates approximating 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 buying and selling exchange rates, respectively at the end of the 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.

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period
ended 30 June 2018 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(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.

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period
ended 30 June 2018 (continued)

Form B 09a – DN/HN

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

(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.

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period
ended 30 June 2018 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(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 interim 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.

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period
ended 30 June 2018 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(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.

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period
ended 30 June 2018 (continued)

Form B 09a – DN/HN

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

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.

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period
ended 30 June 2018 (continued)

Form B 09a – DN/HN

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

(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.

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period
ended 30 June 2018 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(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. Seasonality of operations

The Group's principal business activities are to produce and trade beer products, liquor and beverages products and trading products related to beer production; Management is of the opinion that these segments are not subjected to significant seasonal fluctuation.

5. Changes in accounting estimates

In preparing these consolidated interim financial statements, the Board of Management has made several accounting estimates. Actual results may differ from these estimates.

There is no significant changes in accounting estimates compared to those made in the most recent consolidated annual financial statements or those made in the same interim period of the prior year.

6. Segment reporting

(a) Business segments

The Group's business segments are distinguished based on the principal activities as follows:

- Sales of beer products
- Sales of raw materials; and
- Other activities includes sales of alcohol, beverages and other products.

During the period, other business activities accounted for a small proportion of total revenue and operating results of the Group and the Group's assets and liabilities as at reporting dates mainly supported to beer manufacturing activities. Accordingly, the financial information presented in the balance sheet as at 30 June 2018 and 1 January 2018 are mainly related to the Group's sales of beer products activities. Note 32 and Note 33 disclosed breakdown of revenue and cost of sales per each category of products, which provided sufficient information as to performance of each segment as identified above.

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2018 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(b) Geographical segments

The Group's geographical segments are distinguished based on the locations of customers as follows:

	Geographical segments		
	Local VND	Export VND	Total VND
Six-month period ended 30 June 2018			
Revenue	16,754,648,980,647	225,160,249,768	16,979,809,230,415
Cost of sales	(12,754,426,478,942)	(184,928,205,894)	(12,939,354,684,836)
	4,000,222,501,705	40,232,043,874	4,040,454,545,579
Six-month period ended 30 June 2017			
Revenue	15,508,909,955,458	133,571,524,992	15,642,481,480,450
Cost of sales	(11,248,936,489,524)	(109,656,530,147)	(11,358,593,019,671)
	4,259,973,465,934	23,914,994,845	4,283,888,460,779

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period
ended 30 June 2018 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

7. Cash and cash equivalents

	30/6/2018	1/1/2018
	VND	VND
Cash on hand	10,423,995,573	5,390,868,148
Cash in banks	952,973,440,327	1,626,433,708,649
Cash equivalents (*)	3,220,909,970,299	2,636,774,241,245
	<hr/>	<hr/>
	4,184,307,406,199	4,268,598,818,042
	<hr/>	<hr/>

- (*) Cash equivalents represented term deposits at banks with original terms to maturity of three months or less from their transactions dates and earned interest at rate from 5.1% to 5.5% per annum (1/1/2018: 5.5% per annum).

8. Investments

(a) Held-to-maturity investments – short-term

Held-to-maturity investments – short-term represented term deposits at banks with original terms to maturity of more than 3 months but less than 12 months from their transaction dates and earned interest at rate from 5.8% to 7.2% per annum (1/1/2018: from 5.1% to 7.2% per annum).

(b) Held-to-maturity investments – long-term

Held-to-maturity investments – long-term represented the Group's investments into bonds of Shipbuilding Industry Corporation. The allowance was fully made for this investment.

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2018 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(c) Equity investments in other entities

	30/6/2018			1/1/2018		
	Cost VND	Allowance VND	Carrying amount VND	Cost VND	Allowance VND	Carrying amount VND
Investments in associates, joint-ventures (i)	1,640,724,031,981	(19,402,247,299)	1,621,321,784,682	1,747,121,088,747	(19,988,792,554)	1,727,132,296,193
Equity investments in other entities (ii)	736,652,914,597	(294,375,844,505)	442,277,070,092	736,652,914,597	(332,326,266,564)	404,326,648,033
	2,377,376,946,578	(313,778,091,804)	2,063,598,854,774	2,483,774,003,344	(352,315,059,118)	2,131,458,944,226

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2018 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(i) Investments in associates, joint-ventures

Company name	30/6/2018			1/1/2018		
	Cost VND	Fair value VND	Allowance VND	Cost VND	Fair value VND	Allowance VND
Truong Sa Food - Food Business Joint Stock Company	5,872,986,160	(*)	-	4,597,654,606	(*)	-
Sai Gon - Phu Ly Beer Joint Stock Company	138,018,117,144	(*)	-	134,708,832,052	(*)	-
Thanh Nam Consultant Investment - Engineering and Technology Transfer Joint Stock Company	329,653,546	(*)	-	329,653,546	(*)	-
Saigon - Phutho Beer Joint Stock Company	74,175,426,774	(*)	-	81,363,598,253	(*)	-
Mechanical And Industrial Construction Joint Stock Company	12,638,690,031	(*)	-	12,641,612,636	(*)	-
Saigon - Tay Do Beer & Beverage Joint Stock Company	103,111,645,870	(*)	-	111,504,428,891	(*)	-
Me Linh Point Limited	107,023,687,316	(*)	-	119,215,074,210	(*)	-
Crown Beverage Cans Saigon Limited	225,984,575,648	(*)	-	302,127,077,404	(*)	-
Malaya - Vietnam Glass Limited	187,528,381,963	(*)	-	169,368,729,376	(*)	-
San Miguel Phutho Packaging Company Limited	59,085,102,507	(*)	-	55,532,678,119	(*)	-
Vietnam Spirits And Wine Ltd	19,402,247,299	(*)	(19,402,247,299)	19,988,792,554	(*)	(19,988,792,554)
Sai Gon Binh Tay Beer Joint Stock Company	324,755,763,351	(*)	-	326,779,406,443	(*)	-
Sai Gon - Mien Trung Beer Joint Stock Company	119,616,169,762	(*)	-	150,263,429,620	(*)	-
Tan Thanh Investment Trading Company Limited	69,888,052,736	(*)	-	69,681,606,168	(*)	-
Saigon - Baclieu Beer Joint Stock Company	41,210,661,620	(*)	-	39,376,471,352	(*)	-
Sai Gon - Vinh Long Beer Joint Stock Company	47,171,391,013	(*)	-	45,712,379,489	(*)	-
Sai Gon - Kien Giang Beer Joint Stock Company	26,607,491,212	(*)	-	27,867,627,428	(*)	-
Sai Gon - Khanh Hoa Beer Joint Stock Company	38,303,988,029	(*)	-	36,062,036,600	(*)	-
Saigon - Ben Tre Beer Joint Stock Company	20,000,000,000	(*)	-	20,000,000,000	(*)	-
Saigon - Lam Dong Beer Joint Stock Company	20,000,000,000	(*)	-	20,000,000,000	(*)	-
	1,640,724,031,981		(19,402,247,299)	1,747,121,088,747		(19,988,792,554)

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period
ended 30 June 2018 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

Movements of investment in joint-ventures, associates during the period were as follows:

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Opening balance	1,747,121,088,747	1,602,030,153,562
Share of profits during the period	160,403,688,833	191,151,638,737
Dividends received during the period	(266,731,076,738)	(242,087,035,105)
Foreign exchange differences	(245,971,364)	1,739,058,100
Other adjustments	176,302,503	-
	<hr/>	
Closing balance	1,640,724,031,981	1,552,833,815,294
	<hr/>	

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended 30 June 2018 (continued)

Form B 09a – DN/HN
*(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

(ii) Equity investments in other entities

Company name	30/6/2018			1/1/2018		
	Cost VND	Fair value VND	Allowance VND	Cost VND	Fair value VND	Allowance VND
Orient Commercial Joint Stock Bank	216,579,320,000	231,382,360,000	-	216,579,320,000	172,985,865,600	(34,944,167,400)
Dong A Commercial Joint Stock Bank	136,265,460,000	18,934,184,000	(136,265,460,000)	136,265,460,000	(*)	(136,265,460,000)
Sabeco - Song Lam Packaging Joint Stock Company	50,000,000,000	(*)	-	50,000,000,000	(*)	-
PVI Holdings	51,475,140,000	14,079,906,000	(37,395,234,000)	51,475,140,000	15,584,999,400	(35,890,140,600)
Underground Space Investment Development Corporation	23,085,000,000	(*)	(23,085,000,000)	23,085,000,000	(*)	(23,085,000,000)
Phuong Dong Petroleum Tourism Joint Stock Company	30,700,950,000	11,025,000,000	(19,675,950,000)	30,700,950,000	5,880,000,000	(24,820,950,000)
Saigon Securities Investment Fund A2	51,107,720,722	(*)	(35,757,720,722)	51,107,720,722	(*)	(35,757,720,722)
Saigon Beer Transportation Joint Stock Company	26,588,267,394	(*)	-	26,588,267,394	(*)	-
Vietnam - Binh Tay Alcohol Joint Stock Company	300,000,000	(*)	(300,000,000)	300,000,000	(*)	-
Nha Trang Trading and Tourism Joint Stock Company	1,161,147,000	(*)	-	1,161,147,000	(*)	-
Vietnam Investment Fund	35,617,214,481	(*)	-	35,617,214,481	(*)	-
Dai Viet Securities Incorporation	45,000,000,000	(*)	(11,088,141,218)	45,000,000,000	(*)	(11,407,259,277)
Sabeco HP Investment Company Limited	24,426,586,800	(*)	(24,426,586,800)	24,426,586,800	(*)	(24,426,586,800)
Sai Gon - Ninh Thuan Beer Joint Stock Company	19,800,000,000	(*)	-	19,800,000,000	(*)	-
Sai Gon - Dong Nai Beer Joint Stock Company	3,954,000,000	(*)	(3,872,396,382)	3,954,000,000	(*)	(3,872,396,382)
Dong Ha Tourism Joint Stock Company	5,600,000,000	(*)	(1,514,648,583)	5,600,000,000	(*)	(1,514,648,583)
DIC Services and Trading Joint Stock Company	14,992,108,200	(*)	(994,706,800)	14,992,108,200	(*)	(341,936,800)
	736,652,914,597		(294,375,844,505)	736,652,914,597		(332,326,266,564)

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period
ended 30 June 2018 (continued)

Form B 09a – DN/HN

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

- (*) At the reporting date, the Group has not determined fair values of these financial instruments for disclosure in the consolidated interim financial statements because information about their market prices is not available and there is currently no guidance on determination of fair value using valuation techniques under Vietnamese Accounting Standards or the Vietnamese Accounting System for enterprises. The fair values of these investments may differ from their carrying amounts.

(iii) Allowance for diminution in the value of long-term financial investments

Movements in allowance for diminution in the value of long-term financial investments during the period were as follows:

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Opening balance	352,315,059,118	426,640,604,979
Allowance made during the period	2,157,863,400	11,993,083,211
Transfer from allowance for doubtful debt	300,000,000	-
Allowance reversed during the period	(40,994,830,714)	(35,202,134,193)
Closing balance	313,778,091,804	403,431,553,997

9. Accounts receivable from customers

(a) Accounts receivable from customers detailed by significant customers

	30/6/2018	1/1/2018
	VND	VND
Sai Gon - Phu Ly Beer Joint Stock Company	21,464,951,586	13,417,740,094
Other customers	63,250,821,309	157,903,229,204
	84,715,772,895	171,320,969,298

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period
ended 30 June 2018 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(b) Accounts receivable from customers who are related parties

	30/6/2018	1/1/2018
	VND	VND
<i>Associates</i>		
Sai Gon - Phu Ly Beer Joint Stock Company	21,464,951,586	13,417,740,094
Sai Gon Binh Tay Beer Joint Stock Company	7,667,638,373	7,915,048,569
Sai Gon - Mien Trung Beer Joint Stock Company	4,744,878,064	3,933,250,925
Saigon - Phutho Beer Joint Stock Company	4,345,101,461	5,648,817,406
Sai Gon - Khanh Hoa Beer Joint Stock Company	3,477,991,115	3,653,742,102
Sai Gon - Kien Giang Beer Joint Stock Company	3,423,129,022	12,046,298,380
Saigon - Tay Do Beer & Beverage Joint Stock Company	2,806,902,343	3,831,030,858
Sai Gon - Vinh Long Beer Joint Stock Company	1,721,658,400	4,450,827,166
San Miguel Phutho Packaging Company Limited	202,356,000	185,116,800
Malaya - Vietnam Glass Limited	9,533,700	108,220,200
Sai Gon - Ninh Thuan Beer Joint Stock Company	-	2,589,344,877
Truong Sa Food - Food Business Joint Stock Company	-	2,319,240,000
Saigon - Bac Lieu Beer Joint Stock Company	-	617,388,182
<i>Other related parties</i>		
Saigon Beer Transportation Joint Stock Company	17,949,417	17,949,417
Sai Gon - Dong Nai Beer Joint Stock Company	1,875,500	-

10. Other receivables

(a) Other short-term receivables

(i) Other short-term receivables comprised:

	30/6/2018	1/1/2018
	VND	VND
Receivables due to difference between fair value of capital contribution in kind and agreed capital contribution in an associate	277,230,733,543	277,230,733,543
Interest income receivables	157,850,096,771	148,414,651,047
Dividend receivables	106,437,307,093	4,184,381,836
Other receivables	41,700,479,376	38,909,644,549
	583,218,616,783	468,739,410,975

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period
ended 30 June 2018 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(ii) Other short-term receivables from related parties

	30/6/2018	1/1/2018
	VND	VND
Tan Thanh Investment Trading Company Limited	277,230,733,543	277,230,733,543
Crown Beverage Cans Saigon Limited	86,345,723,393	-
Sai Gon - Mien Trung Beer Joint Stock Company	14,426,044,500	895,009,632
Sai Gon Binh Tay Beer Joint Stock Company	2,764,452,252	-
Sai Gon - Khanh Hoa Beer Joint Stock Company	2,683,916,000	83,916,000
Saigon - Phutho Beer Joint Stock Company	1,706,100,000	-
Saigon Beer Transportation Joint Stock Company	1,534,612,846	210,669,811
Sai Gon - Vinh Long Beer Joint Stock Company	325,000,000	1,159,209,383
Saigon - Bac Lieu Beer Joint Stock Company	-	3,025,172,453
Sai Gon - Kien Giang Beer Joint Stock Company	-	591,912,781

(b) Other long-term receivables

	30/6/2018	1/1/2018
	VND	VND
Long-term deposits	39,608,195,833	41,089,805,411
Others	8,028,765,000	8,028,765,000
	47,636,960,833	49,118,570,411

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended 30 June 2018 (continued)

Form B 09a – DN/HN
*(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

11. Allowance for doubtful debts

(a) Short-term

	30/6/2018			1/1/2018		
	Overdue days	Cost VND	Allowance VND	Recoverable amount VND	Overdue days	Cost VND
Shortage of assets awaiting resolution	Over 2 years	23,091,880,659	(23,091,880,659)	-	Over 1 year	20,171,885,282
Other short-term receivables	Over 2 years	18,777,393,346	(18,777,393,346)	-	Over 1 year	23,466,107,168
Accounts receivable from customers	Over 2 years	11,211,625,801	(11,211,625,801)	-	Over 1 year	9,676,177,624
Prepayments to suppliers	Over 2 years	141,522,563	(141,522,563)	-	Over 1 year	141,522,563
		53,222,422,369	(53,222,422,369)	-		53,455,692,637

(b) Long-term

	30/6/2018			1/1/2018		
	Overdue days	Cost VND	Allowance VND	Recoverable amount VND	Overdue days	Cost VND
Held-to-maturity investments – long-term	Over 2 years	20,868,879,905	(20,868,879,905)	-	Over 1 year	20,868,879,905
Long-term accounts receivable from customers	Over 2 years	4,761,134,371	(4,761,134,371)	-	Over 1 year	4,917,049,815
Long-term loan receivables	Over 2 years	4,000,000,000	(4,000,000,000)	-	Over 1 year	4,000,000,000
Other long-term receivables	Over 2 years	47,636,960,833	(8,155,915,444)	39,481,045,389	Over 1 year	49,118,570,411
		77,266,975,109	(37,785,929,720)	39,481,045,389		78,904,500,131
						41,118,570,411

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period
ended 30 June 2018 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

Movements in allowance for doubtful debts – short-term and long-term during the period were as follows:

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Opening balance	91,241,622,357	88,187,185,951
Allowance made during the period	354,429,732	950,000,000
Allowance reversed during the period	(287,700,000)	-
Transfer to allowance for diminution in the value of long-term financial investments	(300,000,000)	-
Closing balance	91,008,352,089	89,137,185,951

12. Shortage of assets awaiting resolution

	30/6/2018	1/1/2018
	VND	VND
Inventories	3,442,523,756	4,356,534,586
Personal income tax	8,409,516,549	6,830,212,392
Other assets	16,911,329,725	8,985,138,304
	28,763,370,030	20,171,885,282

13. Inventories

(a) Inventories

	30/6/2018		1/1/2018	
	Cost	Allowance	Cost	Allowance
	VND	VND	VND	VND
Goods in transit	164,267,832,659	-	133,269,869,755	-
Raw materials	533,614,106,561	(26,828,623,255)	445,447,823,503	(33,106,801,005)
Tools and supplies	186,507,124,198	(68,995,093,251)	110,139,126,470	(52,660,898,286)
Work in progress	201,024,675,139	(409,789,935)	195,379,665,874	-
Finished goods	1,176,914,903,684	(20,632,921,354)	1,228,465,858,552	(27,243,585,399)
Goods on consignment	54,073,338	-	3,844,007,871	-
	2,262,382,715,579	(116,866,427,795)	2,116,546,352,025	(113,011,284,690)

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period
ended 30 June 2018 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

Movements in allowance for inventories during the period were as follows:

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Opening balance	113,011,284,690	36,683,779,422
Allowance made during the period	1,857,648,311	-
Transfer from long-term tools, supplies and spare parts	6,096,100,957	-
Allowance reversed during the period	(556,531,184)	(329,232,721)
Allowance utilised during the period	(3,542,074,979)	-
Closing balance	116,866,427,795	36,354,546,701

(b) Long-term tools, supplies and spare parts

	30/6/2018		1/1/2018	
	Cost	Allowance	Cost	Allowance
	VND	VND	VND	VND
Long-term tools, supplies and spare parts	31,174,698,041	(14,142,157,096)	34,100,529,502	(20,238,258,053)

Movements in allowance for long-term tools, supplies and spare parts during the period were as follows:

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Opening balance	20,238,258,053	16,180,680,040
Transfer to inventories	(6,096,100,957)	-
Allowance reversed during the period	-	(95,000,000)
Closing balance	14,142,157,096	16,085,680,040

14. Prepaid expenses

(a) Short-term prepaid expenses

	30/6/2018	1/1/2018
	VND	VND
Land rental fee	29,984,010,878	6,946,093,638
Advertising expenses	22,235,800,913	-
Tools and instruments	9,383,990,304	6,715,976,137
Others	12,639,016,527	11,250,781,477
	74,242,818,622	24,912,851,252

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period
ended 30 June 2018 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(b) Long-term prepaid expenses

	30/6/2018	1/1/2018
	VND	VND
Property held for future investment (*)	51,602,316,000	51,602,316,000
Prepaid land cost	100,792,153,099	141,170,850,396
Returnable packaging	460,966,454,981	554,146,916,047
Tools and instruments	19,378,111,653	4,735,793,248
Renovation expenses	37,239,539,875	36,176,398,915
Others	18,345,631,931	29,159,162,149
	<hr/> 688,324,207,539	<hr/> 816,991,436,755 <hr/>

(*) Property held for future investment represented the value of land use right awaiting transfer (Note 23(b)).

Movement in long-term prepaid expenses during the period were as follows:

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Opening balance	816,991,436,755	756,355,605,445
Additions during the period	113,377,114,473	178,899,969,529
Amortisation for the period	(242,044,343,689)	(235,539,370,979)
Transfer to short-term prepaid expenses	-	(1,838,552,020)
Other increases	-	39,151,166,614
	<hr/> 688,324,207,539	<hr/> 737,028,818,589 <hr/>
Closing balance		

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2018 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

15. Tangible fixed assets

Cost	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Others VND	Total VND
Opening balance	1,836,562,373,407	7,137,337,652,512	237,371,936,459	123,648,352,233	8,916,045,712	9,343,836,360,323
Additions	1,976,769,270	13,054,694,728	5,328,363,637	12,593,153,500	-	32,952,981,135
Transfer from construction in progress	1,126,877,015	2,111,846,578	2,326,600,000	150,043,182	-	5,715,366,775
Transfer from investment properties (Note 17(a))	12,281,430,823	-	-	-	-	12,281,430,823
Disposals	-	(654,821,312)	(4,265,542,883)	(74,779,638)	-	(4,995,143,833)
Closing balance	1,851,947,450,515	7,151,849,372,506	240,761,357,213	136,316,769,277	8,916,045,712	9,389,790,995,223
Accumulated depreciation						
Opening balance	778,802,224,831	4,266,764,828,920	159,984,670,887	89,832,511,809	3,704,761,676	5,299,088,998,123
Charge for the period	51,009,733,995	238,314,701,437	10,617,360,414	6,457,404,094	531,274,878	306,930,474,818
Transfer from investment properties (Note 17(a))	358,208,399	-	-	-	-	358,208,399
Disposals	-	(607,057,392)	(4,103,985,354)	(74,779,638)	-	(4,785,822,384)
Closing balance	830,170,167,225	4,504,472,472,965	166,498,045,947	96,215,136,265	4,236,036,554	5,601,591,858,956
Net book value						
Opening balance	1,057,760,148,576	2,870,572,823,592	77,387,265,572	33,815,840,424	5,211,284,036	4,044,747,362,200
Closing balance	1,021,777,283,290	2,647,376,899,541	74,263,311,266	40,101,633,012	4,680,009,158	3,788,199,136,267

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period
ended 30 June 2018 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

Included in tangible fixed assets were assets costing VND1,314,798 million which were fully depreciated as at 30 June 2018 (1/1/2018: VND1,279,126 million), but which are still in active use.

The net book value of tangible fixed assets retired from active use and held for disposal amounted to VND56,155 million as at 30 June 2018 (1/1/2018: VND51,352 million).

Historical cost of tangible fixed assets that the Group has leased to its associates to earn rental income as at 30 June 2018 was VND61,027 million (1/1/2018: VND124,633 million).

16. Intangible fixed assets

	Land use rights (*) VND	Software VND	Others VND	Total VND
Cost				
Opening balance	1,024,215,267,144	63,853,090,585	247,447,482	1,088,315,805,211
Additions	-	2,567,000,000	-	2,567,000,000
Transfer from construction in progress	-	467,800,000	-	467,800,000
Closing balance	1,024,215,267,144	66,887,890,585	247,447,482	1,091,350,605,211
Accumulated amortisation				
Opening balance	69,890,212,159	54,918,397,770	154,076,810	124,962,686,739
Charge for the period	3,465,186,929	3,544,262,246	20,106,495	7,029,555,670
Closing balance	73,355,399,088	58,462,660,016	174,183,305	131,992,242,409
Net book value				
Opening balance	954,325,054,985	8,934,692,815	93,370,672	963,353,118,472
Closing balance	950,859,868,056	8,425,230,569	73,264,177	959,358,362,802

Included in intangible fixed assets were assets costing VND42,413 million which were fully amortised as at 30 June 2018 (1/1/2018: VND45,269 million), but which are still in use.

The net book value of intangible fixed assets retired from active use and held for disposal amounted to VND3,283 million as at 30 June 2018 (1/1/2018: Nil).

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period
ended 30 June 2018 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

- (*) Land use rights as at 30 June 2018 included the value of land use rights of VND735,380 million that the Group has additionally recorded on the equitisation date following the Minutes of Corporate Valuation dated 31 December 2007 and the Equitisation Finalisation Minute, which was performed by representative of the Ministry of Industry and Trade and the Ministry of Finance on 30 April 2008, who issued the report on 6 March 2010. The Group has recorded increase value of land use rights in “Intangible fixed assets” with corresponding payable to State Treasury in “Other short-term payables” account (Note 23(a)).

The Ministry of Industry and Trade has allowed the Group to manage and use these land use rights following the plan of the People’s Committee of Ho Chi Minh City. At the date of this consolidated interim financial statements, the Company is in the process of preparing the land rental contracts with the People’s Committee of Ho Chi Minh City. Currently, those land lots are used for principal activities of the Group. They are temporary land use rights with restrictions on ownership and are not permitted for sale, sublease and mortgage.

Details of land use rights recorded at the estimated increased value on 6 March 2010 were as follows:

No	Location	Square m2	Revalued amount in connection with equitisation VND
1	46 Ben Van Don, Ward 12, District 4, Ho Chi Minh City, Vietnam	3,872.5	55,241,212,500
2	187 Nguyen Chi Thanh, Ward 12, District 5, Ho Chi Minh City, Vietnam	17,406.1	418,634,111,100
3	474 Nguyen Chi Thanh, Ward 6, District 10, Ho Chi Minh City, Vietnam	7,729	247,637,160,000
4	18/3B Phan Huy Ich, Ward 15, Tan Binh District, Ho Chi Minh City, Vietnam	2,216.3	13,867,389,100
			735,379,872,700

The Group has not amortised the above land use rights because their costs and useful lives have not been measured reliably at the consolidated balance sheet date. During the period, the Group has also recognised the land rental expenses to the consolidated statement of income an amount of VND11,611 million (for the six-month period ended 30 June 2017: VND10,339 million) following the tax payment notices from local tax authorities.

17. Investment properties

	30/6/2018 VND	1/1/2018 VND
Investment property held to earn rental (a)	23,390,285,035	35,896,864,916
Investment property held for capital appreciation (b)	31,760,909,657	31,760,909,657
	55,151,194,692	67,657,774,573

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period
ended 30 June 2018 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(a) Investment property held to earn rental

	Land use rights VND	Buildings and structures VND	Total VND
Cost			
Opening balance	40,163,431,567	8,650,204,623	48,813,636,190
Transfer to tangible fixed assets (Note 15)	(12,281,430,823)	-	(12,281,430,823)
Reclassification	(69,562,000)	69,562,000	-
Closing balance	27,812,438,744	8,719,766,623	36,532,205,367
Accumulated depreciation			
Opening balance	7,057,861,512	5,858,909,762	12,916,771,274
Charge for the period	302,309,117	281,048,340	583,357,457
Transfer to tangible fixed assets (Note 15)	(358,208,399)	-	(358,208,399)
Reclassification	(2,615,294)	2,615,294	-
Closing balance	6,999,346,936	6,142,573,396	13,141,920,332
Net book value			
Opening balance	33,105,570,055	2,791,294,861	35,896,864,916
Closing balance	20,813,091,808	2,577,193,227	23,390,285,035

(b) Investment property held for capital appreciation

	Land use rights VND
Cost	
Opening and closing balance	34,911,821,575
Accumulated depreciation	
Opening and closing balance	3,150,911,918
Net book value	
Opening balance	31,760,909,657
Closing balance	31,760,909,657

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period
ended 30 June 2018 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

The Group has not determined fair values of investment properties for disclosure in the consolidated interim financial statements because there is currently no guidance on determination of fair value using valuation techniques under Vietnamese Accounting Standards or the Vietnamese Accounting System for enterprises. The fair values of investment properties may differ from their carrying amounts.

18. Construction in progress

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Opening balance	111,505,655,106	76,788,901,460
Additions during the period	71,285,776,166	53,313,744,989
Transfer to tangible fixed assets	(5,715,366,775)	(25,236,759,239)
Transfer to intangible fixed assets	(467,800,000)	-
Other decreases	-	(10,302,880,353)
Closing balance	176,608,264,497	94,563,006,857

Major constructions in progress were as follows:

	30/6/2018	1/1/2018
	VND	VND
Upgrade warehouse and brewery at Nguyen Chi Thanh		
Brewery	87,026,068,634	56,970,919,540
Improve beer quality	24,706,900,911	24,706,900,911
Build breweries	41,145,689,838	-
Others	23,729,605,114	29,827,834,655
	176,608,264,497	111,505,655,106

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period
ended 30 June 2018 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

19. Deferred tax assets and deferred tax liabilities

	Tax rate	30/6/2018 VND	1/1/2018 VND
Deferred tax assets:			
▪ Unrealised profits	20%	54,745,528,630	83,829,921,074
▪ Allowance for diminution in the value of long-term financial investments	20%	20,385,429,767	21,700,658,109
▪ Allowance for inventories	20%	13,269,357,662	13,378,316,014
▪ Accrued expense	20%	11,229,913,981	11,873,433,272
▪ Allowance for doubtful debts	20%	3,054,885,202	3,054,885,202
▪ Goodwill	20%	-	2,985,201,840
Total deferred tax assets		102,685,115,242	136,822,415,511
Deferred tax liabilities:			
▪ Allowance for diminution in the value of investment in associates	20%	28,271,369,663	11,546,218,025
▪ Tools and instruments	20%	6,001,884,361	5,785,705,751
▪ Accrued expenses	20%	(242,314,892)	(114,725,538)
Total deferred tax liabilities		34,030,939,132	17,217,198,238

20. Accounts payable to suppliers

(a) Accounts payable to suppliers detailed by significant suppliers

	Cost/Amount within payment capacity	
	30/6/2018 VND	1/1/2018 VND
Saigon Beer Transportation Joint Stock Company	306,728,889,978	339,809,965,644
Crown Beverage Cans Saigon Limited	194,527,145,811	262,095,508,855
Sabeco - Song Lam Packaging Joint Stock Company	150,733,058,767	108,900,145,517
Asia Packaging Industries (Vietnam) Limited Company	112,192,071,510	129,259,408,422
Hanaka Group Joint Stock Company	176,542,279,868	78,791,183,694
Other suppliers	817,211,670,243	1,101,543,450,352
	1,757,935,116,177	2,020,399,662,484

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period
ended 30 June 2018 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(b) Accounts payable to suppliers who are related parties

	Cost/Amount within payment capacity	
	30/6/2018	1/1/2018
	VND	VND
<i>Associates, joint-ventures</i>		
Crown Beverage Cans Saigon Limited	194,527,145,811	262,095,508,855
Sai Gon Binh Tay Beer Joint Stock Company	39,965,286,350	56,286,113,565
Sai Gon - Mien Trung Beer Joint Stock Company	46,780,486,060	32,647,521,270
Sai Gon - Kien Giang Beer Joint Stock Company	36,914,389,050	31,049,297,290
Sai Gon - Vinh Long Beer Joint Stock Company	22,086,750,785	8,908,347,338
Sai Gon - Khanh Hoa Beer Joint Stock Company	19,279,354,600	10,606,197,800
Saigon - Baclieu Beer Joint Stock Company	16,132,424,087	18,116,463,860
Sai Gon - Phu Ly Beer Joint Stock Company	14,192,494,800	19,571,068,000
San Miguel Phutho Packaging Company Limited	13,954,600,000	21,639,640,000
Saigon - Phutho Beer Joint Stock Company	12,880,514,240	24,891,438,000
Saigon - Tay Do Beer & Beverage Joint Stock Company	8,835,467,300	26,368,874,356
Sai Gon - Ninh Thuan Beer Joint Stock Company	-	29,045,628,311
Malaya - Vietnam Glass Limited	8,316,802,595	40,077,461,556
Truong Sa Food - Food Business Joint Stock Company	-	664,446,000
<i>Other related parties</i>		
Saigon Beer Transportation Joint Stock Company	306,728,889,978	339,809,965,644

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended 30 June 2018 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

21. Taxes payable to State Treasury

	1/1/2018 VND	Incurred VND	Paid VND	Net-off VND	Reclassified to tax receivables VND	30/6/2018 VND
Special consumption tax	662,818,389,348	3,308,310,251,972	(3,347,557,935,238)	-	-	623,570,706,082
Corporate income tax	404,303,468,506	480,956,783,722	(617,615,723,032)	-	(84,960,712)	267,559,568,484
Value added tax	86,312,950,068	6,921,441,980,801	(691,186,107,504)	(6,191,459,199,205)	468,196,721	125,577,820,881
Personal income tax	53,987,623,398	70,625,578,110	(106,668,752,040)	-	327,655,930	18,272,105,398
Import-export tax	-	15,765,189,343	(14,410,501,936)	-	193,032,271	1,547,719,678
Other taxes	2,334,633,127	32,437,059,279	(32,815,014,726)	-	(207,875,865)	1,748,801,815
	1,209,757,064,447	10,829,536,843,227	(4,810,254,034,476)	(6,191,459,199,205)	696,048,345	1,038,276,722,338

During 2018, the Company received notices from tax authorities requesting provisional payments to the State budget in relation to the late payment penalties and interest on special consumption tax for the period from 2007 to 2015 that had been paid by the Company. The Company has written to the relevant authorities to resolve the above matters.

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period
ended 30 June 2018 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

22. Accrued expenses

	30/6/2018 VND	1/1/2018 VND
Advertising and promotion expenses	193,979,662,723	133,081,509,942
Interest expenses	13,413,039,726	13,850,566,994
Bonus	23,912,150,303	-
Others	53,635,823,231	49,593,876,312
	<hr/> 284,940,675,983	<hr/> 196,525,953,248 <hr/>

23. Other payables

(a) Other payables – short-term

(i) Other payables – short-term comprised:

	30/6/2018 VND	1/1/2018 VND
Estimated land use rights payable to the State in connection with equitisation (*)	735,379,872,700	735,379,872,700
Short-term deposits received	168,824,992,182	187,756,893,824
Dividends payable	62,205,231,583	1,521,388,663,665
Payables to Enterprise Restructure and Development Assistance Fund	-	109,965,627,840
Others	60,428,891,692	75,689,626,022
	<hr/> 1,026,838,988,157	<hr/> 2,630,180,684,051 <hr/>

- (*) Estimated land use rights payable to the State in connection with equitisation was recorded in accordance with Equitisation Finalisation Minute issued by representative of Ministry of Industry and Trade and Ministry of Finance dated 6 March 2010 (Note 16)

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period
ended 30 June 2018 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(ii) Other payables – short-term to related parties:

	30/6/2018	1/1/2018
	VND	VND
Sai Gon Binh Tay Beer Joint Stock Company	2,045,780,949	287,780,949
Sai Gon - Mien Trung Beer Joint Stock Company	1,653,600,000	-
Saigon - Baclieu Beer Joint Stock Company	917,700,000	-
Sai Gon - Vinh Long Beer Joint Stock Company	842,100,000	-
Sai Gon - Kien Giang Beer Joint Stock Company	764,100,000	-
Saigon - Tay Do Beer & Beverage Joint Stock Company	638,100,000	-
Thanh Nam Consultant Investment - Engineering and Technology Transfer Joint Stock Company	340,000,000	340,000,000
Saigon Beer Transportation Joint Stock Company	195,251,930	195,251,930
Me Linh Point Limited	-	39,282,868

(b) Other payables – long-term

	30/6/2018	1/1/2018
	VND	VND
Land tax payable to the State (Note 14(b))	51,602,316,000	51,602,316,000
Long-term deposits received	2,638,700,000	2,030,200,000
	54,241,016,000	53,632,516,000

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2018 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

24. Borrowings

(a) Short-term borrowings

	1/1/2018 Carrying amount/ Amount within repayment capacity VND	Movements during the period		30/6/2018 Carrying amount/ Amount within repayment capacity VND
		Additions VND	Decreases VND	
Short-term borrowings	720,042,938,660	1,664,482,965,292	(1,847,907,574,677)	536,618,329,275
Current portion of long-term borrowings (Note 24(b))	2,861,043,120	9,740,000,000	(1,800,043,120)	10,801,000,000
	722,903,981,780	1,674,222,965,292	(1,849,707,617,797)	547,419,329,275

Terms and conditions of outstanding short-term borrowings were as follows:

	Currency	30/6/2018 VND	1/1/2018 VND
▪ Vietnam Joint Stock Commercial Bank for Industry and Trade – Quang Ngai Branch	VND	146,500,000,000	199,951,888,610
▪ Vietnam Joint Stock Commercial Bank for Industry and Trade – Quang Minh Branch	VND	6,000,000,000	32,547,179,580
▪ Vietnam Joint Stock Commercial Bank for Industry and Trade – No. 4 Branch	VND	213,972,596,546	213,709,924,414
▪ Vietnam Joint Stock Commercial Bank for Industry and Trade – No. 4 Branch	VND	133,360,054,149	136,551,198,548
▪ Joint Stock Commercial Bank for Foreign Trade of Vietnam – Thanh Xuan Branch	VND	16,770,278,580	59,668,282,890
▪ Vietnam Export Import Commercial Joint Stock Bank – Quang Ngai Branch	USD	20,015,400,000	-
▪ Vietnam Joint Stock Commercial Bank for Industry and Trade – Nam Thang Long Branch	VND	-	34,753,421,498
▪ Vietnam International Commercial Joint Stock Bank – Vinh Branch	VND	-	15,000,000,000
▪ Vietnam International Commercial Joint Stock Bank – Can Tho Branch	VND	-	1,221,305,000
▪ Vietnam International Commercial Joint Stock Bank – Quang Ninh Branch	VND	-	1,639,738,120
▪ Joint Stock Commercial Bank for Investment and Development – My Dinh Branch	VND	-	25,000,000,000
		536,618,329,275	720,042,938,660

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period
ended 30 June 2018 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

These short-term loans bore interest at rates ranging from 5.0% to 5.5% per annum (1/1/2018: from 5.0% to 5.5% per annum) and secured over accounts receivable from customers, inventories and tangible fixed assets.

(b) Long-term borrowings

	30/6/2018 VND	1/1/2018 VND
Long-term borrowings	22,445,361,692	4,802,672,954
Repayable within twelve months (Note 24(a))	(10,801,000,000)	(2,861,043,120)
Repayable after twelve months	11,644,361,692	1,941,629,834

Terms and conditions of outstanding long-term borrowings were as follows:

	Year of		30/6/2018	1/1/2018
Currency	maturity		VND	VND
▪ Joint Stock Commercial Bank for Foreign Trade of Vietnam – Thanh Xuan Branch	VND	2021	21,384,361,692	-
▪ Vietnam International Commercial Joint Stock Bank – Binh Duong Branch	VND	2018	1,061,000,000	2,639,000,000
▪ Vietnam International Commercial Joint Stock Bank – Quang Ninh Branch	VND	2018	-	1,941,629,834
▪ Joint Stock Commercial Bank for Foreign Trade of Vietnam – Thanh Xuan Branch	VND	2018	-	222,043,120
			22,445,361,692	4,802,672,954
Amount repayable within 12 months			(10,801,000,000)	(2,861,043,120)
Amount repayable after 12 months			11,644,361,692	1,941,629,834

These long-term loans bore interest at rates ranging from 6.7% to 8.8% per annum (1/1/2018: from 7.2% to 7.5% per annum) and secured over tangible fixed assets, long-term prepaid expenses and assets to be formed in the future.

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period
ended 30 June 2018 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

25. Provisions

(a) Provisions – short-term

	30/6/2018	1/1/2018
	VND	VND
Trademark fee	7,334,235,428	7,334,235,428
Other allowance	6,087,942,932	5,657,176,251
	<hr/>	<hr/>
	13,422,178,360	12,991,411,679
	<hr/>	<hr/>

(b) Provisions – long-term

Provisions – long-term represents provision for severance allowance. Movements of provision for severance allowance during the period were as follows:

	VND
Opening balance	64,493,890,463
Provision made during the period	1,699,470,016
Provision used during the period	(177,875,000)
Provision reversed during the period	(3,430,191,138)
	<hr/>
Closing balance	62,585,294,341
	<hr/>

26. Bonus and welfare fund

This fund is established by appropriating from retained profits as approved by the shareholders at General Meeting of shareholders. This fund is used to pay bonus and welfare to the Group's employees in accordance with the Group's bonus and welfare policies.

Movements of bonus and welfare fund during the period were as follows:

	Six-month period ended	Six-month period ended
	30/6/2018	30/6/2017
	VND	VND
Opening balance	296,742,730,960	330,524,839,871
Appropriation from retained profits (Note 27)	15,410,649,549	90,455,609,204
Utilisation	(277,080,195,622)	(251,713,027,267)
	<hr/>	<hr/>
Closing balance	35,073,184,887	169,267,421,808
	<hr/>	<hr/>

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2018 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

27. Changes in owners' equity

	Share capital VND	Other capital VND	Treasury shares VND	Foreign exchange differences VND	Investment and development fund VND	Other equity funds VND	Retained profits VND	Total equity attributable to owners of the Company VND	Non-controlling interest VND	Total VND
Balance at 1 January 2017	6,412,811,860,000	3,208,666,226	(23,450,000,000)	17,006,600,079	1,118,398,295,310	6,040,737,039	3,713,726,741,137	11,247,742,899,791	1,048,154,471,881	12,295,897,371,672
Net profit for the period	-	-	-	-	-	-	2,441,889,936,080	2,441,889,936,080	124,871,119,330	2,566,761,055,410
Appropriation to bonus and welfare fund	-	-	-	-	-	-	-	-	-	-
(Note 26)	-	-	-	-	-	-	(83,413,616,848)	(83,413,616,848)	(7,041,992,356)	(90,455,609,204)
Appropriation to investment and development fund	-	-	-	-	748,338,892	-	(748,338,892)	-	-	-
Dividends (Note 30)	-	-	-	-	-	-	-	-	(95,007,893,348)	(95,007,893,348)
Re-issuance of treasury shares	-	-	23,450,000,000	-	-	-	-	23,450,000,000	-	23,450,000,000
Foreign exchange differences	-	-	-	1,739,058,100	-	-	-	1,739,058,100	-	1,739,058,100
Utilisation of other funds	-	-	-	-	-	(713,624,375)	-	(713,624,375)	-	(713,624,375)
Adjustments for social activities fund	-	-	-	-	-	-	(10,939,905,161)	(10,939,905,161)	-	(10,939,905,161)
Other	-	-	-	-	-	-	-	-	-	-
increase/(decrease)	-	-	-	-	-	-	48,692,431,088	48,692,431,088	(4,799,863,820)	43,892,567,268
Change in proportion of non-controlling interests	-	-	-	-	(189,790,433)	-	-	(189,790,433)	743,075,277	553,284,844
Balance at 1 July 2017	6,412,811,860,000	3,208,666,226	-	18,745,658,179	1,118,956,843,769	5,327,112,664	6,109,207,247,404	13,668,257,388,242	1,066,918,916,964	14,735,176,305,206

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2018 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Share capital VND	Other capital VND	Treasury shares VND	Foreign exchange differences VND	Investment and development fund VND	Other equity funds VND	Retained profits VND	Total equity attributable to owners of the Company VND	Non-controlling interest VND	Total VND
Balance at 1 July 2017	6,412,811,860,000	3,208,666,226	-	18,745,658,179	1,118,956,843,769	5,327,112,664	6,109,207,247,404	13,668,257,388,242	1,066,918,916,964	14,735,176,305,206
Net profit for the period	-	-	-	-	-	-	2,269,595,268,501	2,269,595,268,501	112,242,927,953	2,381,838,196,454
Appropriation to bonus and welfare fund	-	-	-	-	-	-	(194,348,106,761)	(194,348,106,761)	(32,213,797,373)	(226,561,904,134)
Adjustments of bonus and welfare fund	-	-	-	-	-	-	(72,078,210,228)	(72,078,210,228)	(4,705,813,968)	(76,784,024,196)
Appropriation to investment and development fund	-	-	-	-	(183,151,562)	687,800,000	(504,648,438)	-	-	-
Dividends (Note 30)	-	-	-	-	-	-	(2,244,484,151,000)	(2,244,484,151,000)	(144,868,925,237)	(2,389,353,076,237)
Foreign exchange differences	-	-	-	368,113,796	-	-	-	368,113,796	-	368,113,796
Utilisation of other funds	-	-	-	-	-	713,624,375	-	713,624,375	-	713,624,375
Appropriation to social activities fund	-	-	-	-	-	-	(47,311,058,568)	(47,311,058,568)	-	(47,311,058,568)
Adjustments for social activities fund	-	-	-	-	-	-	47,905,161	47,905,161	-	47,905,161
Other increase/(decrease)	-	-	-	-	-	(1,401,424,375)	3,779,652,503	2,378,228,128	39,786,934,530	42,165,162,658
Change in proportion of non-controlling interests	-	-	-	-	189,790,433	-	-	189,790,433	-	189,790,433
Balance at 31 December 2017	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	1,037,160,242,869	14,420,489,034,948

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2018 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Share capital VND	Other capital VND	Treasury shares VND	Foreign exchange differences VND	Investment and development fund VND	Other equity funds VND	Retained profits VND	Total equity attributable to owners of the Company VND	Non-controlling interest VND	Total VND
Balance at 1 January 2018	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	1,037,160,242,869	14,420,489,034,948
Net profit for the period	-	-	-	-	-	-	2,337,002,344,823	2,337,002,344,823	109,767,873,847	2,446,770,218,670
Appropriation to bonus and welfare fund	-	-	-	-	-	-	(11,233,738,239)	(11,233,738,239)	(4,176,911,310)	(15,410,649,549)
Appropriation to investment and development fund	-	-	-	-	8,712,420,678	-	(8,712,420,678)	-	-	-
Dividends (Note 30)	-	-	-	-	-	-	-	-	(57,561,800,000)	(57,561,800,000)
Foreign exchange differences	-	-	-	(245,971,364)	-	-	-	(245,971,364)	-	(245,971,364)
Adjustments for social activities fund	-	-	-	-	-	-	(3,798,156)	(3,798,156)	(1,959,791)	(5,757,947)
Change in proportion of non-controlling interests	-	-	-	-	72,293,768	-	(64,702,854)	7,590,914	(127,541,664)	(119,950,750)
Balance at 30 June 2018	6,412,811,860,000	3,208,666,226	-	18,867,800,611	1,127,748,197,086	5,327,112,664	8,140,891,583,470	15,708,855,220,057	1,085,059,903,951	16,793,915,124,008

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period
ended 30 June 2018 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

28. Share capital

The Company's authorised and issued share capital are:

	30/6/2018		1/1/2018	
	Number of shares	VND	Number of shares	VND
Authorised and issued share capital				
Ordinary shares	641,281,186	6,412,811,860,000	641,281,186	6,412,811,860,000
Shares in circulation				
Ordinary shares	641,281,186	6,412,811,860,000	641,281,186	6,412,811,860,000

All ordinary shares have a par value of VND10,000. Each share is entitled to one vote at shareholders' meetings of the Company. Shareholders are entitled to receive dividend as declared from time to time. All ordinary shares are ranked equally with regard to the Company's residual assets. In respect of shares bought back by the Company, all rights are suspended until those shares are reissued.

There is no movement in share capital during the six-month periods ended 30 June 2018 and 30 June 2017.

29. Investment and development fund

Investment and development fund was appropriated from retained profits in accordance with the resolution of General Meeting of shareholders. This fund was established for the purpose of future business expansion.

30. Dividends

During the six-month period ended 30 June 2018, dividends amounting to VND57,562 million was declared to the shareholders (for the six-month period ended 30 June 2017: VND95,008 million).

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period
ended 30 June 2018 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

31. Off balance sheet items

(a) Leases

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

	30/6/2018	1/1/2018
	VND	VND
Within one year	143,420,461,408	166,960,962,117
Within two to five years	481,577,450,667	424,934,364,668
More than five years	814,236,853,804	522,872,880,555
	<u>1,439,234,765,879</u>	<u>1,114,768,207,340</u>

(b) Assets, materials and goods held for third parties

	Unit	30/6/2018	1/1/2018
		VND	VND
Beer	box/crate	3,647,692	5,112,606
Beverage	box/crate	327,381	753,620
Plastic crates	piece	143,832	113,977
		<u> </u>	<u> </u>

(c) Foreign currencies

	30/6/2018		1/1/2018	
	Original	VND	Original	VND
	currency	equivalent	currency	equivalent
USD	1,155,270	26,380,138,740	2,757,372	62,495,836,380
EUR	20,184	535,420,462	12,397	337,922,385
		<u> </u>		<u> </u>

(d) Capital expenditure commitments

At the reporting date, the Group had the following outstanding capital commitments approved but not provided for in the balance sheet:

	30/6/2018	1/1/2018
	VND	VND
Approved and contracted	124,433,749,582	41,655,955,772
	<u> </u>	<u> </u>

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period
ended 30 June 2018 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

32. Revenue from sales of goods and provision of services

Total revenue represents the gross value of goods sold and services rendered, exclusive of value added tax and special consumption tax.

Net revenue comprised:

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Total revenue		
▪ Sales of beer	14,639,980,501,963	13,688,716,384,625
▪ Sales of raw materials	2,204,646,143,249	1,815,342,697,394
▪ Sales of beverages	154,308,721,012	148,846,570,123
▪ Sales of alcohol and wine	26,215,800,165	43,824,318,804
▪ Others	40,681,695,948	54,472,837,353
	<hr/>	<hr/>
	17,065,832,862,337	15,751,202,808,299
	<hr/>	<hr/>
Less revenue deductions		
▪ Sales discounts	86,018,411,922	108,174,475,679
▪ Sales returns	5,220,000	546,852,170
	<hr/>	<hr/>
	86,023,631,922	108,721,327,849
	<hr/>	<hr/>
Net revenue	16,979,809,230,415	15,642,481,480,450
	<hr/>	<hr/>

33. Cost of sales

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Total cost of sales		
▪ Beer sold	10,628,584,615,219	9,526,308,453,927
▪ Raw materials sold	2,181,944,365,745	1,679,238,665,163
▪ Beverages sold	104,344,226,462	103,388,652,393
▪ Alcohol and wine sold	22,998,007,140	36,771,458,198
▪ Others	1,483,470,270	12,885,789,990
	<hr/>	<hr/>
	12,939,354,684,836	11,358,593,019,671
	<hr/>	<hr/>

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period
ended 30 June 2018 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

34. Financial income

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Interest income from deposits at banks	273,009,363,027	170,448,450,790
Dividends income	8,359,439,200	15,741,333,193
Realised foreign exchange gains	949,415,597	3,510,080,506
Unrealised foreign exchange gains	58,153,258	-
Gain from divestments	-	22,731,533,446
Other financial income	166,184,260	5,174,354,324
	<hr/>	<hr/>
	282,542,555,342	217,605,752,259
	<hr/>	<hr/>

35. Financial expenses

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Interest expense	18,335,214,856	23,752,654,459
Realised foreign exchange losses	409,430,829	1,681,575,943
Unrealised foreign exchange losses	115,007,390	401,120,990
Reversal of allowance for diminution in the value of long-term financial investments	(38,836,967,314)	(24,767,540,882)
Other financial expenses	40,099,173	40,388,075
	<hr/>	<hr/>
	(19,937,215,066)	1,108,198,585
	<hr/>	<hr/>

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period
ended 30 June 2018 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

36. Selling expenses

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Advertising and promotion expenses	388,245,589,273	525,415,792,657
Labour costs and staff costs	344,589,593,268	282,085,683,525
Raw material costs	168,968,929,688	155,946,241,571
Rental expenses	64,830,879,943	64,072,358,071
Transportation expenses	49,685,202,254	40,812,134,298
Depreciation and amortisation	11,748,192,454	11,761,627,684
Other expenses	142,314,060,383	149,748,690,560
	<hr/>	<hr/>
	1,170,382,447,263	1,229,842,528,366

37. General and administration expenses

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Labour costs and staff costs	240,055,243,698	159,679,920,940
Depreciation and amortisation	17,658,005,028	17,095,415,121
Rental expenses	21,240,295,007	22,071,128,260
Other expenses	101,853,927,489	152,879,475,507
	<hr/>	<hr/>
	380,807,471,222	351,725,939,828

38. Production and business costs by elements

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Raw material costs included in production cost	2,575,391,550,297	2,500,622,709,548
Labour costs and staff costs	976,321,139,564	691,090,174,358
Depreciation and amortisation	314,543,387,945	314,057,635,855
Outside services	1,392,172,797,299	1,537,609,667,555
Other expenses	432,974,034,723	350,951,969,447
	<hr/>	<hr/>

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period
ended 30 June 2018 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

39. Income tax

(a) Recognised in the consolidated statement of income

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Current tax expense		
Current period	480,848,136,132	517,227,505,482
Under provision in prior years	108,647,590	-
	<hr/>	<hr/>
	480,956,783,722	517,227,505,482
Deferred tax expense		
Origination of temporary differences	50,951,041,163	29,242,428,104
	<hr/>	<hr/>
Income tax expense	531,907,824,885	546,469,933,586

(b) Reconciliation of effective tax rate

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Accounting profit before tax	2,978,678,043,555	3,113,230,988,996
	<hr/>	<hr/>
Tax at the Company's tax rate	595,735,608,711	622,646,197,799
Effect of different tax rates in subsidiaries	(6,011,940,356)	1,585,523,686
Tax incentives	(4,646,861,655)	-
Tax exempt income	(109,886,499,223)	(78,315,533,477)
Non-deductible expenses	12,785,004,556	4,118,987,601
Unrecognised temporary differences	41,773,162,348	-
Tax losses utilised	2,050,702,914	-
Under provision in prior years	108,647,590	-
Others	-	(3,565,242,023)
	<hr/>	<hr/>
	531,907,824,885	546,469,933,586

(c) Applicable tax rates

Under the terms of Corporate Income Tax Law, the Company has an obligation to pay the Government income tax at the rate of 20% of taxable profits. Subsidiaries have the obligation to pay the Government income tax at rates ranging from 10% to 20% of taxable profits.

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period
ended 30 June 2018 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

40. Basic earnings per share

The calculation of basic earnings per share for the six-month period ended 30 June 2018 was based on the profit attributable to ordinary shareholders after deducting the amounts appropriated to Bonus and welfare fund and a weighted average number of ordinary shares, calculated as follows:

(i) Net profit attributable to ordinary shareholders

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Net profit for the period	2,337,002,344,823	2,441,889,936,080
Appropriation to Bonus and welfare fund (*)	(113,083,801,684)	(168,563,000,000)
Net profit attributable to ordinary shareholders	2,223,918,543,139	2,273,326,936,080

(*) Appropriation to bonus and welfare fund was estimated based on the amount that approved by the shareholders at Annual General Meeting.

(ii) Weighted average number of ordinary shares

	Six-month period ended	
	30/6/2018	30/6/2017
Issued ordinary shares at the beginning of the period	641,281,186	638,936,186
Effect of re-issuance of treasury shares	-	1,880,000
Weighted average number of ordinary shares	641,281,186	640,816,186

41. Significant transactions with related parties

In addition to related party balances disclosed in other notes to the consolidated interim financial statements, the Group had the following significant transactions with related parties during the period:

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Associates, Joint ventures		
Sai Gon - Khanh Hoa Beer Joint Stock Company		
Sales of raw materials	223,221,807,253	195,671,118,893
Provision of services	22,700,000	-
Purchases of merchandise goods	565,455,848,760	509,610,458,160
Dividends	2,600,000,000	-

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period
ended 30 June 2018 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Saigon - Phutho Beer Joint Stock Company		
Sales of raw materials	171,510,227,077	181,110,500,891
Purchases of merchandise goods	433,404,403,750	456,759,087,000
Purchases of services	149,736,364	-
Other expenses	-	390,000,000
Dividends	12,695,400,000	8,446,875,000
Sai Gon - Phu Ly Beer Joint Stock Company		
Sales of raw materials	172,582,103,743	169,305,780,406
Other income	-	29,312,500
Purchases of merchandise goods	426,649,919,300	458,532,782,550
Dividends	4,892,300,000	7,338,450,000
Sai Gon - Kien Giang Beer Joint Stock Company		
Sales of finished goods	36,750,000	-
Sales of raw materials	224,741,493,240	141,112,239,648
Purchases of merchandise goods	769,978,422,920	453,276,751,900
Dividends	5,750,000,000	4,300,000,000
Mechanical and Industrial Construction Joint Stock Company		
Dividends	1,404,000,000	-
Sai Gon - Mien Trung Beer Joint Stock Company		
Sales of raw materials	278,133,528,263	129,154,847,211
Provision of services	56,000,000	-
Purchases of merchandise goods	925,498,621,500	533,127,437,220
Warehouse rental expenses	300,956,912	299,029,584
Dividends	28,935,089,000	24,043,407,500
Sai Gon - Vinh Long Beer Joint Stock Company		
Sales of finished goods	17,550,000	-
Sales of raw materials	206,310,687,364	97,276,907,856
Other income	1,600,858,098	1,850,858,098
Purchases of merchandise goods	667,255,737,150	464,893,255,200
Cost of leasehold property	61,026,543,585	61,026,543,585
Dividends	6,000,000,000	3,000,000,000
Sai Gon Binh Tay Beer Joint Stock Company		
Sales of raw materials	349,291,100,539	237,097,805,878
Provision of services	353,513,017	-
Other income	2,055,907,032	-
Purchases of merchandise goods	1,110,481,158,190	892,676,794,300
Dividends	12,540,301,464	11,250,000,000

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period
ended 30 June 2018 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Saigon - Baclieu Beer Joint Stock Company		
Sales of finished goods	102,198,350	-
Sales of raw materials	54,129,016,443	46,010,561,442
Provision of services	2,122,745,300	-
Other income	541,576,200	1,083,152,400
Purchases of merchandise goods	311,556,379,987	277,385,159,200
Other expense	26,576,439	-
Cost of leasehold property	63,606,926,486	63,606,926,486
Dividends	2,402,400,000	6,006,000,000
Saigon - Tay Do Beer & Beverage Joint Stock Company		
Sales of raw materials	124,401,309,965	170,713,094,977
Provision of services	34,600,000	-
Other income	-	78,000,000
Purchases of merchandise goods	419,024,996,000	480,986,299,400
Malaya - Vietnam Glass Limited		
Sales of raw materials	-	8,697,000
Sales of scraps	17,601,000	-
Purchases of merchandise goods	75,903,232,444	89,960,577,660
Me Linh Point Limited		
Other expenses	-	258,000,000
Dividends	27,423,437,596	26,431,342,966
San Miguel Phutho Packaging Company Limited		
Sales of finished goods	334,824,000	-
Purchases of merchandise goods	82,035,035,740	75,790,150,000
Penalty income	623,700	-
Dividends	-	7,962,500,000
Truong Sa Food - Food Business Joint Stock Company		
Purchases of merchandise goods	11,450,728,120	-
Other related parties		
Crown Beverage Cans Saigon Limited		
Purchases of merchandise goods	883,351,511,433	828,155,224,999
Other income	78,288,457	-
Dividends	144,629,881,178	143,429,175,041
Saigon Beer Transportation Joint Stock Company		
Sales of raw materials	9,685,150	3,467,750
Transportation expenses	760,329,015,692	783,555,903,474
Penalty income	479,582,790	-
Penalty expense	49,561,303	-
Dividends	2,000,000,000	-

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period
ended 30 June 2018 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Sai Gon - Dong Nai Beer Joint Stock Company		
Sales of raw materials	10,340,000	6,600,000
Vietnam Spirits And Wine Ltds		
Sales of finished goods	1,054,200,000	-
Key management personnel		
Salary and bonus	22,772,925,144	4,628,711,529

42. Post balance sheet event

Subsequent to the period-end, the Group established a new subsidiary named Saigon Beer Company Limited under Business Registration Certificate No. 0315165573 dated 16 July 2018. As a result, the Group has 24 subsidiaries since 16 July 2018.

43. Corresponding figures

The corresponding figures as at 1 January 2018 were brought forward from the audited figures of the Group as at and for the year ended 31 December 2017. The corresponding figures of the statement of income and cash flow for the six-month period ended 30 June 2017 were brought forward from the Group's reviewed consolidated financial statements as at and for the six-month period ended 30 June 2017.

10 August 2018

Prepared by:



Hoang Thanh Van
Accountant

Approved by:



Nguyen Tien Dung
Chief Accountant



Teo Hong Keng
On behalf of General Director
Deputy General Director

