



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

Consolidated Financial Statements
for the year ended 31 December 2018



Saigon Beer – Alcohol – Beverage Corporation Corporate Information

Enterprise Registration Certificate No.

0300583659

29 February 2012

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

Board of Directors

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

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

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 Teo Hong Keng	Deputy General Director (from 9 May 2018)
	Mr Hoang Dao Hiep	Deputy General Director (from 1 October 2018)
	Mr Neo Gim Siong Bennett	Deputy General Director (from 9 May 2018 until 31 July 2018)
	Mr Ng Kuan Ngee Melvyn	Deputy General Director (from 9 May 2018)
	Mr Nguyen Minh An	Deputy General Director (until 20 June 2018)

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 approved to change the Company’s management structure, in which Board of Supervisors structure was replaced by Audit Committee structure.

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

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

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

Registered Office	No. 187, Nguyen Chi Thanh Street Ward 12, District 5 Ho Chi Minh City Vietnam
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Auditor	KPMG Limited Vietnam
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Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries Statement of the Board of Management

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

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

- (a) the consolidated financial statements set out on pages 7 to 66 give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of the consolidated results of operations and the consolidated cash flows of the Group for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Group will not be able to pay its debts as and when they fall due.

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



On behalf of the Board of Management

Neo Gim Siong Bennett
General Director

Ho Chi Minh City, 28 March 2019



KPMG Limited Branch
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District 1, Ho Chi Minh City, Vietnam
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders

Saigon Beer – Alcohol – Beverage Corporation

We have audited the accompanying consolidated financial statements of Saigon Beer – Alcohol – Beverage Corporation (“the Company”) and its subsidiaries (collectively “the Group”), which comprise the consolidated balance sheet as at 31 December 2018, the consolidated statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Company’s Board of Management on 28 March 2019, as set out on pages 7 to 66.

Management’s Responsibility

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

Auditor’s Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Company’s Board of Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Auditor's Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries as at 31 December 2018 and of its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

Other Matter


The consolidated financial statements of the Group for the year ended 31 December 2017 were audited by another firm of auditors whose reports dated 2 April 2018 expressed an unqualified opinion on those consolidated financial statements.

KPMG Limited's Branch in Ho Chi Minh City

Vietnam

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




Ha Vu Dinh
Practicing Auditor Registration
Certificate No. 0414-2018-007-1
Deputy General Director



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

Ho Chi Minh City, 28 March 2019

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

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

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

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

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

Form B 01 – DN/HN

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

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

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

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

Form B 01 – DN/HN

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

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

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

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

Form B 01 – DN/HN

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

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

28 March 2019

Prepared by:

Approved by:



Hoang Thanh Van
Accountant



Tran Nguyen Trung
Chief Accountant



Teo Hong Keng
Deputy General Director





Neo Gim Siong Bennett
General Director

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

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

Form B 02 – DN/HN

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

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

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

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

Form B 02 – DN/HN

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

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

28 March 2019

Prepared by:



Hoang Thanh Van
Accountant

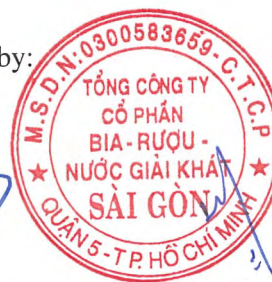


Tran Nguyen Trung
Chief Accountant

Approved by:



Teo Hong Keng
Deputy General Director



Neo Gim Siong Bennett
General Director

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

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

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

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

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


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

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

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

28 March 2019

Prepared by:



Hoang Thanh Van
Accountant



Tran Nguyen Trung
Chief Accountant

Approved by:



Teo Hong Keng
Deputy General Director



Neo Gim Siong Bennett
General Director

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

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2018

Form B 09 – 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 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/QĐ-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/QĐ-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/QĐ-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/QĐ-SGDHCM dated 25 November 2016 issued by the Ho Chi Minh City Stock Exchange.

The consolidated financial statements of the Company for the year ended 31 December 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 31 December 2018, the Group had 25 subsidiaries and 19 associates, jointly controlled entities (1/1/2018: 23 subsidiaries and 21 associates, jointly controlled entities) as follows:

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2018 (continued)

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

No	Company name	Principal activities	31/12/2018		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%	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%	93.47%	93.32%	93.47%
5	Sai Gon - Dong Xuan Beer Alcohol Joint Stock Company	Producing and trading beer and soft drinks	55.90%	56.24%	55.90%	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; provision 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; provision transportation and warehousing services	95.07%	95.07%	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%
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%

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2018 (continued)

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

No	Company name	Principal activities	31/12/2018		1/1/2018	
			% of equity interest	% of voting rights	% of equity interest	% of voting rights
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%
24	Saigon Beer Company Limited	Wholesale of beer, alcohol and beverage	100%	100%	-	-
25	Saigon Beer Group Company Limited	Wholesale of beer, alcohol and beverage	100%	100%	-	-

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2018 (continued)

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

No	Company name	Principal activities	31/12/2018		1/1/2018	
			% of equity interest	% of voting rights	% of equity interest	% of voting rights
II	Jointly controlled entities					
1	Me Linh Point Limited (*)	Providing office building leasing and management services	35%	25%	35%	25%
2	Crown Beverage Cans Saigon Limited	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 Yamamura Phu Tho 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	38.62%	38.98%	38.62%	38.98%
8	Saigon - Phutho Beer Joint Stock Company	Producing beer, alcohol and beverage	30.84%	33.85%	30.84%	33.85%
9	Sai Gon - Phu Ly Beer Joint Stock Company (**)	Producing beer, mineral water; provision hotel and transportation services	-	-	29.76%	29.76%
10	Sai Gon - Mien Trung Beer Joint Stock Company	Producing and trading beer, alcohol, beverage and spare parts	32.40%	32.41%	32.40%	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%
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%

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2018 (continued)

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

No	Company name	Principal activities	31/12/2018		1/1/2018	
			% of equity interest	% of voting rights	% of equity interest	% of voting rights
16	Saigon - Bentre Beer Joint Stock Company	Producing beer, alcohol and beverage	20%	20%	20%	20%
17	Saigon Binh Tay Beer Group Joint Stock Company (**)	Producing, processing and trading food, beverage, beer and alcohol drinks	21.80%	22.18%	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 - Bac Lieu Beer Joint Stock Company	Producing beer, alcohol and beverage	10.2%	20%	10.2%	20%
20	Saigon - Lamdong 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 Centrepont 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 year ended 31 December 2018, the ratio are 35% and 65% (year ended 31 December 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, Sai Gon Binh Tay issued its shares to 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. The swap and merge was completed successfully on 9 July 2018. As a result, the Group no longer has investment in 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 21.80%, respectively. On 14 August 2018, Sai Gon Binh Tay also changed the name from “Sai Gon Binh Tay Beer Joint Stock Company” to “Saigon Binh Tay Beer Group Joint Stock Company”.

As at 31 December 2018, the Group had 7,877 employees (1/1/2018: 8,395 employees).

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2018
(continued)

Form B 09 – 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 financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

(b) Basis of measurement

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

(c) Annual accounting period

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

(d) Accounting and presentation currency

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

3. Summary of significant accounting policies

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

(a) Basis of consolidation

(i) Subsidiaries

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

(ii) Non-controlling interests

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

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

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2018
(continued)

Form B 09 – DN/HN

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

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

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

(iv) *Transactions eliminated on consolidation*

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

(b) *Foreign currency*

(i) *Foreign currency transactions*

Transactions in currencies other than VND during the year 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 annual accounting period quoted by the commercial bank where the Group most frequently conducts transactions.

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

(ii) *Translation of financial statements of associate from the accounting currency to the presentation currency*

The assets and liabilities of associate which denominated in currency other than VND are translated to VND at exchange rates at the end of the annual accounting period. The income and expenses of this associate are translated to VND at exchange rates at the dates of transactions.

Foreign currency differences arising from the translation of financial statements of associate which denominated in currency other than VND are recognised in the balance sheet under the caption "Foreign exchange differences" in equity.

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2018
(continued)

Form B 09 – 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 financial statements for the year ended 31 December 2018
(continued)

Form B 09 – 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 year 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 with indefinite term are stated at cost and not amortised. Land use rights with definite term are stated at cost less accumulated amortisation. The initial cost of land use rights comprises the purchase price 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 the term of the land use rights ranging from 40 years to 49 years.

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2018
(continued)

Form B 09 – 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 statement of income in the year 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 financial statements for the year ended 31 December 2018
(continued)

Form B 09 – 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) Rental expenses

Rental expense includes prepaid warehouse rental fee and initially is stated at costs. Rental expense is amortised on a straight-line basis over 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 initially stated at costs. Returnable packaging 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 Group 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 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 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 financial statements for the year ended 31 December 2018
(continued)

Form B 09 – 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. Excess of cash received from share issuance 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 year comprises current and deferred tax. Income tax is recognised in the consolidated statement of income except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

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

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

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2018
(continued)

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

(p) Revenue and other income

(i) Goods sold

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

(ii) Services rendered

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

(iii) Rental income

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

(iv) Interest income

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

(v) Dividend income

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

(q) Operating lease payments

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

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2018
(continued)

Form B 09 – DN/HN

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

(r) Borrowing costs

Borrowing costs are recognised as an expense in the year in which they are incurred, except where the borrowing costs relate to borrowings in respect of the construction of qualifying 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 year.

The Group had no potentially dilutive shares, regulations on presentation of diluted earnings per share are not applied.

(t) Segment reporting

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

(u) Related parties

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

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2018
(continued)

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

4. 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 include sales of alcohol, beverages and other products.

During the year, other business activities accounted for an insignificant proportion of total revenue and operating results of the Group and the Group's assets and liabilities as at reporting dates were mainly related to beer manufacturing activities. Accordingly, the financial information presented in the balance sheet as at 31 December 2018 and 1 January 2018 are related to the Group's sales of beer activities. Note 30 and Note 31 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.

(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
2018			
Revenue	35,360,893,401,425	587,659,160,522	35,948,552,561,947
Cost of sales	(27,387,499,862,489)	(476,913,527,062)	(27,864,413,389,551)
	7,973,393,538,936	110,745,633,460	8,084,139,172,396
2017			
Revenue	33,634,836,924,083	558,553,630,156	34,193,390,554,239
Cost of sales	(24,846,676,327,151)	(481,196,162,511)	(25,327,872,489,662)
	8,788,160,596,932	77,357,467,645	8,865,518,064,577

The Group's assets were located in Vietnam.

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2018
(continued)

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

5. Cash and cash equivalents

	31/12/2018	1/1/2018
	VND	VND
Cash on hand	3,813,388,314	5,390,868,148
Cash in banks	1,591,375,420,063	1,626,433,708,649
Cash equivalents (*)	2,872,202,776,760	2,636,774,241,245
	<hr/>	<hr/>
	4,467,391,585,137	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 rates from 5.1% to 5.5% per annum (1/1/2018: 5.5% per annum).

6. 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 rates from 5.3% 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 financial statements for the year ended 31 December 2018 (continued)

Form B 09 – 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

	31/12/2018			1/1/2018		
	Equity accounted/ Cost VND	Allowance VND	Carrying amount VND	Equity accounted/ Cost VND	Allowance VND	Carrying amount VND
Investments in associates, jointly controlled entities (i)	1,800,203,395,934	(24,135,767,100)	1,776,067,628,834	1,747,121,088,747	(19,988,792,554)	1,727,132,296,193
Equity investments in other entities (ii)	688,510,888,053	(366,405,088,682)	322,105,799,371	736,652,914,597	(332,326,266,564)	404,326,648,033
	2,488,714,283,987	(390,540,855,782)	2,098,173,428,205	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 financial statements for the year ended 31 December 2018 (continued)

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

(i) Investments in associates, jointly controlled entities

Company name	31/12/2018			1/1/2018		
	Equity accounted VND	Fair value VND	Allowance VND	Equity accounted VND	Fair value VND	Allowance VND
Truong Sa Food - Food Business Joint Stock Company	5,899,777,115	(*)	-	4,597,654,606	(*)	-
Sai Gon - Phu Ly Beer Joint Stock Company	-	(*)	-	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	76,506,756,665	(*)	-	81,363,598,253	(*)	-
Mechanical And Industrial Construction Joint Stock Company	10,727,077,141	(*)	-	12,641,612,636	(*)	-
Saigon Tay Do Beer - Beverage Joint Stock Company	103,121,828,391	(*)	-	111,504,428,891	(*)	-
Me Linh Point Limited	123,970,386,177	(*)	-	119,215,074,210	(*)	-
Crown Beverage Cans Saigon Limited	287,070,899,745	(*)	-	302,127,077,404	(*)	-
Malaya - Vietnam Glass Limited	216,067,689,657	(*)	-	169,368,729,376	(*)	-
San Miguel Yamamura Phu Tho Packaging Company Limited	61,605,169,453	(*)	-	55,532,678,119	(*)	-
Vietnam Spirits And Wine Ltd	24,135,767,100	(*)	(24,135,767,100)	19,988,792,554	(*)	(19,988,792,554)
Saigon Binh Tay Beer Group Joint Stock Company	473,240,164,300	(*)	-	326,779,406,443	(*)	-
Sai Gon - Mien Trung Beer Joint Stock Company	151,198,862,177	(*)	-	150,263,429,620	(*)	-
Tan Thanh Investment Trading Company Limited	69,888,052,736	(*)	-	69,681,606,168	(*)	-
Saigon - Baclieu Beer Joint Stock Company	39,177,284,776	(*)	-	39,376,471,352	(*)	-
Sai Gon - Vinh Long Beer Joint Stock Company	45,161,525,814	(*)	-	45,712,379,489	(*)	-
Sai Gon - Kien Giang Beer Joint Stock Company	31,194,049,992	(*)	-	27,867,627,428	(*)	-
Sai Gon - Khanh Hoa Beer Joint Stock Company	42,000,603,692	(*)	-	36,062,036,600	(*)	-
Saigon - Bentre Beer Joint Stock Company	18,907,847,457	(*)	-	20,000,000,000	(*)	-
Saigon - Lamdong Beer Joint Stock Company	20,000,000,000	(*)	-	20,000,000,000	(*)	-
	1,800,203,395,934		(24,135,767,100)	1,747,121,088,747		(19,988,792,554)

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2018
(continued)

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

Movements of investment in associates, jointly controlled entities during the year were as follows:

	2018	2017
	VND	VND
Opening balance	1,747,121,088,747	1,602,030,153,562
Share of profits during the year	354,965,023,940	411,873,934,391
Dividends received during the year	(331,646,622,511)	(268,890,171,102)
Foreign exchange differences	1,985,715,679	2,107,171,896
Increase from change in equity interest	19,800,000,000	-
Gain from change in equity interest	7,801,887,574	-
Other adjustments	176,302,505	-
	<hr/>	<hr/>
Closing balance	1,800,203,395,934	1,747,121,088,747
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Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2018 (continued)

Form B 09 – 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	31/12/2018			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	181,443,866,133	(35,135,453,867)	216,579,320,000	172,985,865,600	(34,944,167,400)
Dong A Commercial Joint Stock Bank	136,265,460,000	-	(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	15,730,653,600	(35,744,486,400)	51,475,140,000	15,584,999,400	(35,890,140,600)
Underground Space Investment and Development Joint Stock Company	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	8,232,000,000	(22,468,950,000)	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	7,275,187,937	(*)	(7,275,187,937)	35,617,214,481	(*)	-
Dai Viet Securities Incorporation	45,000,000,000	(*)	(39,600,000,000)	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	(*)	-
Sai Gon - Dong Nai Beer Joint Stock Company	3,954,000,000	(*)	(3,954,000,000)	3,954,000,000	(*)	(3,872,396,382)
Dong Ha Tourism Joint Stock Company	5,600,000,000	(*)	(1,542,596,156)	5,600,000,000	(*)	(1,514,648,583)
DIC Services and Trading Joint Stock Company	14,992,108,200	(*)	(849,646,800)	14,992,108,200	(*)	(341,936,800)
	688,510,888,053		(366,405,088,682)	736,652,914,597		(332,326,266,564)

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2018
(continued)

Form B 09 – 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 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 year were as follows:

	2018 VND	2017 VND
Opening balance	352,315,059,118	426,640,604,979
Allowance made during the year	40,423,450,864	80,194,888,491
Transfer from allowance for doubtful debt	300,000,000	-
Allowance reversed during the year	(2,497,654,200)	(154,520,434,352)
Closing balance	390,540,855,782	352,315,059,118

7. Accounts receivable from customers

(a) Accounts receivable from customers detailed by significant customers

	31/12/2018 VND	1/1/2018 VND
Sai Gon - Kien Giang Beer Joint Stock Company	63,349,221,846	12,046,298,380
Saigon Binh Tay Beer Group Joint Stock Company	26,202,728,309	7,915,048,569
Other customers	154,567,215,905	151,359,622,349
	244,119,166,060	171,320,969,298

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2018
(continued)

Form B 09 – 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

	31/12/2018	1/1/2018
	VND	VND
<i>Associates, jointly controlled entities</i>		
Sai Gon - Kien Giang Beer Joint Stock Company	63,349,221,846	12,046,298,380
Saigon Binh Tay Beer Group Joint Stock Company	26,202,728,309	7,915,048,569
Saigon - Bentre Beer Joint Stock Company	22,467,798,416	-
Sai Gon - Khanh Hoa Beer Joint Stock Company	14,862,841,933	3,653,742,102
Saigon Tay Do Beer - Beverage Joint Stock Company	12,553,413,185	3,831,030,858
Sai Gon - Mien Trung Beer Joint Stock Company	11,937,316,293	3,933,250,925
Saigon - Phutho Beer Joint Stock Company	7,688,953,934	5,648,817,406
Sai Gon - Vinh Long Beer Joint Stock Company	7,503,558,108	4,450,827,166
Saigon - Baclieu Beer Joint Stock Company	1,295,023,699	617,388,182
San Miguel Yamamura Phu Tho Packaging Company Limited	162,439,200	185,116,800
Malaya - Vietnam Glass Limited	19,875,240	108,220,200
Truong Sa Food - Food Business Joint Stock Company	-	2,319,240,000
<i>Other related parties</i>		
Saigon Beer Transportation Joint Stock Company	17,949,417	17,949,417

8. Other receivables

(a) Other short-term receivables

	31/12/2018	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	150,223,096,267	148,414,651,047
Dividend receivables	19,345,526,000	4,184,381,836
Other receivables	26,951,136,376	38,909,644,549
	473,750,492,186	468,739,410,975

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2018
(continued)

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

Other short-term receivables from related parties

	31/12/2018	1/1/2018
	VND	VND
<i>Associates</i>		
Tan Thanh Investment Trading Company Limited	277,230,733,543	277,230,733,543
Sai Gon - Mien Trung Beer Joint Stock Company	19,587,812,354	895,009,632
Sai Gon - Vinh Long Beer Joint Stock Company	1,194,336,210	1,159,209,383
Saigon - Baclieu Beer Joint Stock Company	814,325,684	3,025,172,453
Saigon - Bentre Beer Joint Stock Company	99,712,159	-
Saigon - Phutho Beer Joint Stock Company	84,907,293	-
Sai Gon - Khanh Hoa Beer Joint Stock Company	83,916,000	612,242,386
Sai Gon - Kien Giang Beer Joint Stock Company	-	591,912,781
<i>Other related parties</i>		
Saigon Beer Transportation Joint Stock Company	10,856,754	210,669,811

(b) Other long-term receivables

	31/12/2018	1/1/2018
	VND	VND
Long-term deposits	27,151,945,917	41,089,805,411
Others	8,028,765,000	8,028,765,000
	35,180,710,917	49,118,570,411

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2018 (continued)

Form B 09 – DN/HN

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

9. Allowance for doubtful debts

(a) Short-term

	Overdue days	31/12/2018			Overdue days	1/1/2018		
		Cost VND	Allowance VND	Recoverable amount VND		Cost VND	Allowance VND	Recoverable amount VND
Shortage of assets awaiting resolution	Over 2 years	28,870,497,614	(28,764,828,130)	105,669,484	Over 1 year	20,171,885,282	(20,171,885,282)	-
Other short-term receivables	Over 2 years	18,809,536,221	(18,809,525,221)	11,000	Over 1 year	23,466,107,168	(23,466,107,168)	-
Accounts receivable from customers	Over 2 years	2,248,779,557	(1,967,999,780)	280,779,777	Over 1 year	9,676,177,624	(9,676,177,624)	-
Prepayments to suppliers	Over 2 years	6,328,949,613	(6,328,949,613)	-	Over 1 year	141,522,563	(141,522,563)	-
		56,257,763,005	(55,871,302,744)	386,460,261		53,455,692,637	(53,455,692,637)	-

(b) Long-term

	Overdue days	31/12/2018			Overdue days	1/1/2018		
		Cost VND	Allowance VND	Recoverable amount VND		Cost VND	Allowance VND	Recoverable amount 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	(20,868,879,905)	-
Accounts receivable from customers – long-term	Over 2 years	6,077,549,878	(6,077,549,878)	-	Over 1 year	4,917,049,815	(4,917,049,815)	-
Loans receivable – long-term	Over 2 years	4,000,000,000	(4,000,000,000)	-	Over 1 year	4,000,000,000	(4,000,000,000)	-
Other long-term receivables	Over 2 years	8,451,100,000	(8,451,100,000)	-	Over 1 year	49,118,570,411	(8,000,000,000)	41,118,570,411
		39,397,529,783	(39,397,529,783)	-		78,904,500,131	(37,785,929,720)	41,118,570,411

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2018
(continued)

Form B 09 – 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 year were as follows:

	2018 VND	2017 VND
Opening balance	91,241,622,357	88,187,185,951
Allowance made during the year	5,078,736,508	3,054,436,406
Allowance reversed during the year	(751,526,338)	-
Transfer to allowance for diminution in the value of long-term financial investments	(300,000,000)	-
Closing balance	95,268,832,527	91,241,622,357

10. Shortage of assets awaiting resolution

	31/12/2018 VND	1/1/2018 VND
Personal income tax	8,409,516,549	6,830,212,392
Inventories	3,352,447,961	4,356,534,586
Other assets	17,112,290,040	8,985,138,304
	28,874,254,550	20,171,885,282

11. Inventories

(a) Inventories

	31/12/2018		1/1/2018	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Goods in transit	102,764,346,138	-	133,269,869,755	-
Raw materials	517,645,998,858	(46,917,742,252)	445,447,823,503	(33,106,801,005)
Tools and supplies	203,077,547,298	(130,651,227,235)	110,139,126,470	(52,660,898,286)
Work in progress	207,713,866,901	(2,615,718,757)	195,379,665,874	-
Finished goods	1,002,862,048,378	(40,124,928,435)	1,228,465,858,552	(27,243,585,399)
Goods on consignment	-	-	3,844,007,871	-
	2,034,063,807,573	(220,309,616,679)	2,116,546,352,025	(113,011,284,690)

Included in inventories as at 31 December 2018 was VND220,310 million (1/1/2018: VND113,011 million) of obsolete, slow-moving inventories that are difficult to sell.

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2018
(continued)

Form B 09 – 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 year were as follows:

	2018 VND	2017 VND
Opening balance	113,011,284,690	36,683,779,422
Allowance made during the year	148,418,415,265	77,473,899,509
Allowance reversed during the year	(23,354,818,220)	(1,146,394,241)
Allowance utilised during the year	(17,765,265,056)	-
Closing balance	<u>220,309,616,679</u>	<u>113,011,284,690</u>

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

	31/12/2018		1/1/2018	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Long-term tools, supplies and spare parts	62,602,347,236	(13,296,219,944)	34,100,529,502	(20,238,258,053)

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

	2018 VND	2017 VND
Opening balance	20,238,258,053	16,180,680,040
Allowance made during the year	1,317,967,401	4,057,578,013
Allowance reversed during the year	(8,260,005,510)	-
Closing balance	<u>13,296,219,944</u>	<u>20,238,258,053</u>

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2018
(continued)

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

12. Prepaid expenses

(a) Short-term prepaid expenses

	31/12/2018 VND	1/1/2018 VND
Rental fee	26,653,581,192	6,946,093,638
Advertising expenses	40,229,620,142	-
Tools and instruments	11,208,665,233	6,715,976,137
Others	8,364,860,894	11,250,781,477
	<hr/> 86,456,727,461	<hr/> 24,912,851,252

(b) Long-term prepaid expenses

	31/12/2018 VND	1/1/2018 VND
Returnable packaging	362,332,923,329	554,146,916,047
Warehouse rental fee	67,899,879,298	141,170,850,396
Property held for future investment (*)	51,602,316,000	51,602,316,000
Renovation expenses	32,565,235,266	36,176,398,915
Tools and instruments	19,867,926,592	4,735,793,248
Others	17,526,479,834	29,159,162,149
	<hr/> 551,794,760,319	<hr/> 816,991,436,755

(*) Property held for future investment represented the value of land use rights awaiting transfer (Note 21(b)).

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

	2018 VND	2017 VND
Opening balance	816,991,436,755	756,355,605,445
Additions during the year	276,866,262,139	630,225,844,217
Amortisation for the year	(532,911,531,545)	(450,121,029,891)
Transfer to short-term prepaid expenses	(4,281,329,444)	(1,789,985,951)
Disposals	(4,870,077,586)	(117,259,102,946)
Other decreases	-	(419,894,119)
	<hr/>	<hr/>
Closing balance	551,794,760,319	816,991,436,755

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2018 (continued)

Form B 09 – DN/HN

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

13. Tangible fixed assets

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Others VND	Total VND
Cost						
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	4,798,976,084	37,398,384,532	8,024,727,273	19,050,206,484	-	69,272,294,373
Transfer from construction in progress	12,305,526,913	91,517,278,336	5,007,459,793	805,197,814	224,990,962	109,860,453,818
Transfer from investment properties (Note 15(a))	12,281,430,823	-	-	-	-	12,281,430,823
Disposals	-	(29,113,288,710)	(5,368,808,890)	(2,576,875,250)	-	(37,058,972,850)
Written off	(741,641,296)	-	-	-	-	(741,641,296)
Closing balance	1,865,206,665,931	7,237,140,026,670	245,035,314,635	140,926,881,281	9,141,036,674	9,497,449,925,191
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 year	102,339,917,493	481,031,697,305	20,933,822,622	13,637,740,741	1,288,078,953	619,231,257,114
Transfer from investment properties (Note 15(a))	358,208,399	-	-	-	-	358,208,399
Disposals	-	(28,458,819,203)	(5,202,828,774)	(2,300,637,094)	-	(35,962,285,071)
Written off	(117,138,428)	-	-	-	-	(117,138,428)
Closing balance	881,383,212,295	4,719,337,707,022	175,715,664,735	101,169,615,456	4,992,840,629	5,882,599,040,137
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	983,823,453,636	2,517,802,319,648	69,319,649,900	39,757,265,825	4,148,196,045	3,614,850,885,054

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2018
(continued)

Form B 09 – 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 VND1,330,187 million which were fully depreciated as at 31 December 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 VND123,380 million as at 31 December 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 31 December 2018 was VND61,027 million (1/1/2018: VND124,633 million).

14. 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	-	2,614,000,000	-	2,614,000,000
Transfer from construction in progress	-	467,800,000	-	467,800,000
Closing balance	1,024,215,267,144	66,934,890,585	247,447,482	1,091,397,605,211
Accumulated amortisation				
Opening balance	69,890,212,159	54,918,397,770	154,076,810	124,962,686,739
Charge for the year	6,930,669,320	7,223,849,980	40,205,032	14,194,724,332
Closing balance	76,820,881,479	62,142,247,750	194,281,842	139,157,411,071
Net book value				
Opening balance	954,325,054,985	8,934,692,815	93,370,672	963,353,118,472
Closing balance	947,394,385,665	4,792,642,835	53,165,640	952,240,194,140

Included in intangible fixed assets were assets costing VND54,541 million which were fully amortised as at 31 December 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 VND1,196 million as at 31 December 2018 (1/1/2018: Nil).

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2018
(continued)

Form B 09 – DN/HN

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

- (*) Land use rights as at 31 December 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 the increase in value of land use rights in “Intangible fixed assets” with a corresponding payable to State Treasury in “Other short-term payables” account (Note 21(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 these consolidated 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 or 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
			<hr/> 735,379,872,700 <hr/>

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 year, the Group has also recognised the land rental expenses to the consolidated statement of income an amount of VND23,043 million (2017: VND22,192 million) following the tax payment notices from local tax authorities.

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2018
(continued)

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

15. Investment properties

	31/12/2018 VND	1/1/2018 VND
Investment property held to earn rental (a)	22,806,927,578	35,896,864,916
Investment property held for capital appreciation (b)	31,760,909,657	31,760,909,657
	<u>54,567,837,235</u>	<u>67,657,774,573</u>

(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 13)	(12,281,430,823)	-	(12,281,430,823)
Reclassification	(69,562,000)	69,562,000	-
Closing balance	<u>27,812,438,744</u>	<u>8,719,766,623</u>	<u>36,532,205,367</u>
Accumulated depreciation			
Opening balance	7,057,861,512	5,858,909,762	12,916,771,274
Charge for the year	604,618,235	562,096,679	1,166,714,914
Transfer to tangible fixed assets (Note 13)	(358,208,399)	-	(358,208,399)
Reclassification	(2,615,294)	2,615,294	-
Closing balance	<u>7,301,656,054</u>	<u>6,423,621,735</u>	<u>13,725,277,789</u>
Net book value			
Opening balance	33,105,570,055	2,791,294,861	35,896,864,916
Closing balance	<u>20,510,782,690</u>	<u>2,296,144,888</u>	<u>22,806,927,578</u>

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2018
(continued)

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

(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 and closing balance	31,760,909,657

The Group has not determined fair values of investment properties for disclosure in the consolidated 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.

16. Construction in progress

	2018 VND	2017 VND
Opening balance	111,505,655,106	76,866,965,060
Additions during the year	143,200,496,777	109,531,291,798
Transfer to tangible fixed assets	(109,860,453,818)	(69,271,509,549)
Transfer to intangible fixed assets	(467,800,000)	-
Other decreases	-	(5,621,092,203)
Closing balance	144,377,898,065	111,505,655,106

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2018
(continued)

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

Major constructions in progress were as follows:

	31/12/2018 VND	1/1/2018 VND
Upgrade warehouse and brewery at Nguyen Chi Thanh Brewery	88,817,343,236	56,970,919,540
Purchase and set up beer separation system	15,646,107,455	-
Other projects	39,914,447,374	54,534,735,566
	<hr/> 144,377,898,065	<hr/> 111,505,655,106 <hr/>

17. Deferred tax assets and deferred tax liabilities

	Tax rate	31/12/2018 VND	1/1/2018 VND
Deferred tax assets recognised on:			
▪ Allowance for diminution in the value of long-term financial investments	20%	52,984,561,076	21,700,658,109
▪ Accrued expenses and provisions	20%	44,551,441,993	14,808,442,901
▪ Unrealised profits	20%	43,935,387,185	83,829,921,074
▪ Allowance for inventories	20%	40,758,143,846	10,665,519,252
▪ Allowance for doubtful debts	20%	2,304,311,667	2,326,331,669
▪ Goodwill	20%	-	2,985,201,840
▪ Tax losses carry-forwards	20%	-	506,340,666
Total deferred tax assets		<hr/> 184,533,845,767	<hr/> 136,822,415,511 <hr/>
Deferred tax liabilities recognised on:			
▪ Allowance for diminution in the value of investment in associates	20%	24,920,989,732	10,662,433,825
▪ Tools and instruments	20%	6,865,493,069	6,669,489,952
▪ Accrued expenses	20%	(75,929,285)	(114,725,539)
▪ Unearned revenue	20%	(226,661,817)	-
Total deferred tax liabilities		<hr/> 31,483,891,699	<hr/> 17,217,198,238 <hr/>

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2018
(continued)

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

18. Accounts payable to suppliers

(a) Accounts payable to suppliers detailed by significant suppliers

	Cost/Amount within payment capacity	
	31/12/2018	1/1/2018
	VND	VND
Crown Beverage Cans Saigon Limited	217,001,205,735	262,095,508,855
Sabeco - Song Lam Packaging Joint Stock Company	180,108,990,634	108,900,145,517
Asia Packaging Industries (Vietnam) Limited Company	174,470,186,654	129,259,408,422
Hanaka Group Joint Stock Company	162,558,976,562	78,791,183,694
Saigon Beer Transportation Joint Stock Company	23,614,778,582	339,809,965,644
Other suppliers	1,269,508,029,545	1,101,543,450,352
	<hr/>	<hr/>
	2,027,262,167,712	2,020,399,662,484
	<hr/>	<hr/>

(b) Accounts payable to suppliers who are related parties

	Cost/Amount within payment capacity	
	31/12/2018	1/1/2018
	VND	VND
<i>Associates, jointly controlled entities</i>		
Crown Beverage Cans Saigon Limited	217,001,205,735	262,095,508,855
Saigon Binh Tay Beer Group Joint Stock Company	80,479,565,925	56,286,113,565
Sai Gon - Mien Trung Beer Joint Stock Company	68,770,742,216	32,647,521,270
Sai Gon - Kien Giang Beer Joint Stock Company	55,072,169,614	31,049,297,290
Sai Gon - Khanh Hoa Beer Joint Stock Company	43,265,809,950	10,606,197,800
Sai Gon - Vinh Long Beer Joint Stock Company	42,224,298,050	8,908,347,338
Saigon - Bentre Beer Joint Stock Company	36,922,865,100	-
Saigon - Phutho Beer Joint Stock Company	34,832,174,850	24,891,438,000
Malaya - Vietnam Glass Limited	34,009,252,977	40,077,461,556
Saigon Tay Do Beer - Beverage Joint Stock Company	28,504,068,582	26,368,874,356
San Miguel Yamamura Phu Tho Packaging Company Limited	13,248,400,000	21,639,640,000
Saigon - Bac Lieu Beer Joint Stock Company	6,121,281,540	18,116,463,860
Truong Sa Food - Food Business Joint Stock Company	436,148,400	664,446,000
<i>Other related party</i>		
Saigon Beer Transportation Joint Stock Company	23,614,778,582	339,809,965,644
	<hr/>	<hr/>

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2018 (continued)

Form B 09 – DN/HN

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

19. Taxes payable to and receivable from State Treasury

(a) Taxes payable to State Treasury

	1/1/2018 VND	Incurred VND	Paid VND	Net-off VND	Reclassified to tax receivables VND	31/12/2018 VND
Special sales tax	662,818,389,348	6,863,862,374,974	(6,869,993,717,806)	-	-	656,687,046,516
Corporate income tax	404,303,468,506	1,021,134,431,877	(1,140,987,498,904)	-	2,061,221,485	286,511,622,964
Value added tax	86,312,950,068	14,710,628,665,572	(1,441,734,260,319)	(13,236,777,620,632)	-	118,429,734,689
Personal income tax	53,987,623,398	130,222,332,275	(150,680,247,043)	-	763,269,802	34,292,978,432
Import-export tax	-	30,436,720,096	(30,436,720,096)	-	-	-
Other taxes	2,334,633,127	49,324,207,176	(46,362,606,377)	-	(603,298,014)	4,692,935,912
	1,209,757,064,447	22,805,608,731,970	(9,680,195,050,545)	(13,236,777,620,632)	2,221,193,273	1,100,614,318,513

During 2018, the Company received the Notification of the tax authority requesting provisional payments to the State budget in relation to the late payment penalty and late interest on special sales tax for the period from 2007 to 2015 that had been paid by the Company. On 28 December 2018, the Company received the Decisions from the Ho Chi Minh City Tax Department regarding to the enforcement and implementation of the tax administrative decisions by seizing the Company's cash from the Company's bank accounts. This enforcement related to an amount that the Ho Chi Minh City Tax Department considers as monetary penalty and overdue payment for administrative violations on special sales tax. However, the Company's position has always been clear and consistent since the State Audit issued audit conclusion in 2015: (i) the Company did not violate regulations on the declaration, calculation and payment of special sales tax, and (ii) the Company has always complied with the written guidance issued by the Ministry of Finance, General Department of Taxation and Ho Chi Minh City Tax Department over the past years on the same matter. Subsequently on 2 January 2019, the Company also received the Decisions from Ho Chi Minh City Tax Department to suspend the above decisions on the enforcement. The Company has sent the official letters to the relevant authorities to resolve the above matters.

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2018
(continued)

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

(b) Taxes receivable from State Treasury

	1/1/2018 VND	Reclassified from tax payables VND	31/12/2018 VND
Corporate income tax	2,107,578,600	2,061,221,485	4,168,800,085
Personal income tax	98,017,345	763,269,802	861,287,147
Other taxes	755,272,833	(603,298,014)	151,974,819
	2,960,868,778	2,221,193,273	5,182,062,051

20. Accrued expenses

	31/12/2018 VND	1/1/2018 VND
Advertising and promotion expenses	204,884,672,148	133,081,509,942
Transportation expenses	192,363,334,018	-
Interest expenses	13,493,369,109	13,850,566,994
Others	62,427,685,075	49,593,876,312
	473,169,060,350	196,525,953,248

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2018
(continued)

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

21. Other payables

(a) Other payables – short-term

	31/12/2018	1/1/2018
	VND	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	186,444,336,213	187,756,893,824
Dividends payable	47,642,016,752	1,521,388,663,665
Payables to Enterprise Restructure and Development Assistance Fund	-	109,965,627,840
Others	110,072,285,800	75,689,626,022
	<hr/>	<hr/>
	1,079,538,511,465	2,630,180,684,051

- (*) 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 14).

Other payables – short-term to related parties

	31/12/2018	1/1/2018
	VND	VND
<i>The parent company</i>		
Vietnam Beverage Company Limited	-	1,202,749,054,500
<i>Associates, jointly controlled entities</i>		
Thanh Nam Consultant Investment - Engineering and Technology Transfer Joint Stock Company	340,000,000	340,000,000
Saigon Binh Tay Beer Group Joint Stock Company	287,780,949	287,780,949
Me Linh Point Limited	-	39,282,868
<i>Other related party</i>		
Saigon Beer Transportation Joint Stock Company	195,251,930	195,251,930

(b) Other payables – long-term

	31/12/2018	1/1/2018
	VND	VND
Land tax payable to the State (Note 12(b))	51,602,316,000	51,602,316,000
Long-term deposits received	1,547,300,000	2,030,200,000
	<hr/>	<hr/>
	53,149,616,000	53,632,516,000

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2018 (continued)

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

22. Borrowings

(a) Short-term borrowings

	1/1/2018 Carrying amount/ Amount within repayment capacity VND	Movements during the year		31/12/2018 Carrying amount/ Amount within repayment capacity VND
		Increase VND	Decrease VND	
Short-term borrowings	720,042,938,660	3,226,436,043,026	(3,361,976,193,006)	584,502,788,680
Current portion of long-term borrowings (Note 22(b))	2,861,043,120	16,551,629,834	(9,672,672,954)	9,740,000,000
	722,903,981,780	3,242,987,672,860	(3,371,648,865,960)	594,242,788,680

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

	Currency	31/12/2018 VND	1/1/2018 VND
▪ Vietnam Joint Stock Commercial Bank for Industry and Trade – No. 4 Branch	VND	216,614,876,467	213,709,924,414
▪ Vietnam Joint Stock Commercial Bank for Industry and Trade – Quang Ngai Branch	USD	138,546,240,000	-
▪ Vietnam Joint Stock Commercial Bank for Industry and Trade – No. 4 Branch	VND	108,982,967,784	136,551,198,548
▪ Joint Stock Commercial Bank for Foreign Trade of Vietnam – Thanh Xuan Branch	VND	62,010,614,429	59,668,282,890
▪ Vietnam Joint Stock Commercial Bank for Industry and Trade – Quang Minh Branch	VND	34,000,000,000	32,547,179,580
▪ Vietnam Export Import Commercial Joint Stock Bank – Quang Ngai Branch	USD	17,848,090,000	-
▪ Vietnam International Commercial Joint Stock Bank – Vinh Branch	VND	6,500,000,000	15,000,000,000
▪ Vietnam Joint Stock Commercial Bank for Industry and Trade – Quang Ngai Branch	VND	-	199,951,888,610
▪ Vietnam Joint Stock Commercial Bank for Industry and Trade – Nam Thang Long Branch	VND	-	34,753,421,498
▪ Joint Stock Commercial Bank for Investment and Development – My Dinh Branch	VND	-	25,000,000,000
▪ Vietnam International Commercial Joint Stock Bank – Quang Ninh Branch	VND	-	1,639,738,120
▪ Vietnam International Commercial Joint Stock Bank – Can Tho Branch	VND	-	1,221,305,000
		584,502,788,680	720,042,938,660

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2018
(continued)

Form B 09 – DN/HN

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

The short-term loans denominated in VND bore interest rates from 5.5% to 7% per annum (1/1/2018: from 5% to 5.5% per annum) and short-term loans denominated in USD bore interest rates from 3.3% to 3.5% per annum. The short-term loans are secured over inventories and tangible fixed assets.

(b) Long-term borrowings

	31/12/2018 VND	1/1/2018 VND
Long-term borrowings	24,358,022,047	4,802,672,954
Repayable within twelve months (Note 22(a))	(9,740,000,000)	(2,861,043,120)
Repayable after twelve months	14,618,022,047	1,941,629,834

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

	Year of Currency maturity	31/12/2018 VND	1/1/2018 VND
▪ Joint Stock Commercial Bank for Foreign Trade of Vietnam – Thanh Xuan Branch	VND 2021	24,358,022,047	-
▪ Vietnam International Commercial Joint Stock Bank – Binh Duong Branch	VND 2018	-	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
		24,358,022,047	4,802,672,954

The long-term loans bore interest rates of 7.2% per annum (1/1/2018: from 7.2% to 7.5% per annum) and secured over tangible fixed assets and assets to be formed in the future.

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2018
(continued)

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

23. Provisions

(a) Provisions – short-term

	31/12/2018	1/1/2018
	VND	VND
Trademark fee	7,644,228,740	7,334,235,428
Others provision	24,000,000	5,657,176,251
	<hr/> 7,668,228,740	<hr/> 12,991,411,679 <hr/>

(b) Provisions – long-term

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

	2018	2017
	VND	VND
Opening balance	64,493,890,463	567,585,833
Provision made during the year	86,975,919,664	63,926,304,630
Transfer from provision – short-term	5,657,176,251	-
Provision utilised during the year	(4,754,847,762)	-
Provision reversed during the year	(6,503,690,280)	-
	<hr/> 145,868,448,336	<hr/> 64,493,890,463 <hr/>
Closing balance		

24. 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 year were as follows:

	2018	2017
	VND	VND
Opening balance	296,742,730,960	330,524,839,871
Appropriation during the year (Note 25)	231,983,421,638	317,017,513,338
Additional appropriation of bonus and welfare fund (Note 25)	28,538,509,105	76,784,024,196
Utilisation during the year	(334,959,614,537)	(427,583,646,445)
	<hr/> 222,305,047,166	<hr/> 296,742,730,960 <hr/>
Closing balance		

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2018 (continued)

Form B 09 – DN/HN

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

25. 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 year	-	-	-	-	-	-	4,711,485,204,581	4,711,485,204,581	237,114,047,283	4,948,599,251,864
Appropriation to bonus and welfare fund in (Note 24)	-	-	-	-	-	-	(277,761,723,609)	(277,761,723,609)	(39,255,789,729)	(317,017,513,338)
Additional appropriation to bonus and welfare fund (Note 24)	-	-	-	-	-	-	(72,078,210,228)	(72,078,210,228)	(4,705,813,968)	(76,784,024,196)
Appropriation to equity funds	-	-	-	-	565,187,330	687,800,000	(1,252,987,330)	-	-	-
Dividends (Note 28)	-	-	-	-	-	-	(2,244,484,151,000)	(2,244,484,151,000)	(239,876,818,585)	(2,484,360,969,585)
Re-issuance of treasury shares	-	-	23,450,000,000	-	-	-	-	23,450,000,000	-	23,450,000,000
Foreign exchange differences	-	-	-	2,107,171,896	-	-	-	2,107,171,896	-	2,107,171,896
Appropriation to social activities fund	-	-	-	-	-	-	(47,311,058,568)	(47,311,058,568)	-	(47,311,058,568)
Additional appropriation to social activities fund	-	-	-	-	-	-	(10,892,000,000)	(10,892,000,000)	-	(10,892,000,000)
Other increase/(decrease)	-	-	-	-	-	(1,401,424,375)	52,472,083,591	51,070,659,216	34,987,070,710	86,057,729,926
Change in proportion of non-controlling interests	-	-	-	-	-	-	-	-	743,075,277	743,075,277
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 financial statements for the year ended 31 December 2018 (continued)

Form B 09 – 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 year	-	-	-	-	-	-	4,177,432,235,379	4,177,432,235,379	225,317,711,045	4,402,749,946,424
Appropriation to bonus and welfare fund (Note 24)	-	-	-	-	-	-	(207,978,477,582)	(207,978,477,582)	(23,484,157,266)	(231,462,634,848)
Additional appropriation to bonus and welfare fund (Note 24)	-	-	-	-	-	-	(26,622,909,105)	(26,622,909,105)	(2,436,386,790)	(29,059,295,895)
Appropriation to investment and development fund	-	-	-	-	2,380,737,197	-	(2,380,737,197)	-	-	-
Additional appropriation to investment and development fund	-	-	-	-	8,712,420,678	-	(8,712,420,678)	-	-	-
Dividends (Note 28)	-	-	-	-	-	-	(2,244,484,151,000)	(2,244,484,151,000)	(169,291,179,518)	(2,413,775,330,518)
Foreign exchange differences	-	-	-	1,985,715,679	-	-	-	1,985,715,679	-	1,985,715,679
Appropriation to social activities fund	-	-	-	-	-	-	(36,103,560,946)	(36,103,560,946)	(1,514,477,709)	(37,618,038,655)
Additional appropriation to social activities fund	-	-	-	-	-	-	(1,321,278,213)	(1,321,278,213)	-	(1,321,278,213)
Change in proportion of non-controlling interests	-	-	-	-	90,579,927	-	44,982,194	135,562,121	(255,512,874)	(119,950,753)
Balance at 31 December 2018	6,412,811,860,000	3,208,666,226	-	21,099,487,654	1,130,147,220,442	5,327,112,664	7,473,777,581,426	15,046,371,928,412	1,065,496,239,757	16,111,868,168,169

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2018
(continued)

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

26. Share capital

The Company's authorised and issued share capital are:

	31/12/2018		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 year ended 31 December 2018 and 31 December 2017.

27. 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.

28. Dividends

The Annual General Meeting of Shareholders of the Company on 21 July 2018 resolved to advance dividends to shareholders amounting to VND2,244 billion from retained profits of 2018, equivalent to VND3,500 per share (2017: declare dividends of VND2,244 billion, equivalent to VND3,500 per share).

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2018
(continued)

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

29. Off balance sheet items

(a) Leases

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

	31/12/2018	1/1/2018
	VND	VND
Within one year	176,383,522,518	166,960,962,117
Within two to five years	625,013,894,911	424,934,364,668
More than five years	638,268,959,797	522,872,880,555
	1,439,666,377,226	1,114,768,207,340

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

	Unit	31/12/2018	1/1/2018
		VND	VND
Beer	box/crate	1,950,503	5,112,606
Beverage	box/crate	208,785	753,620
Plastic crates	piece	195,616	113,977

(c) Foreign currencies

	31/12/2018		1/1/2018	
	Original	VND	Original	VND
	currency	equivalent	currency	equivalent
USD	443,243	10,283,555,316	2,757,372	62,495,836,380
EUR	11,978	316,294,767	12,397	337,922,385

(d) Capital expenditure commitments

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

	31/12/2018	1/1/2018
	VND	VND
Approved and contracted	70,770,589,338	41,655,955,772

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2018
(continued)

Form B 09 – DN/HN

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

30. 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 sales tax.

Net revenue comprised:

	2018 VND	2017 VND
Total revenue		
▪ Sales of beer	30,790,775,222,873	29,838,464,041,901
▪ Sales of raw materials	4,816,208,783,077	4,058,768,492,587
▪ Sales of beverages	286,040,640,845	356,907,769,842
▪ Sales of alcohol and wine	53,052,895,250	88,467,592,781
▪ Others	96,940,789,901	95,563,151,481
	<hr/> 36,043,018,331,946	<hr/> 34,438,171,048,592
Less revenue deductions		
▪ Sales discounts	93,431,343,743	244,231,824,563
▪ Sales returns	1,034,426,256	548,669,790
	<hr/> 94,465,769,999	<hr/> 244,780,494,353
Net revenue	<hr/> 35,948,552,561,947	<hr/> 34,193,390,554,239

31. Cost of sales

	2018 VND	2017 VND
Total cost of sales		
▪ Beer sold	22,632,123,278,938	21,099,860,245,794
▪ Raw materials sold	4,851,969,567,319	3,801,459,739,918
▪ Beverages sold	199,352,815,051	257,893,112,663
▪ Alcohol and wine sold	53,405,432,982	87,810,235,302
▪ Allowance for inventories	118,121,558,936	80,385,083,281
▪ Others	9,440,736,325	464,072,704
	<hr/> 27,864,413,389,551	<hr/> 25,327,872,489,662

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2018
(continued)

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

32. Financial income

	2018 VND	2017 VND
Interest income from deposits at banks	605,719,812,676	453,751,364,352
Dividends income	13,832,319,500	28,363,184,875
Realised foreign exchange gains	2,102,089,107	1,233,543,639
Unrealised foreign exchange gains	81,751,748	-
Gain on disposals of financial investments	-	22,725,562,057
Gain from change in equity interest	7,801,887,576	-
Other financial income	812,522,817	33,975,631
	<hr/> 630,350,383,424	<hr/> 506,107,630,554 <hr/>

33. Financial expenses

	2018 VND	2017 VND
Interest expense	35,244,808,353	42,111,534,689
Realised foreign exchange losses	1,356,909,895	2,869,281,870
Unrealised foreign exchange losses	9,814,186	105,642,811
Allowance/(reversal of allowance) for diminution in the value of long-term financial investments	37,925,796,664	(74,325,545,861)
Other financial expenses	97,623,771	3,433,411,813
	<hr/> 74,634,952,869	<hr/> (25,805,674,678) <hr/>

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2018
(continued)

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

34. Selling expenses

	2018 VND	2017 VND
Advertising and promotion expenses	1,106,552,548,503	1,221,293,670,173
Staff costs	730,677,007,591	675,630,943,373
Material costs	382,498,293,566	322,630,442,134
Rental expenses	135,072,380,513	127,579,848,648
Transportation expenses	44,173,811,704	127,175,923,147
Depreciation and amortisation	23,968,068,046	23,318,760,712
Other expenses	308,148,749,568	313,482,286,313
	<hr/> 2,731,090,859,491	<hr/> 2,811,111,874,500 <hr/>

35. General and administration expenses

	2018 VND	2017 VND
Staff costs	490,937,054,535	484,442,305,163
Depreciation and amortisation	34,085,687,049	40,776,445,925
Rental expenses	34,213,437,914	43,476,539,135
Provision for severance allowance	80,472,229,384	63,926,304,630
Other expenses	272,996,903,984	303,353,202,683
	<hr/> 912,705,312,866	<hr/> 935,974,797,536 <hr/>

36. Production and business costs by elements

	2018 VND	2017 VND
Raw material costs included in production cost	5,813,809,353,665	5,248,509,369,102
Labour costs and staff costs	1,764,524,052,187	1,571,080,669,900
Depreciation and amortisation	634,592,696,360	625,353,451,649
Outside services	3,299,307,255,808	2,543,568,917,242
Other expenses	646,656,970,561	500,989,752,000
	<hr/>	<hr/>

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2018
(continued)

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

37. Corporate income tax

(a) Recognised in the consolidated statement of income

	2018 VND	2017 VND
Current tax expense		
Current year	1,019,050,069,002	1,137,614,554,141
Under provision in prior years	2,084,362,875	2,925,904,804
	<hr/> 1,021,134,431,877	<hr/> 1,140,540,458,945
Deferred tax benefits		
Origination and reversal of temporary differences	(33,444,736,795)	(12,048,055,675)
	<hr/> 987,689,695,082	<hr/> 1,128,492,403,270

(b) Reconciliation of effective tax rate

	2018 VND	2017 VND
Accounting profit before tax	5,390,439,641,506	6,077,091,655,134
Tax at the Company's tax rate	1,078,087,928,301	1,215,418,331,027
Effect of different tax rates in subsidiaries	(11,903,796,754)	(16,414,547,642)
Tax incentives	(17,651,885,527)	(14,137,538,269)
Tax exempt income	(73,759,468,688)	(73,470,690,139)
Non-deductible expenses	17,232,517,802	13,704,739,068
Deferred tax assets not recognised	717,193,710	-
Tax losses utilised	(1,748,494,727)	-
Under provision in prior years	2,084,362,875	2,925,904,804
Others	(5,368,661,910)	466,204,421
	<hr/> 987,689,695,082	<hr/> 1,128,492,403,270

(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 financial statements for the year ended 31 December 2018
(continued)

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

38. Basic earnings per share

The calculation of basic earnings per share for the year ended 31 December 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

	2018 VND	2017 VND
Net profit for the year	4,177,432,235,379	4,711,485,204,581
Appropriation to bonus and welfare fund (*)	(207,978,477,582)	(277,761,723,609)
Net profit attributable to ordinary shareholders	3,969,453,757,797	4,433,723,480,972

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

(ii) Weighted average number of ordinary shares

	2018	2017
Issued ordinary shares at the beginning of the year	641,281,186	638,936,186
Effect of re-issuance of treasury shares	-	2,228,746
Weighted average number of ordinary shares	641,281,186	641,164,932

39. Significant transactions with related parties

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

	2018 VND	2017 VND
<i>The parent company</i>		
Vietnam Beverage Company Limited		
Dividends declared	1,202,749,054,500	1,202,749,054,500
<i>Associates, jointly controlled entities</i>		
Sai Gon - Khanh Hoa Beer Joint Stock Company		
Sales of raw materials	459,397,935,443	408,627,837,332
Provision of services	22,700,000	-
Sales of other goods	193,096,220	200,000,000
Purchases of merchandise goods	1,194,945,732,340	1,064,942,558,317
Other purchases	441,545,000	-
Dividends received	2,600,000,000	-

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2018
(continued)

Form B 09 – DN/HN

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

	2018 VND	2017 VND
Saigon - Phutho Beer Joint Stock Company		
Sales of raw materials	360,371,075,673	352,585,150,375
Provision of services	149,736,364	-
Sales of other goods	228,480,000	203,825,000
Purchases of merchandise goods	961,848,772,950	942,437,850,200
Dividends received	16,927,200,000	10,579,500,000
Sai Gon - Kien Giang Beer Joint Stock Company		
Sales of raw materials	457,942,814,837	393,321,044,804
Provision of services	1,723,872,839	1,622,951,580
Sales of finished goods	22,272,727	-
Sales of other goods	60,385,500	15,000,000
Purchases of merchandise goods	1,556,291,736,740	1,345,905,441,695
Other purchases	17,262,000	-
Dividends received	5,750,000,000	4,300,000,000
Mechanical and Industrial Construction Joint Stock Company		
Dividends received	1,404,000,000	1,591,200,000
Sai Gon - Mien Trung Beer Joint Stock Company		
Sales of raw materials	616,631,539,006	410,463,186,342
Provision of services	3,416,170,632	-
Sales of other goods	268,712,440	2,649,590,268
Purchases of merchandise goods	2,031,504,341,600	1,498,068,655,780
Warehouse rental fee	562,411,457	-
Other purchases	660,136,320	-
Dividends received	48,363,615,000	24,043,407,500
Sai Gon - Vinh Long Beer Joint Stock Company		
Sales of raw materials	404,745,579,037	270,582,272,060
Provision of services	2,180,264,429	-
Sales of finished goods	17,550,000	-
Sales of other goods	11,701,031,956	4,656,215,908
Purchases of merchandise goods	1,340,883,769,030	1,099,241,068,520
Dividends received	13,500,000,000	7,500,000,000
Saigon Binh Tay Beer Group Joint Stock Company		
Sales of raw materials	754,701,887,650	612,064,805,592
Sales of finished goods	-	13,081,553,660
Provision of services	2,665,808,105	-
Sales of other goods	4,310,945,923	2,388,979,176
Purchases of merchandise goods	2,340,230,045,160	2,157,066,418,550
Dividends received	33,932,902,928	31,831,553,660
Payment of dividends	1,166,667,000	-

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2018
(continued)

Form B 09 – DN/HN

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

	2018 VND	2017 VND
Saigon - Bacieu Beer Joint Stock Company		
Sales of raw materials	103,736,923,097	101,472,242,985
Provision of services	3,894,967,279	-
Sales of other goods	1,020,649,370	3,468,279,757
Purchases of merchandise goods	576,018,048,880	586,428,120,500
Other purchases	437,671,387	-
Dividends received	7,207,200,000	8,408,400,000
Saigon Tay Do Beer - Beverage Joint Stock Company		
Sales of raw materials	270,532,045,101	297,944,729,394
Provision of services	985,611,916	864,512,510
Purchases of merchandise goods	863,363,755,460	888,092,819,660
Other purchases	36,426,818	-
Dividends received	22,346,582,400	6,983,307,000
Malaya - Vietnam Glass Limited		
Sales of other goods	35,669,400	107,079,000
Purchases of merchandise goods	194,350,971,768	198,239,602,180
Me Linh Point Limited		
Dividends received	27,423,437,596	26,431,342,966
San Miguel Yamamura Phu Tho Packaging Company Limited		
Sales of finished goods	826,728,000	-
Sales of raw materials	-	1,287,936,000
Purchases of merchandise goods	153,241,947,740	160,605,672,400
Dividends received	-	7,962,500,000
Truong Sa Food - Food Business Joint Stock Company		
Purchases of merchandise goods	19,197,120,580	-
Crown Beverage Cans Saigon Limited		
Purchases of merchandise goods	1,681,200,598,678	1,759,433,695,486
Dividends received	147,299,384,587	146,158,925,378
Vietnam Spirits And Wine Ltd		
Sales of finished goods	1,054,200,000	-
Saigon -Bentre Beer Joint Stock Company		
Sales of raw materials	122,573,876,156	-
Sale of tools and supplies	26,505,129,080	-
Provision of services	531,647,417	-
Sales of other goods	41,989,500	-
Purchases of merchandise goods	263,357,907,910	-
Capital contribution	-	20,000,000,000

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2018
(continued)

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

	2018	2017
	VND	VND
Saigon -Lamdong Beer Joint Stock Company		
Capital contribution	-	20,000,000,000
Other related parties		
Saigon Beer Transportation Joint Stock Company		
Transportation expenses	1,632,703,534,322	1,775,280,631,715
Dividends received	2,000,000,000	7,000,000,000
Key management personnel		
Remuneration	18,890,169,245	16,441,814,751

40. Non-cash investing activities

	2018	2017
	VND	VND
Gain from change in equity interest	7,801,887,576	-

41. 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.

28 March 2019

Prepared by:



Hoang Thanh Van
Accountant



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Approved by:



Teo Hong Keng
Deputy General Director



Ngo Gim Siong Bennett
General Director

