



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

Consolidated Interim Financial Statements
for the six-month period ended 30 June 2019

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

Board of Management

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

Audit Committee

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

Legal representative

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

Registered Office

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

Auditor

KPMG Limited
Vietnam

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

The Board of Management of Saigon Beer – Alcohol – Beverage Corporation (“the Company”) presents this statement and the accompanying consolidated interim financial statements of the Company and its subsidiaries (collectively “the Group”) for the six-month period ended 30 June 2019.

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

- (a) the consolidated interim financial statements set out on pages 5 to 67 give a true and fair view of the consolidated financial position of the Group as at 30 June 2019, and of the consolidated results of operations and the consolidated cash flows of the Group for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Group will not be able to pay its debts as and when they fall due.

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

On behalf of the Board of Management



Neo Gim Siong Bennett
General Director

Ho Chi Minh City, 28 August 2019



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

INTERIM FINANCIAL STATEMENTS REVIEW REPORT

To the Shareholders

Saigon Beer – Alcohol – Beverage Corporation

We have reviewed the accompanying consolidated interim financial statements of Saigon Beer – Alcohol – Beverage Corporation (“the Company”) and its subsidiaries (collectively “the Group”), which comprise the consolidated balance sheet as at 30 June 2019, the consolidated statements of income and cash flows for the six-month period then ended and the explanatory notes thereto which were authorised for issue by the Company’s Board of Management on 28 August 2019, as set out on pages 5 to 67.

Management’s Responsibility

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

Auditor’s Responsibility

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

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



Auditor's Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not give a true and fair view, in all material respects, of the consolidated financial position of Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries as at 30 June 2019 and of its consolidated results of operations and its consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting.

KPMG Limited's Branch in Ho Chi Minh City

Vietnam

Review Report No.: 19-01-00257-19-2



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 August 2019

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Consolidated balance sheet as at 30 June 2019

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

	Code	Note	30/6/2019 VND	1/1/2019 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		16,861,849,375,663	14,690,168,205,219
Cash and cash equivalents	110	7	5,303,724,023,229	4,467,391,585,137
Cash	111		1,598,339,457,178	1,595,188,808,377
Cash equivalents	112		3,705,384,566,051	2,872,202,776,760
Short-term financial investments	120		9,047,239,201,320	7,544,188,420,764
Held-to-maturity investments	123	8(a)	9,047,239,201,320	7,544,188,420,764
Accounts receivable – short-term	130		879,189,455,569	765,630,597,003
Accounts receivable from customers	131	9	136,648,098,322	244,119,166,060
Prepayments to suppliers	132		56,510,250,916	74,757,986,951
Other short-term receivables	136	10(a)	713,353,601,224	473,750,492,186
Allowance for doubtful short-term debts	137	11(a)	(56,196,749,443)	(55,871,302,744)
Shortage of assets awaiting resolution	139	12	28,874,254,550	28,874,254,550
Inventories	140	13(a)	1,546,216,191,226	1,813,754,190,894
Inventories	141		1,764,593,898,822	2,034,063,807,573
Allowance for inventories	149		(218,377,707,596)	(220,309,616,679)
Other current assets	150		85,480,504,319	99,203,411,421
Short-term prepaid expenses	151	14(a)	82,552,713,218	86,456,727,461
Deductible value added tax	152		2,632,628,633	7,564,621,909
Taxes receivable from State Treasury	153	21(b)	295,162,468	5,182,062,051

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

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Consolidated balance sheet as at 30 June 2019 (continued)

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

	Code	Note	30/6/2019 VND	1/1/2019 VND
Long-term assets				
(200 = 210 + 220 + 230 + 240 + 250 + 260) 200			7,199,113,719,277	7,676,574,586,994
Accounts receivable – long-term 210			7,589,476,512	5,860,731,012
Accounts receivable from customers				
– long-term 211			6,077,549,878	6,077,549,878
Loans receivable – long-term 215			4,000,000,000	4,000,000,000
Other long-term receivables 216	10(b)		36,909,456,417	35,180,710,917
Allowance for doubtful long-term debts 219	11(b)		(39,397,529,783)	(39,397,529,783)
Fixed assets 220			4,302,090,633,997	4,567,091,079,194
Tangible fixed assets 221	15		3,355,363,841,320	3,614,850,885,054
Cost 222			9,485,102,100,931	9,497,449,925,191
Accumulated depreciation 223			(6,129,738,259,611)	(5,882,599,040,137)
Intangible fixed assets 227	16		946,726,792,677	952,240,194,140
Cost 228			1,091,397,605,211	1,091,397,605,211
Accumulated amortisation 229			(144,670,812,534)	(139,157,411,071)
Investment properties 230	17		53,984,479,781	54,567,837,235
Cost 231			71,444,026,942	71,444,026,942
Accumulated depreciation 232			(17,459,547,161)	(16,876,189,707)
Long-term work in progress 240			173,112,088,572	144,377,898,065
Construction in progress 242	18		173,112,088,572	144,377,898,065
Long-term financial investments 250			2,046,297,736,340	2,119,042,308,110
Investments in associates, jointly controlled entities 252	8(c)		1,736,266,017,314	1,800,203,395,934
Equity investments in other entities 253	8(c)		665,885,700,116	688,510,888,053
Allowance for diminution in the value of long-term financial investments 254	8(c)		(376,722,860,995)	(390,540,855,782)
Held-to-maturity investments 255	8(b)		20,868,879,905	20,868,879,905
Other long-term assets 260			616,039,304,075	785,634,733,378
Long-term prepaid expenses 261	14(b)		400,839,020,444	551,794,760,319
Deferred tax assets 262	19		170,036,073,470	184,533,845,767
Long-term tools, supplies and spare parts 263	13(b)		45,164,210,161	49,306,127,292
TOTAL ASSETS (270 = 100 + 200) 270			24,060,963,094,940	22,366,742,792,213

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

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Consolidated balance sheet as at 30 June 2019 (continued)

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

	Code	Note	30/6/2019 VND	1/1/2019 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		5,468,544,995,053	6,254,837,224,044
Current liabilities	310		5,174,248,971,351	5,925,696,932,383
Accounts payable to suppliers	311	20	1,305,543,036,637	2,027,262,167,712
Advances from customers	312		137,523,122,041	110,463,408,413
Taxes payable to State Treasury	313	21(a)	1,078,722,265,566	1,100,614,318,513
Payables to employees	314		331,707,577,554	308,694,031,650
Accrued expenses	315	22	696,945,113,340	473,169,060,350
Unearned revenue	318		975,660,624	1,739,369,694
Other payables – short-term	319	23(a)	1,117,279,926,202	1,079,538,511,465
Short-term borrowings	320	24(a)	346,152,711,298	594,242,788,680
Provisions – short-term	321	25(a)	7,963,604,740	7,668,228,740
Bonus and welfare fund	322	26	151,435,953,349	222,305,047,166
Long-term liabilities	330		294,296,023,702	329,140,291,661
Long-term advances from customers	332		22,183,449	22,183,449
Other payables – long-term	337	23(b)	53,653,366,000	53,149,616,000
Long-term borrowings	338	24(b)	-	14,618,022,047
Deferred tax liabilities	341	19	17,051,285,023	31,483,891,699
Provisions – long-term	342	25(b)	139,571,059,100	145,868,448,336
Science and technology development fund	343		83,998,130,130	83,998,130,130

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


Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Consolidated balance sheet as at 30 June 2019 (continued)

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

	Code	Note	30/6/2019 VND	1/1/2019 VND
EQUITY (400 = 410 + 430)	400		18,592,418,099,887	16,111,905,568,169
Owners' equity	410	27	18,592,418,099,887	16,111,868,168,169
Share capital	411	28	6,412,811,860,000	6,412,811,860,000
- Ordinary shares with voting rights	411a		6,412,811,860,000	6,412,811,860,000
Other capital	414		3,208,666,226	3,208,666,226
Foreign exchange differences	417		25,992,451,400	21,099,487,654
Investment and development fund	418	29	1,130,372,829,157	1,130,147,220,442
Other equity funds	420		5,327,112,664	5,327,112,664
Retained profits	421		9,953,107,853,174	7,473,777,581,426
- Retained profits brought forward	421a		7,441,437,004,965	5,787,247,290,578
- Retained profit for the current period/year	421b		2,511,670,848,209	1,686,530,290,848
Non-controlling interest	429		1,061,597,327,266	1,065,496,239,757
Non-business expenditure fund and other funds	430		-	37,400,000
Non-business expenditure fund	431		-	37,400,000
TOTAL RESOURCES (440 = 300 + 400)	440		24,060,963,094,940	22,366,742,792,213

28 August 2019

Prepared by:



Hoang Thanh Van
Accountant



Tran Nguyen Trung
Chief Accountant

Approved by:



Teo Hong Keng
Deputy General Director



Neo Gum Siong Bennett
General Director

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

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Consolidated statement of income for the six-month period ended 30 June 2019

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

	Code	Note	Six-month period ended	
			30/6/2019 VND	30/6/2018 VND
Revenue from sales of goods and provision of services	01	32	18,517,362,525,225	17,065,832,862,337
Revenue deductions	02	32	92,820,389,440	86,023,631,922
Net revenue (10 = 01 - 02)	10	32	18,424,542,135,785	16,979,809,230,415
Cost of sales	11	33	13,819,747,312,156	12,939,354,684,836
Gross profit (20 = 10 - 11)	20		4,604,794,823,629	4,040,454,545,579
Financial income	21	34	371,038,237,486	282,542,555,342
Financial expenses	22	35	9,026,775,201	(19,937,215,066)
<i>In which: Interest expense</i>	23		13,830,994,903	18,335,214,856
Share of profits in associates, jointly controlled entities	24	8(c)	167,054,719,793	160,403,688,833
Selling expenses	25	36	1,335,854,738,552	1,170,382,447,263
General and administration expenses	26	37	349,426,186,759	380,807,471,222
Net operating profit {30 = 20 + (21 - 22) + 24 - (25 + 26)}	30		3,448,580,080,396	2,952,148,086,335
Other income	31		19,838,132,087	39,921,324,486
Other expenses	32		12,768,622,608	13,391,367,266
Results of other activities (40 = 31 - 32)	40		7,069,509,479	26,529,957,220
Accounting profit before tax (50 = 30 + 40)	50		3,455,649,589,875	2,978,678,043,555
Income tax expense – current	51	39	635,585,479,716	480,956,783,722
Income tax expense – deferred	52	39	65,165,621	50,951,041,163
Net profit after tax (60 = 50 - 51 - 52) (carried forward to next page)	60		2,819,998,944,538	2,446,770,218,670

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

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Consolidated statement of income for the six-month period ended 30 June 2019
(continued)

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

	Code	Note	Six-month period ended 30/6/2019 VND	30/6/2018 VND
Net profit after tax (60 = 50 - 51 - 52) (brought forward from previous page)	60		2,819,998,944,538	2,446,770,218,670
Attributable to:				
Equity holders of the Company	61		2,658,458,475,046	2,337,002,344,823
Non-controlling interest	62		161,540,469,492	109,767,873,847
Earnings per share				
Basic earnings per share	70	40	3,953	3,459

28 August 2019

Prepared by:



Hoang Thanh Van
Accountant



Tran Nguyen Trung
Chief Accountant

Approved by:



Teo Hong Keng
Deputy General Director



Neo Gun Siong Bennett
General Director

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

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Consolidated statement of cash flows for the six-month period ended 30 June 2019
(Indirect method)

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

	Code Note	Six-month period ended 30/6/2019 VND	30/6/2018 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounting profit before tax	01	3,455,649,589,875	2,978,678,043,555
Adjustments for			
Depreciation and amortisation	02	318,423,774,642	314,543,387,945
Allowances and provisions	03	(5,483,198,504)	(37,121,739,896)
Exchange losses arising from revaluation of monetary items denominated in foreign currencies	04	214,283,030	56,854,132
Profits from investing activities	05	(366,615,421,200)	(282,172,218,959)
Shared profits in associates, jointly controlled entities	05	(167,054,719,793)	(160,403,688,833)
Interest expense	06	13,830,994,903	18,335,214,856
Operating profit before changes in working capital	08	3,248,965,302,953	2,831,915,852,800
Change in receivables	09	89,714,538,544	165,680,632,184
Change in inventories	10	271,396,333,351	(146,452,607,072)
Change in payables and other liabilities	11	(487,774,595,102)	(326,530,719,833)
Change in prepaid expenses	12	153,751,548,421	79,337,261,846
		3,276,053,128,167	2,603,950,419,925
Interest paid	14	(13,989,983,782)	(18,772,742,124)
Corporate income tax paid	15	(638,009,022,392)	(617,615,723,032)
Other payments for operating activities	17	(249,751,255,295)	(278,915,905,622)
Net cash flows from operating activities	20	2,374,302,866,698	1,688,646,049,147

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

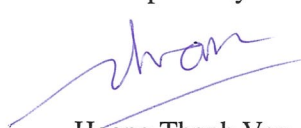
Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Consolidated statement of cash flows for the six-month period ended 30 June 2019
(Indirect method – continued)

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

			Six-month period ended	
	Code	Note	30/6/2019 VND	30/6/2018 VND
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets	21		(52,736,548,482)	(133,033,758,859)
Proceeds from disposals of fixed assets	22		2,093,200,000	1,012,738,181
Placement of term deposits at banks	23		(5,176,057,177,678)	(4,712,000,000,000)
Collection of term deposits at banks	24		3,673,006,397,122	4,317,200,000,000
Receipts of interests and dividends	27		387,200,605,497	436,411,507,984
Net cash flows from investing activities	30		(1,166,493,523,541)	(90,409,512,694)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings	33		1,538,397,108,138	1,685,867,326,984
Payments to settle loan principals	34		(1,801,105,207,567)	(1,851,649,247,631)
Payments of dividends	36		(108,777,468,402)	(1,516,745,232,082)
Net cash flows from financing activities	40		(371,485,567,831)	(1,682,527,152,729)
Net cash flows during the period (50 = 20 + 30 + 40)	50		836,323,775,326	(84,290,616,276)
Cash and cash equivalents at the beginning of the period	60		4,467,391,585,137	4,268,598,818,042
Effect of exchange rate fluctuations on cash and cash equivalents	61		8,662,766	(795,567)
Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61)	70	7	5,303,724,023,229	4,184,307,406,199

28 August 2019

Prepared by:

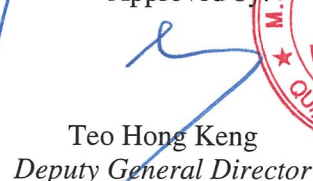


Hoang Thanh Van
Accountant



Tran Nguyen Trung
Chief Accountant

Approved by:



Teo Hong Keng
Deputy General Director



Ngo Kim Siong Bennett
General Director

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

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2019

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

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

1. Reporting entity

(a) Ownership structure

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

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

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

The consolidated interim financial statements of the Company for the six-month period ended 30 June 2019 comprise the Company and its subsidiaries (collectively “the Group”) and the Group’s interest in associates and jointly controlled entities.

(b) Principal activities

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

(c) Normal operating cycle

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

(d) Group structure

As at 30 June 2019, the Group had 25 subsidiaries and 19 associates, jointly controlled entities (1/1/2019: 25 subsidiaries and 19 associates, jointly controlled entities) as follows:

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2019 (continued)

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

No	Company name	Principal activities	30/6/2019		1/1/2019	
			% of equity interest	% of voting rights	% of equity interest	% of voting rights
I	Subsidiaries					
1	Western - Saigon Beer Joint Stock Company	Producing and trading beer			51%	51%
2	Chuong Duong Beverages Joint Stock Company	Producing and trading beverage, canned food and accessories	62.06%	62.06%	62.06%	62.06%
3	Sai Gon - Quang Ngai Beer Joint Stock Company	Producing and trading beer	66.56%	66.56%	66.56%	66.56%
4	Binh Tay Liquor Joint Stock Company	Producing and trading alcohol	93.32%	93.47%	93.32%	93.47%
5	Sai Gon - Dong Xuan Beer Alcohol Joint Stock Company	Producing and trading beer, alcohol 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%	95.07%	95.07%
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	94.42%	94.42%	94.41%	94.41%
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 interim financial statements for the six-month period ended 30 June 2019 (continued)

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

No	Company name	Principal activities	30/6/2019		1/1/2019	
			% 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%	100%	100%
25	Saigon Beer Group Company Limited	Wholesale of beer, alcohol and beverage	100%	100%	100%	100%

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended 30 June 2019 (continued)

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

No	Company name	Principal activities	30/6/2019		1/1/2019	
			% 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	Trung 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 and trading beer, alcohol and beverage	30.84%	33.85%	30.84%	33.85%
9	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%
10	Tan Thanh Investment Trading Company Limited	Construction and real estates	29%	29%	29%	29%
11	Mechanical And Industrial Construction Joint Stock Company	Manufacturing, installing machinery, bridges and roads and industrial construction products	26%	26%	26%	26%
12	Sai Gon - Vinh Long Beer Joint Stock Company	Producing and trading beer, alcohol and beverage	20%	20%	20%	20%
13	Sai Gon - Kien Giang Beer Joint Stock Company	Producing and trading beer, alcohol, beverage and spare parts	20%	20%	20%	20%
14	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 interim financial statements for the six-month period ended 30 June 2019 (continued)

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

No	Company name	Principal activities	30/6/2019			1/1/2019		
			% of equity interest	% of voting rights	% of equity interest	% of voting rights	% of equity interest	% of voting rights
15	Saigon - Bentre Beer Joint Stock Company	Producing and trading beer, alcohol and beverage	20%	20%	20%	20%	20%	20%
16	Saigon Binh Tay Beer Group Joint Stock Company	Producing, processing and trading food, beverage, beer and alcohol drinks	21.80%	22.18%	21.80%	21.80%	22.18%	22.18%
17	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%	27.62%	34.92%	34.92%
18	Saigon - Baclieu Beer Joint Stock Company	Producing and trading beer, alcohol and beverage	10.2%	20%	10.2%	10.2%	20%	20%
19	Saigon - Lamdong Beer Joint Stock Company	Producing and trading beer, alcohol and beverage	20%	20%	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 six-month period ended 30 June 2019, the ratio are 35% and 65% (six-month period ended 30 June 2018: 35% and 65%) for the Group and the counter party, respectively.

As at 30 June 2019, the Group had 7,798 employees (1/1/2019: 7,877 employees).

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2019 (continued)

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

2. Basis of preparation

(a) Statement of compliance

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

(b) Basis of measurement

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

(c) Annual accounting period

The annual accounting period of the Group is from 1 January to 31 December. The consolidated interim financial statements are prepared for the six-month period ended 30 June 2019.

(d) Accounting and presentation currency

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

3. Summary of significant accounting policies

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

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

(a) Basis of consolidation

(i) Subsidiaries

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

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2019 (continued)

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

(ii) *Non-controlling interests*

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

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

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

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

(iv) *Transactions eliminated on consolidation*

Intra-group transactions, balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated interim 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.

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2019 (continued)

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

(b) Foreign currency

(i) Foreign currency transactions

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

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

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

(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 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.

(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.

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2019 (continued)

Form B 09a – DN/HN

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

(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 investments are stated at cost less allowance for diminution in value. An allowance is made for diminution in investment values if the investee has suffered a loss, except where such a loss was anticipated by the Group's management before making the investment. The allowance is reversed if the investee subsequently made a profit that offsets the previous loss for which the allowance had been made. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

(e) Accounts receivable

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

(f) Inventories

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

The Group applies the perpetual method of accounting for inventories.

(g) Tangible fixed assets

(i) Cost

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

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2019 (continued)

Form B 09a – DN/HN

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

(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.

(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.

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2019 (continued)

Form B 09a – DN/HN

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

(i) Investment properties

(i) *Investment property held to earn rental*

Cost

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

Depreciation

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

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

(ii) *Investment property held for capital appreciation*

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

(j) Construction in progress

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

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2019 (continued)

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

(k) Long-term prepaid expenses

(i) 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.

(ii) Rental expenses

Rental expenses are prepaid warehouse rental fees and initially stated at costs. Rental expenses 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 expenses for repairing and replacing machinery, equipment and other fixed assets which incurred periodically 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 interim financial statements for the six-month period ended
30 June 2019 (continued)

Form B 09a – DN/HN

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

Severance allowance

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

(n) Share capital

Ordinary shares

Ordinary shares are stated at par value. 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 period 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 period, using tax rates enacted at the end of the 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 interim financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities using the tax rates enacted or substantively enacted at the end of the accounting period.

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

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2019 (continued)

Form B 09a – 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 sales 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 interim financial statements for the six-month period ended
30 June 2019 (continued)

Form B 09a – 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 period in which they are incurred, except where the borrowing costs relate to borrowings in respect of the construction of qualifying assets, in which case the borrowing costs incurred during the period of construction are capitalised as part of the cost of the assets concerned.

(s) Earnings per share

The Group presents basic earnings per share (“EPS”) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders (after deducting any amounts appropriated to bonus and welfare fund for the accounting period) by the weighted average number of ordinary shares outstanding during the period.

The Group did not have 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.

4. Seasonality of operations

The Group’s principal business activities are to produce and trade beers and raw material for beer production, other activities are to produce and trade beverages and liquor products; to hold investment properties for earning rental and capital appreciation; Management is of the opinion that these segments are not subjected to significant seasonal fluctuation.

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2019 (continued)

Form B 09a – DN/HN

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

5. Changes in accounting estimates

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

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

6. Segment reporting

(a) Business segments

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

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

During the period, 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 consolidated balance sheet as at 30 June 2019 and 1 January 2019 were mainly related to the Group's sales of beers activities. Note 32 and Note 33 disclosed breakdown of revenue and cost of sales per each category of products, which provided sufficient information as to performance of each segment as identified above.

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2019 (continued)

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

(b) Geographical segments

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

	Geographical segments		
	Local VND	Export VND	Total VND
Six-month period ended 30 June 2019			
Net revenue	18,280,726,981,884	143,815,153,901	18,424,542,135,785
Cost of sales	(13,716,233,978,589)	(103,513,333,567)	(13,819,747,312,156)
	4,564,493,003,295	40,301,820,334	4,604,794,823,629
Six-month period ended 30 June 2018			
Net revenue	16,669,205,387,033	310,603,843,382	16,979,809,230,415
Cost of sales	(12,685,772,785,391)	(253,581,899,445)	(12,939,354,684,836)
	3,983,432,601,642	57,021,943,937	4,040,454,545,579

The Group's assets were located in Vietnam.

7. Cash and cash equivalents

	30/6/2019 VND	1/1/2019 VND
Cash on hand	12,250,828,479	3,813,388,314
Cash in banks	1,586,088,628,699	1,591,375,420,063
Cash equivalents (*)	3,705,384,566,051	2,872,202,776,760
	5,303,724,023,229	4,467,391,585,137

- (*) Cash equivalents represented term deposits at banks with original terms to maturity of three months or less from their transactions dates and earned interest at rates from 5.1% to 5.5% per annum (1/1/2019: from 5.1% to 5.5% per annum).

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2019 (continued)

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

8. Investments

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

Held-to-maturity investments – short-term represented term deposits at banks with original terms to maturity of more than three months but less than twelve months from their transaction dates. Term deposits are denominated in VND and earned interest at rates from 5.5% to 7.8% per annum (1/1/2019: from 5.3% 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.

(c) Equity investments in other entities

	30/6/2019			1/1/2019		
	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)	1,736,266,017,314	(26,147,453,850)	1,710,118,563,464	1,800,203,395,934	(24,135,767,100)	1,776,067,628,834
Equity investments in other entities (ii)	665,885,700,116	(350,575,407,145)	315,310,292,971	688,510,888,053	(366,405,088,682)	322,105,799,371
	2,402,151,717,430	(376,722,860,995)	2,025,428,856,435	2,488,714,283,987	(390,540,855,782)	2,098,173,428,205

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2019 (continued)

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

(i) Investments in associates, jointly controlled entities

Company name	30/6/2019			1/1/2019		
	Equity accounted VND	Fair value VND	Allowance VND	Equity accounted VND	Fair value VND	Allowance VND
Truong Sa Food - Food Business Joint Stock Company	5,383,222,029	(*)	-	5,899,777,115	(*)	-
Thanh Nam Consultant Investment - Engineering and Technology Transfer Joint Stock Company	329,653,546	(*)	-	329,653,546	(*)	-
Saigon - Phutho Beer Joint Stock Company	75,833,012,876	(*)	-	76,506,756,665	(*)	-
Mechanical And Industrial Construction Joint Stock Company	10,727,077,141	(*)	-	10,727,077,141	(*)	-
Saigon Tay Do Beer - Beverage Joint Stock Company	101,673,205,419	(*)	-	103,121,828,391	(*)	-
Me Linh Point Limited	111,569,110,062	(*)	-	123,970,386,177	(*)	-
Crown Beverage Cans Saigon Limited	224,804,008,143	(*)	-	287,070,899,745	(*)	-
Malaya - Vietnam Glass Limited	226,432,771,444	(*)	-	216,067,689,657	(*)	-
San Miguel Yamamura Phu Tho Packaging Company Limited	55,342,103,875	(*)	-	61,605,169,453	(*)	-
Vietnam Spirits And Wine Ltd	26,147,453,850	(*)	(26,147,453,850)	24,135,767,100	(*)	(24,135,767,100)
Saigon Binh Tay Beer Group Joint Stock Company	474,045,688,285	(*)	-	473,240,164,300	(*)	-
Sai Gon - Mien Trung Beer Joint Stock Company	151,708,152,797	322,181,660,500	-	151,198,862,177	311,602,561,200	-
Tan Thanh Investment Trading Company Limited	69,888,052,736	(*)	-	69,888,052,736	(*)	-
Saigon - Baclieu Beer Joint Stock Company	37,189,088,995	(*)	-	39,177,284,776	(*)	-
Sai Gon - Vinh Long Beer Joint Stock Company	50,041,036,866	(*)	-	45,161,525,814	(*)	-
Sai Gon - Kien Giang Beer Joint Stock Company	28,170,974,931	(*)	-	31,194,049,992	(*)	-
Sai Gon - Khanh Hoa Beer Joint Stock Company	46,009,902,154	(*)	-	42,000,603,692	(*)	-
Saigon - Bentre Beer Joint Stock Company	20,971,502,165	(*)	-	18,907,847,457	(*)	-
Saigon - Lamdong Beer Joint Stock Company	20,000,000,000	(*)	-	20,000,000,000	(*)	-
	1,736,266,017,314		(26,147,453,850)	1,800,203,395,934		(24,135,767,100)

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2019 (continued)

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

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

	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
Opening balance	1,800,203,395,934	1,747,121,088,747
Share of profits during the period	167,054,719,793	160,403,688,833
Dividends income during the period	(235,885,062,159)	(266,731,076,738)
Foreign exchange differences	4,892,963,746	(245,971,364)
Other adjustments	-	176,302,503
Closing balance	1,736,266,017,314	1,640,724,031,981

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2019 (continued)

Form B 09a – DN/HN

(Issued under Circular No. 202/2014/TT-BTC

dated 22 December 2014 of the Ministry of Finance)

(ii) Equity investments in other entities

Company name	30/6/2019			1/1/2019		
	Cost VND	Fair value VND	Allowance VND	Cost VND	Fair value VND	Allowance VND
Orient Commercial Joint Stock Bank	216,579,320,000	191,352,815,133	(25,226,504,867)	216,579,320,000	181,443,866,133	(35,135,453,867)
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	17,721,261,000	(33,753,879,000)	51,475,140,000	15,730,653,600	(35,744,486,400)
Underground Space Investment and Development Corporation	23,085,000,000	(*)	(23,085,000,000)	23,085,000,000	(*)	(23,085,000,000)
Phuong Dong Petroleum Tourism Joint Stock Company	30,700,950,000	7,497,000,000	(23,203,950,000)	30,700,950,000	8,232,000,000	(22,468,950,000)
Saigon Securities Investment Fund A2	35,757,720,722	(*)	(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	(*)	(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)
Dai Viet Securities Corporation	45,000,000,000	(*)	(42,300,000,000)	45,000,000,000	(*)	(39,600,000,000)
Sabeco HP Investment Company Limited	24,426,586,800	(*)	(24,426,586,800)	24,426,586,800	(*)	(24,426,586,800)
Sai Gon - Dong Nai Beer Joint Stock Company	3,954,000,000	(*)	(3,954,000,000)	3,954,000,000	(*)	(3,954,000,000)
Dong Ha Tourism Joint Stock Company	5,600,000,000	(*)	(1,542,596,156)	5,600,000,000	(*)	(1,542,596,156)
DIC Services and Trading Joint Stock Company	14,992,108,200	(*)	(759,709,600)	14,992,108,200	(*)	(849,646,800)
	665,885,700,116		(350,575,407,145)	688,510,888,053		(366,405,088,682)

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2019 (continued)

Form B 09a – DN/HN

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

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

Movements for equity investments in other entities during the period were as follows:

	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
Opening balance	688,510,888,053	736,652,914,597
Decrease through offsetting with other payables	(15,350,000,000)	-
Written off during the period	(7,275,187,937)	-
Closing balance	665,885,700,116	736,652,914,597

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

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

	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
Opening balance	390,540,855,782	352,315,059,118
Allowance made during the period	5,446,686,750	2,157,863,400
Transfer from allowance for doubtful debts	-	300,000,000
Allowance reversed during the period	(11,989,493,600)	(40,994,830,714)
Allowance utilised during the period	(7,275,187,937)	-
Closing balance	376,722,860,995	313,778,091,804

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2019 (continued)

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

9. Accounts receivable from customers

(a) Accounts receivable from customers detailed by significant customers

	30/6/2019	1/1/2019
	VND	VND
Saigon – Lamdong Beer Joint Stock Company	16,452,308,204	-
Sai Gon - Kien Giang Beer Joint Stock Company	9,246,911,180	63,349,221,846
Saigon Binh Tay Beer Group Joint Stock Company	7,813,102,784	26,202,728,309
Other customers	103,135,776,154	154,567,215,905
	<hr/> 136,648,098,322	<hr/> 244,119,166,060 <hr/>

(b) Accounts receivable from customers who are related parties

	30/6/2019	1/1/2019
	VND	VND
<i>Associates, jointly controlled entities</i>		
Saigon – Lamdong Beer Joint Stock Company	16,452,308,204	-
Saigon - Phutho Beer Joint Stock Company	13,239,376,168	7,688,953,934
Sai Gon - Mien Trung Beer Joint Stock Company	12,763,603,017	11,937,316,293
Sai Gon - Khanh Hoa Beer Joint Stock Company	9,233,920,359	14,862,841,933
Sai Gon - Kien Giang Beer Joint Stock Company	9,246,911,180	63,349,221,846
Saigon Binh Tay Beer Group Joint Stock Company	7,813,102,784	26,202,728,309
Sai Gon - Vinh Long Beer Joint Stock Company	7,489,443,324	7,503,558,108
Saigon Tay Do Beer - Beverage Joint Stock Company	7,056,608,277	12,553,413,185
Saigon - Bentre Beer Joint Stock Company	4,370,588,729	22,467,798,416
Saigon - Baclieu Beer Joint Stock Company	475,389,500	1,295,023,699
San Miguel Yamamura Phu Tho Packaging Company Limited	414,044,400	162,439,200
Malaya - Vietnam Glass Limited	-	19,875,240
	<hr/> 414,044,400	<hr/> 162,439,200 <hr/>

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2019 (continued)

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

10. Other receivables

(a) Other short-term receivables

	30/6/2019	1/1/2019
	VND	VND
Receivables due to difference between value of capital contribution in kind and agreed capital contribution in an associate	277,230,733,543	277,230,733,543
Interest income from loans granted, bank deposits and bonds purchased	233,304,460,862	150,223,096,267
Dividend receivables	147,078,259,996	19,345,526,000
Other short-term receivables	55,740,146,823	26,951,136,376
	<hr/> 713,353,601,224	<hr/> 473,750,492,186

Other short-term receivables from related parties

	30/6/2019	1/1/2019
	VND	VND
<i>Associates, jointly controlled entities</i>		
Tan Thanh Investment Trading Company Limited	277,230,733,543	277,230,733,543
Crown Beverage Cans Saigon Limited	128,123,009,996	-
Saigon Binh Tay Beer Group Joint Stock Company	9,306,153,958	-
San Miguel Yamamura Phu Tho Packaging Company Limited	8,165,500,000	-
Saigon - Baclieu Beer Joint Stock Company	3,603,600,000	814,325,684
Sai Gon - Vinh Long Beer Joint Stock Company	325,000,000	1,194,336,210
Sai Gon - Khanh Hoa Beer Joint Stock Company	83,916,000	83,916,000
Sai Gon - Mien Trung Beer Joint Stock Company	-	19,587,812,354
Saigon - Bentre Beer Joint Stock Company	-	99,712,159
Saigon - Phutho Beer Joint Stock Company	-	84,907,293
	<hr/>	<hr/>

(b) Other long-term receivables

	30/6/2019	1/1/2019
	VND	VND
Long-term deposits	28,880,691,417	27,151,945,917
Other long-term receivables	8,028,765,000	8,028,765,000
	<hr/> 36,909,456,417	<hr/> 35,180,710,917

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2019 (continued)

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

11. Allowance for doubtful debts

(a) Short-term

	30/6/2019				1/1/2019			
	Overdue days	Cost VND	Allowance VND	Recoverable amount VND	Overdue days	Cost VND	Allowance VND	Recoverable amount VND
Shortage of assets awaiting resolution	Over 2 years	28,870,497,614	(28,763,370,030)	107,127,584	Over 2 years	28,870,497,614	(28,764,828,130)	105,669,484
Other short-term receivables	Over 2 years	18,809,536,221	(18,809,525,221)	11,000	Over 2 years	18,809,536,221	(18,809,525,221)	11,000
Accounts receivable from customers	Over 2 years	2,723,716,211	(2,294,904,579)	428,811,632	Over 2 years	2,248,779,557	(1,967,999,780)	280,779,777
Prepayments to suppliers	Over 2 years	6,328,949,613	(6,328,949,613)	-	Over 2 years	6,328,949,613	(6,328,949,613)	-
		56,732,699,659	(56,196,749,443)	535,950,216		56,257,763,005	(55,871,302,744)	386,460,261

(b) Long-term

	30/6/2019				1/1/2019			
	Overdue days	Cost VND	Allowance VND	Recoverable amount VND	Overdue days	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 2 years	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 2 years	6,077,549,878	(6,077,549,878)	-
Loans receivable – long-term	Over 2 years	4,000,000,000	(4,000,000,000)	-	Over 2 years	4,000,000,000	(4,000,000,000)	-
Other long-term receivables	Over 2 years	8,451,100,000	(8,451,100,000)	-	Over 2 years	8,451,100,000	(8,451,100,000)	-
		39,397,529,783	(39,397,529,783)	-		39,397,529,783	(39,397,529,783)	-

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2019 (continued)

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

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

	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
Opening balance	95,268,832,527	91,241,622,357
Allowance made during the period	654,656,003	354,429,732
Allowance reversed during the period	(329,209,304)	(287,700,000)
Transfer to allowance for diminution in the value of long-term financial investments	-	(300,000,000)
Closing balance	95,594,279,226	91,008,352,089

12. Shortage of assets awaiting resolution

	30/6/2019	1/1/2019
	VND	VND
Personal income tax	8,409,516,549	8,409,516,549
Inventories	3,352,447,961	3,352,447,961
Other assets	17,112,290,040	17,112,290,040
	28,874,254,550	28,874,254,550

13. Inventories

(a) Inventories

	30/6/2019		1/1/2019	
	Cost	Allowance	Cost	Allowance
	VND	VND	VND	VND
Goods in transit	111,998,437,434	-	102,764,346,138	-
Raw materials	429,518,022,772	(43,785,484,329)	517,645,998,858	(46,917,742,252)
Tools and supplies	228,227,261,720	(133,353,535,610)	203,077,547,298	(130,651,227,235)
Work in progress	223,483,487,658	(2,589,914,874)	207,713,866,901	(2,615,718,757)
Finished goods	771,366,689,238	(38,648,772,783)	1,002,862,048,378	(40,124,928,435)
	1,764,593,898,822	(218,377,707,596)	2,034,063,807,573	(220,309,616,679)

Included in inventories as at 30 June 2019 was VND218,378 million (1/1/2019: VND220,310 million) of obsolete, slow-moving inventories that are difficult to sell.

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2019 (continued)

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

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

	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
Opening balance	220,309,616,679	113,011,284,690
Allowance made during the period	5,144,799,709	1,857,648,311
Transfer (to)/from long-term tools, supplies and spare parts	(200,164,449)	6,096,100,957
Allowance reversed during the period	(6,876,544,343)	(556,531,184)
Allowance utilised during the period	-	(3,542,074,979)
Closing balance	218,377,707,596	116,866,427,795

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

	30/6/2019		1/1/2019	
	Cost	Allowance	Cost	Allowance
	VND	VND	VND	VND
Long-term tools, supplies and spare parts	60,675,922,636	(15,511,712,475)	62,602,347,236	(13,296,219,944)

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

	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
Opening balance	13,296,219,944	20,238,258,053
Allowance made during the period	3,230,259,465	-
Transfer from/(to) inventories	200,164,449	(6,096,100,957)
Allowance reversed during the period	(1,214,931,383)	-
Closing balance	15,511,712,475	14,142,157,096

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2019 (continued)

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

14. Prepaid expenses

(a) Short-term prepaid expenses

	30/6/2019	1/1/2019
	VND	VND
Advertising fees	36,075,028,771	40,229,620,142
Rental fees	30,987,353,852	26,653,581,192
Tools and instruments	4,347,802,537	11,208,665,233
Others	11,142,528,058	8,364,860,894
	82,552,713,218	86,456,727,461

(b) Long-term prepaid expenses

	30/6/2019	1/1/2019
	VND	VND
Returnable packaging	225,146,442,000	362,332,923,329
Land rental expenses	67,001,247,022	67,899,879,298
Property held for future investment (*)	51,602,316,000	51,602,316,000
Renovation expenses	15,827,062,150	32,565,235,266
Tools and instruments	21,640,916,721	19,867,926,592
Others	19,621,036,551	17,526,479,834
	400,839,020,444	551,794,760,319

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

Movements of long-term prepaid expenses during the period were as follows:

	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
Opening balance	551,794,760,319	816,991,436,755
Additions during the period	46,749,276,558	113,377,114,473
Transfer to tangible fixed assets	(1,108,205,697)	-
Amortisation for the period	(196,596,810,736)	(242,044,343,689)
	400,839,020,444	688,324,207,539

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2019 (continued)

Form B 09a – DN/HN

(Issued under Circular No. 202/2014/TT-BTC

dated 22 December 2014 of the Ministry of Finance)

15. Tangible fixed assets

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Others VND	Total VND
Cost						
Opening 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
Additions	293,116,368	17,591,984,844	3,641,408,481	2,777,495,905	108,810,000	24,412,815,598
Transfer from construction in progress	1,972,594,546	25,346,356,150	-	-	-	27,318,950,696
Transfer from long-term prepaid expenses	-	2,618,867,318	-	-	-	2,618,867,318
Reclassification	-	108,000,000	-	(108,000,000)	-	-
Disposals	-	(64,723,116,963)	-	(38,340,909)	-	(64,761,457,872)
Written off	(1,937,000,000)	-	-	-	-	(1,937,000,000)
Closing balance	1,865,535,376,845	7,218,082,118,019	248,676,723,116	143,558,036,277	9,249,846,674	9,485,102,100,931
Accumulated depreciation						
Opening 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
Charge for the period	49,831,699,220	245,371,996,344	9,672,355,225	7,008,358,843	442,606,093	312,327,015,725
Transfer from long-term prepaid expenses	-	1,510,661,621	-	-	-	1,510,661,621
Reclassification	-	22,238,710	-	(22,238,710)	-	-
Disposals	-	(64,723,116,963)	-	(38,340,909)	-	(64,761,457,872)
Written off	(1,937,000,000)	-	-	-	-	(1,937,000,000)
Closing balance	929,277,911,515	4,901,519,486,734	185,388,019,960	108,117,394,680	5,435,446,722	6,129,738,259,611
Net book value						
Opening 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
Closing balance	936,257,465,330	2,316,562,631,285	63,288,703,156	35,440,641,597	3,814,399,952	3,355,363,841,320

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2019 (continued)

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

Included in tangible fixed assets were assets costing VND1,322,654 million which were fully depreciated as at 30 June 2019 (1/1/2019: VND1,330,187 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 VND59,984 million as at 30 June 2019 (1/1/2019: VND123,380 million).

Historical cost of tangible fixed assets that the Group has leased to its associates to earn rental income as at 30 June 2019 was VND61,027 million (1/1/2019: VND61,027 million).

16. Intangible fixed assets

	Land use rights (*) VND	Software VND	Others VND	Total VND
Cost				
Opening and closing balance	1,024,215,267,144	66,934,890,585	247,447,482	1,091,397,605,211
Accumulated amortisation				
Opening balance	76,820,881,479	62,142,247,750	194,281,842	139,157,411,071
Charge for the period	3,403,676,492	2,089,630,413	20,094,558	5,513,401,463
Closing balance	80,224,557,971	64,231,878,163	214,376,400	144,670,812,534
Net book value				
Opening balance	947,394,385,665	4,792,642,835	53,165,640	952,240,194,140
Closing balance	943,990,709,173	2,703,012,422	33,071,082	946,726,792,677

Included in intangible fixed assets were assets costing VND56,100 million which were fully amortised as at 30 June 2019 (1/1/2019: VND54,541 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 30 June 2019 (1/1/2019: VND1,196 million).

- (*) Land use rights as at 30 June 2019 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 23(a)).

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2019 (continued)

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

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 interim financial statements, the Company is in the process of preparing the land rental contracts with the People's Committee of Ho Chi Minh City. Currently, those land lots are used for principal activities of the Group. They are temporary land use rights with restrictions on ownership and are not permitted for sale, sublease 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
			735,379,872,700

The Group has not amortised the above land use rights because their costs and useful lives have not been measured reliably at the balance sheet date. During the period, the Group has also recognised the land rental expenses to the consolidated statement of income an amount of VND11,544 million (for the six-month period ended 30 June 2018: VND11,611 million) following the tax payment notices from local tax authorities.

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2019 (continued)

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

17. Investment properties

	30/6/2019	1/1/2019
	VND	VND
Investment property held to earn rental (a)	22,223,570,124	22,806,927,578
Investment property held for capital appreciation (b)	31,760,909,657	31,760,909,657
	<u>53,984,479,781</u>	<u>54,567,837,235</u>

(a) Investment property held to earn rental

	Land use	Buildings and	Total
	rights	structures	VND
	VND	VND	VND
Cost			
Opening and closing balance	27,812,438,744	8,719,766,623	36,532,205,367
Accumulated depreciation			
Opening balance	7,301,656,054	6,423,621,735	13,725,277,789
Charge for the period	302,309,117	281,048,337	583,357,454
Closing balance	<u>7,603,965,171</u>	<u>6,704,670,072</u>	<u>14,308,635,243</u>
Net book value			
Opening balance	20,510,782,690	2,296,144,888	22,806,927,578
Closing balance	<u>20,208,473,573</u>	<u>2,015,096,551</u>	<u>22,223,570,124</u>

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2019 (continued)

Form B 09a – 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 interim financial statements because there is currently no guidance on determination of fair value using valuation techniques under Vietnamese Accounting Standards or the Vietnamese Accounting System for enterprises. The fair values of investment properties may differ from their carrying amounts.

18. Construction in progress

	Six-month period ended 30/6/2019 VND	30/6/2018 VND
Opening balance	144,377,898,065	111,505,655,106
Additions during the period	56,053,141,203	71,285,776,166
Transfer to tangible fixed assets	(27,318,950,696)	(5,715,366,775)
Transfer to intangible fixed assets	-	(467,800,000)
Closing balance	173,112,088,572	176,608,264,497

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2019 (continued)

Form B 09a – 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:

	30/6/2019 VND	1/1/2019 VND
Upgrade warehouse and brewery at Nguyen Chi Thanh		
Brewery	88,911,755,236	88,817,343,236
Beer filtration system	37,972,950,393	824,581,182
Beer cans production line	17,529,406,273	17,529,406,273
Beer separation system	-	15,646,107,455
Other projects	28,697,976,670	21,560,459,919
	173,112,088,572	144,377,898,065

19. Deferred tax assets and deferred tax liabilities

	Tax rate	30/6/2019 VND	1/1/2019 VND
Deferred tax assets recognised on:			
▪ Allowance for diminution in the value of long-term financial investments	20%	57,375,531,599	52,984,561,076
▪ Accrued expenses and provisions	20%	32,516,048,470	44,551,441,993
▪ Unrealised profits	20%	36,811,310,698	43,935,387,185
▪ Allowance for inventories	20%	41,028,871,036	40,758,143,846
▪ Allowance for doubtful debts	20%	2,304,311,667	2,304,311,667
Total deferred tax assets		170,036,073,470	184,533,845,767
Deferred tax liabilities recognised on:			
▪ Allowance for diminution in the value of long-term financial investments	20%	10,691,857,286	24,920,989,732
▪ Tools and instruments	20%	6,743,427,737	6,865,493,069
▪ Accrued expenses and provisions	20%	(384,000,000)	(75,929,285)
▪ Unearned revenue	20%	-	(226,661,817)
Total deferred tax liabilities		17,051,285,023	31,483,891,699

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2019 (continued)

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

20. Accounts payable to suppliers

(a) Accounts payable to suppliers detailed by significant suppliers

	Cost/Amount within payment capacity	
	30/6/2019	1/1/2019
	VND	VND
Crown Beverage Cans Saigon Limited	152,762,550,402	217,001,205,735
Other suppliers	1,152,780,486,235	1,810,260,961,977
	<hr/>	<hr/>
	1,305,543,036,637	2,027,262,167,712
	<hr/>	<hr/>

(b) Accounts payable to suppliers who are related parties

	Cost/Amount within payment capacity	
	30/6/2019	1/1/2019
	VND	VND
<i>Associates, jointly controlled entities</i>		
Crown Beverage Cans Saigon Limited	152,762,550,402	217,001,205,735
Saigon Binh Tay Beer Group Joint Stock Company	42,467,643,390	80,479,565,925
Sai Gon - Mien Trung Beer Joint Stock Company	36,309,687,260	68,770,742,216
Saigon - Phutho Beer Joint Stock Company	29,293,946,000	34,832,174,850
Sai Gon - Khanh Hoa Beer Joint Stock Company	15,215,133,340	43,265,809,950
Saigon – Lamdong Beer Joint Stock Company	12,904,320,000	-
Sai Gon - Kien Giang Beer Joint Stock Company	10,734,793,686	55,072,169,614
San Miguel Yamamura Phu Tho Packaging Company Limited	9,832,498,500	13,248,400,000
Saigon Tay Do Beer - Beverage Joint Stock Company	9,613,731,754	28,504,068,582
Sai Gon - Vinh Long Beer Joint Stock Company	8,316,360,624	42,224,298,050
Malaya - Vietnam Glass Limited	6,392,116,678	34,009,252,977
Saigon - Bentre Beer Joint Stock Company	3,548,276,600	36,922,865,100
Saigon - Bac Lieu Beer Joint Stock Company	3,332,839,030	6,121,281,540
Truong Sa Food - Food Business Joint Stock Company	-	436,148,400
<i>Other related party</i>		
TBC-Ball Beverage Can Vietnam Limited	27,662,398,408	-
	<hr/>	<hr/>

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2019 (continued)

Form B 09a – DN/HN

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

21. Taxes payable to/receivable from State Treasury

(a) Taxes payable to State Treasury

	1/1/2019 VND	Incurred VND	Paid VND	Net-off VND	Net-off with/ Reclassified to tax receivables VND	30/6/2019 VND
Special sales tax	656,687,046,516	3,765,756,129,586	(3,800,868,917,288)	-	-	621,574,258,814
Corporate income tax	286,511,622,964	635,585,479,716	(638,009,022,392)	-	(4,168,800,085)	279,919,280,203
Value added tax	118,429,734,689	7,679,044,581,579	(893,832,648,168)	(6,751,197,244,756)	36,258,440	152,480,681,784
Personal income tax	34,292,978,432	64,155,575,833	(75,328,197,307)	-	(770,694,569)	22,349,662,389
Import-export tax	-	9,782,183,062	(9,798,519,693)	-	16,336,631	-
Other taxes	4,692,935,912	28,326,022,433	(30,620,575,969)	-	-	2,398,382,376
	1,100,614,318,513	12,182,649,972,209	(5,448,457,880,817)	(6,751,197,244,756)	(4,886,899,583)	1,078,722,265,566

In 2018, the Group 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 Group. However, the Group's position has always been clear and consistent since the State Audit issued audit conclusion in 2015: (i) the Group did not violate regulations on the declaration, calculation and payment of special sales tax, and (ii) the Group 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. The Group has sent the official letters to the relevant authorities to resolve the above matters and is waiting for their official responses.

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2019 (continued)

Form B 09a – 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

	1/1/2019 VND	Net-off with/ Reclassified from tax payables VND	30/6/2019 VND
Corporate income tax	4,168,800,085	(4,168,800,085)	-
Personal income tax	861,287,147	(770,694,569)	90,592,578
Other taxes	151,974,819	52,595,071	204,569,890
	5,182,062,051	(4,886,899,583)	295,162,468

22. Accrued expenses

	30/6/2019 VND	1/1/2019 VND
Advertising and promotion expenses	464,491,893,232	204,884,672,148
Transportation expenses	70,651,389,816	192,363,334,018
Interest expenses	13,334,380,230	13,493,369,109
Others	148,467,450,062	62,427,685,075
	696,945,113,340	473,169,060,350

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2019 (continued)

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

23. Other payables

(a) Other payables – short-term

	30/6/2019 VND	1/1/2019 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	184,652,357,978	186,444,336,213
Dividends payables	85,161,699,139	47,642,016,752
Others	112,085,996,385	110,072,285,800
	1,117,279,926,202	1,079,538,511,465

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

Other payables – short-term to related parties

	30/6/2019 VND	1/1/2019 VND
<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	2,854,448,349	287,780,949

(b) Other payables – long-term

	30/6/2019 VND	1/1/2019 VND
Land tax payable to the State (Note 14(b))	51,602,316,000	51,602,316,000
Long-term deposits received	2,051,050,000	1,547,300,000
	53,653,366,000	53,149,616,000

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended 30 June 2019 (continued)

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

24. Borrowings

(a) Short-term borrowings

	1/1/2019	Movements during the period		30/6/2019
	Carrying amount/ Amount within repayment capacity VND	Increase VND	Decrease VND	Carrying amount/ Amount within repayment capacity VND
Short-term borrowings	584,502,788,680	1,538,397,108,138	(1,776,747,185,520)	346,152,711,298
Current portion of long-term borrowings (Note 24(b))	9,740,000,000	-	(9,740,000,000)	-
	594,242,788,680	1,538,397,108,138	(1,786,487,185,520)	346,152,711,298

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

	Currency	30/6/2019	1/1/2019
		VND	VND
▪ Vietnam Joint Stock Commercial Bank for Industry and Trade – No. 4 Branch	VND	113,177,917,438	216,614,876,467
▪ Vietnam Joint Stock Commercial Bank for Industry and Trade – No. 4 Branch	VND	75,606,684,414	108,982,967,784
▪ Vietnam Joint Stock Commercial Bank for Industry and Trade – Vinh Branch	VND	73,336,871,594	-
▪ Vietnam Joint Stock Commercial Bank for Industry and Trade – Quang Ngai Branch	VND	40,000,000,000	-
▪ Vietnam Joint Stock Commercial Bank for Industry and Trade – Quang Ngai Branch	USD	7,900,750,000	138,546,240,000
▪ Joint Stock Commercial Bank for Investment and Development – My Dinh Branch	VND	12,000,000,000	-
▪ Joint Stock Commercial Bank for Foreign Trade of Vietnam – Thanh Xuan Branch	VND	11,000,000,000	62,010,614,429
▪ Vietnam International Commercial Joint Stock Bank – Quang Ninh Branch	VND	7,130,487,852	-
▪ Vietnam Joint Stock Commercial Bank for Industry and Trade – Quang Minh Branch	VND	6,000,000,000	34,000,000,000
▪ 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
		346,152,711,298	584,502,788,680

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2019 (continued)

Form B 09a – 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 at rates from 5.5% to 7.8% per annum (1/1/2019: from 5.5% to 7% per annum) and short-term loans denominated in USD bore interest at from 3.3% to 4% per annum (1/1/2019: from 3.3% to 3.5% per annum). The short-term loans are secured over inventories and tangible fixed assets.

(b) Long-term borrowings

	30/6/2019	1/1/2019
	VND	VND
Long-term borrowings	-	24,358,022,047
Repayable within twelve months (Note 24(a))	-	(9,740,000,000)
		<hr/>
Repayable after twelve months	-	14,618,022,047
		<hr/>

The outstanding long-term loans as at 1 January 2019 from Joint Stock Commercial Bank for Foreign Trade of Vietnam – Thanh Xuan Branch were denominated in VND, bore interest at 7.2% per annum and were fully repaid during the period.

25. Provisions

(a) Provisions – short-term

	30/6/2019	1/1/2019
	VND	VND
Trademark fee	7,644,228,740	7,644,228,740
Others	319,376,000	24,000,000
		<hr/>
	7,963,604,740	7,668,228,740
		<hr/>

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2019 (continued)

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

(b) Provisions – long-term

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

	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
Opening balance	145,868,448,336	64,493,890,463
Provision made during the period	346,474,376	1,699,470,016
Provision utilised during the period	(6,452,591,435)	(177,875,000)
Provision reversed during the period	(191,272,177)	(3,430,191,138)
Closing balance	139,571,059,100	62,585,294,341

26. Bonus and welfare fund

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

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

	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
Opening balance	222,305,047,166	296,742,730,960
Appropriation during the period (Note 27)	139,571,219,425	15,410,649,549
Additional appropriation during the period (Note 27)	32,858,350,618	-
Utilisation during the period	(243,298,663,860)	(277,080,195,622)
Closing balance	151,435,953,349	35,073,184,887

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2019 (continued)

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

27. Changes in owners' equity

	Share capital VND	Other capital VND	Foreign exchange differences VND	Investment and development fund VND	Other equity funds VND	Retained profits VND	Total equity attributable to owners of the Company VND	Non-controlling interest VND	Total VND
Balance at 1 January 2018	6,412,811,860,000	3,208,666,226	19,113,771,975	1,118,963,482,640	5,327,112,664	5,823,903,898,574	13,383,328,792,079	1,037,160,242,869	14,420,489,034,948
Net profit for the period	-	-	-	-	-	2,337,002,344,823	2,337,002,344,823	109,767,873,847	2,446,770,218,670
Appropriation to bonus and welfare fund (Note 26)	-	-	-	-	-	(11,233,738,239)	(11,233,738,239)	(4,176,911,310)	(15,410,649,549)
Appropriation to investment and development fund	-	-	-	8,712,420,678	-	(8,712,420,678)	-	-	-
Dividends (Note 30)	-	-	-	-	-	-	-	(57,561,800,000)	(57,561,800,000)
Foreign exchange differences	-	-	(245,971,364)	-	-	-	(245,971,364)	-	(245,971,364)
Additional appropriation to social activities fund	-	-	-	-	-	(3,798,156)	(3,798,156)	(1,959,791)	(5,757,947)
Change in proportion of non-controlling interests	-	-	-	72,293,768	-	(64,702,854)	7,590,914	(127,541,664)	(119,950,750)
Balance at 30 June 2018	6,412,811,860,000	3,208,666,226	18,867,800,611	1,127,748,197,086	5,327,112,664	8,140,891,583,470	15,708,855,220,057	1,085,059,903,951	16,793,915,124,008

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended 30 June 2019 (continued)

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

	Share capital VND	Other capital VND	Foreign exchange differences VND	Investment and development fund VND	Other equity funds VND	Retained profits VND	Total equity attributable to owners of the Company VND	Non-controlling interest VND	Total VND
Balance at 1 July 2018	6,412,811,860,000	3,208,666,226	18,867,800,611	1,127,748,197,086	5,327,112,664	8,140,891,583,470	15,708,855,220,057	1,085,059,903,951	16,793,915,124,008
Net profit for the period	-	-	-	-	-	1,840,429,890,556	1,840,429,890,556	115,549,837,198	1,955,979,727,754
Appropriation to bonus and welfare fund	-	-	-	-	-	(196,744,739,343)	(196,744,739,343)	(19,307,245,956)	(216,051,985,299)
Additional appropriation to bonus and welfare fund	-	-	-	-	-	(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)	-	-	-
Dividends	-	-	-	-	-	(2,244,484,151,000)	(2,244,484,151,000)	(111,729,379,518)	(2,356,213,530,518)
Foreign exchange differences	-	-	2,231,687,043	-	-	-	2,231,687,043	-	2,231,687,043
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	-	-	-	-	-	(1,317,480,057)	(1,317,480,057)	1,959,791	(1,315,520,266)
Change in proportion of non- controlling interests	-	-	-	18,286,159	-	109,685,048	127,971,207	(127,971,210)	(3)
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 interim financial statements for the six-month period ended 30 June 2019 (continued)

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

	Share capital VND	Other capital VND	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 as 1 January 2019	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
Net profit for the period	-	-	-	-	-	2,658,458,475,046	2,658,458,475,046	161,540,469,492	2,819,998,944,538
Appropriation to bonus and welfare fund (Note 26)	-	-	-	-	-	(123,681,504,903)	(123,681,504,903)	(15,889,714,522)	(139,571,219,425)
Additional appropriation to bonus and welfare fund (Note 26)	-	-	-	-	-	(30,004,529,945)	(30,004,529,945)	(2,853,820,673)	(32,858,350,618)
Appropriation to investment and development fund	-	-	-	221,570,621	-	(221,570,621)	-	-	-
Dividends (Note 30)	-	-	-	-	-	-	-	(146,297,150,789)	(146,297,150,789)
Foreign exchange differences	-	-	4,892,963,746	-	-	-	4,892,963,746	-	4,892,963,746
Appropriation to social activities fund	-	-	-	-	-	(23,106,121,934)	(23,106,121,934)	(556,666,928)	(23,662,788,862)
Additional appropriation to social activities fund	-	-	-	-	-	(2,116,745,426)	(2,116,745,426)	176,278,554	(1,940,466,872)
Change in proportion of non- controlling interests	-	-	-	4,038,094	-	2,269,531	6,307,625	(18,307,625)	(12,000,000)
Balance as 30 June 2019	6,412,811,860,000	3,208,666,226	25,992,451,400	1,130,372,829,157	5,327,112,664	9,953,107,853,174	17,530,820,772,621	1,061,597,327,266	18,592,418,099,887

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2019 (continued)

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

28. Share capital

The Company's authorised and issued share capital are:

	30/6/2019		1/1/2019	
	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 was no movement in share capital during the six-month period ended 30 June 2019 and 30 June 2018.

29. Investment and development fund

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

30. Dividends

During the six-month period ended 30 June 2019, dividends amounting to VND146,297 million was declared to the shareholders (for the six-month period ended 30 June 2018: VND57,562 million).

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2019 (continued)

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

31. Off balance sheet items

(a) Leases

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

	30/6/2019	1/1/2019
	VND	VND
Within one year	172,261,334,152	176,383,522,518
From two to five years	550,474,717,137	625,013,894,911
More than five years	564,089,371,900	638,268,959,797
	<u>1,286,825,423,189</u>	<u>1,439,666,377,226</u>

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

	Unit	30/6/2019	1/1/2019
Beer	box/crate	203,539	1,950,503
Beverage	box/crate	650	208,785
Plastic crates	piece	29,089	195,616
		<u>203,539</u>	<u>1,950,503</u>

(c) Foreign currencies

	30/6/2019		1/1/2019	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	801,026	18,585,852,224	443,243	10,283,555,316
EUR	37,303	981,600,112	11,978	316,294,767
		<u>19,567,452,336</u>		<u>10,599,850,083</u>

(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:

	30/6/2019	1/1/2019
	VND	VND
Approved and contracted	82,744,237,787	70,770,589,338
	<u>82,744,237,787</u>	<u>70,770,589,338</u>

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2019 (continued)

Form B 09a – DN/HN

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

32. Revenue from sales of goods and provision of services

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

Net revenue comprised:

	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
Total revenue		
▪ Sales of beers	16,040,369,886,615	14,636,920,417,307
▪ Sales of raw materials	2,265,571,279,074	2,204,862,408,833
▪ Sales of beverages	130,840,848,054	148,942,549,930
▪ Sales of alcohol and wine	25,346,763,173	26,034,651,831
▪ Others	55,233,748,309	49,072,834,436
	<hr/>	<hr/>
	18,517,362,525,225	17,065,832,862,337
	<hr/>	<hr/>
Less revenue deductions		
▪ Sales discounts	92,811,604,195	86,018,411,922
▪ Sales returns	8,785,245	-
▪ Sales allowances	-	5,220,000
	<hr/>	<hr/>
	92,820,389,440	86,023,631,922
	<hr/>	<hr/>
Net revenue	18,424,542,135,785	16,979,809,230,415
	<hr/>	<hr/>

33. Cost of sales

	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
Total cost of sales		
▪ Beers sold	11,444,589,654,048	10,673,766,792,179
▪ Raw materials sold	2,253,896,928,612	2,133,106,074,297
▪ Beverages sold	90,640,273,693	104,344,787,485
▪ Alcohol and wine sold	21,914,229,462	22,542,355,142
▪ Others	8,706,226,341	5,594,675,733
	<hr/>	<hr/>
	13,819,747,312,156	12,939,354,684,836
	<hr/>	<hr/>

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2019 (continued)

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

34. Financial income

	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
Interest income from deposits at banks	358,003,252,327	273,009,363,027
Dividends income	6,518,968,873	8,359,439,200
Realised foreign exchange gains	6,379,774,805	949,415,597
Unrealised foreign exchange gains	136,066,660	58,153,258
Other financial income	174,821	166,184,260
	<hr/>	<hr/>
	371,038,237,486	282,542,555,342
	<hr/>	<hr/>

35. Financial expenses

	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
Interest expense	13,830,994,903	18,335,214,856
Realised foreign exchange losses	1,388,237,458	409,430,829
Unrealised foreign exchange losses	350,349,690	115,007,390
Reversal of allowance for diminution in the value of long-term financial investments	(6,542,806,850)	(38,836,967,314)
Other financial expenses	-	40,099,173
	<hr/>	<hr/>
	9,026,775,201	(19,937,215,066)
	<hr/>	<hr/>

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2019 (continued)

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

36. Selling expenses

	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
Advertising and promotion expenses	603,337,956,496	400,013,870,921
Labour costs and staff costs	354,853,696,670	327,520,682,172
Returnable packaging costs	159,326,700,243	200,475,698,938
Rental expenses	75,288,386,181	97,396,526,530
Transportation expenses	12,975,472,613	18,611,258,919
Depreciation and amortisation	13,299,545,323	13,815,885,966
Other expenses	116,772,981,026	112,548,523,817
	<hr/>	<hr/>
	1,335,854,738,552	1,170,382,447,263
	<hr/>	<hr/>

37. General and administration expenses

	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
Staff costs	212,469,067,248	219,368,028,391
Depreciation and amortisation	16,788,662,384	17,661,958,173
Rental expenses	28,103,221,052	25,841,875,403
Other expenses	92,065,236,075	117,935,609,255
	<hr/>	<hr/>
	349,426,186,759	380,807,471,222
	<hr/>	<hr/>

38. Production and business costs by elements

	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
Raw material costs included in production cost	2,711,284,106,259	2,591,107,590,029
Labour costs and staff costs	808,340,168,615	775,869,006,151
Depreciation and amortisation	318,423,774,642	314,543,387,945
Outside services	1,647,071,771,848	1,586,034,681,149
Other expenses	499,223,443,033	559,829,322,362
	<hr/>	<hr/>

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2019 (continued)

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

39. Corporate income tax

(a) Recognised in the consolidated statement of income

	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
Current tax expense		
Current period	606,062,292,167	480,848,136,132
Under provision in prior years	29,523,187,549	108,647,590
	<hr/>	<hr/>
	635,585,479,716	480,956,783,722
Deferred tax expense		
Origination and reversal of temporary differences	65,165,621	50,951,041,163
	<hr/>	<hr/>
Income tax expense	635,650,645,337	531,907,824,885
	<hr/>	<hr/>

(b) Reconciliation of effective tax rate

	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
Accounting profit before tax	3,455,649,589,875	2,978,678,043,555
	<hr/>	<hr/>
Tax at the Company's tax rate	691,129,917,975	595,735,608,711
Effect of different tax rates in subsidiaries	(9,775,642,140)	(6,011,940,356)
Tax incentives	(9,434,185,678)	(4,646,861,655)
Tax exempt income	(34,714,737,733)	(109,886,499,223)
Non-deductible expenses	1,159,527,091	12,785,004,556
(Realisation)/occurrence of unrecognised temporary differences	(29,962,939,557)	41,773,162,348
Tax losses utilised	(1,243,833,570)	-
Under provision in prior years	29,523,187,549	108,647,590
Others	(1,030,648,600)	2,050,702,914
	<hr/>	<hr/>
	635,650,645,337	531,907,824,885
	<hr/>	<hr/>

(c) Applicable tax rates

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

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2019 (continued)

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

40. Basic earnings per share

The calculation of basic earnings per share for the six-month period ended 30 June 2019 was based on the profit attributable to ordinary shareholders after deducting the estimated amounts appropriated to bonus and welfare fund and a weighted average number of ordinary shares, calculated as follows:

(i) Net profit attributable to ordinary shareholders

	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
Net profit for the period	2,658,458,475,046	2,337,002,344,823
Appropriation to bonus and welfare fund	(123,681,504,903)	(118,991,503,764)
Net profit attributable to ordinary shareholders	2,534,776,970,143	2,218,010,841,059

(ii) Weighted average number of ordinary shares

	Six-month period ended	
	30/6/2019	30/6/2018
	Shares	Shares
Weighted average number of ordinary shares	641,281,186	641,281,186

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2019 (continued)

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

41. Significant transactions with related parties

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

	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
<i>Associates, jointly controlled entities</i>		
Sai Gon - Khanh Hoa Beer Joint Stock Company		
Sales of raw materials	191,983,136,497	223,221,807,253
Provision of services	679,600,000	22,700,000
Purchases of merchandise goods	550,896,231,690	565,455,848,760
Dividends	3,900,000,000	2,600,000,000
Saigon - Phutho Beer Joint Stock Company		
Sales of raw materials	174,358,403,021	171,510,227,077
Sales of goods	176,811,818	-
Provision of services	497,200,000	-
Purchases of merchandise goods	476,111,180,320	433,404,403,750
Purchases of services	-	149,736,364
Dividends	8,463,600,000	12,695,400,000
Sai Gon - Kien Giang Beer Joint Stock Company		
Sales of raw materials	218,178,287,689	224,741,493,240
Sales of goods	-	36,750,000
Provision of services	649,600,000	-
Purchases of merchandise goods	709,584,043,991	769,978,422,920
Dividends	4,600,000,000	5,750,000,000
Mechanical and Industrial Construction Joint Stock Company		
Dividends	-	1,404,000,000
Sai Gon - Mien Trung Beer Joint Stock Company		
Sales of raw materials	327,167,190,702	278,133,528,263
Provision of services	1,117,280,000	56,000,000
Purchases of merchandise goods	1,101,568,091,300	925,498,621,500
Warehouse rental expenses	175,660,000	300,956,912
Dividends	19,345,177,380	28,935,089,000
Sai Gon - Vinh Long Beer Joint Stock Company		
Sales of goods	9,547,300	17,550,000
Sales of raw materials	200,260,674,846	206,310,687,364
Provision of services	799,600,000	-
Other income	1,600,858,098	1,600,858,098
Purchases of merchandise goods	670,343,010,816	667,255,737,150
Cost of leasehold property	61,026,543,585	61,026,543,585
Dividends	4,500,000,000	6,000,000,000

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2019 (continued)

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

	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
Saigon Binh Tay Beer Group Joint Stock Company		
Sales of raw materials	314,076,961,148	349,291,100,539
Provision of services	300,000,000	353,513,017
Other income	2,120,003,958	2,055,907,032
Purchases of merchandise goods	1,031,773,178,350	1,110,481,158,190
Dividends	16,892,450,732	12,540,301,464
Profit distribution	5,266,721,400	1,800,036,000
Saigon - Baclieu Beer Joint Stock Company		
Sales of raw materials	41,598,845,308	54,129,016,443
Sales of goods	248,423,370	102,198,350
Provision of services	-	2,122,745,300
Other income	-	541,576,200
Purchases of merchandise goods	246,944,849,584	311,556,379,987
Other expense	-	26,576,439
Cost of leasehold property	-	63,606,926,486
Dividends	3,603,600,000	2,402,400,000
Saigon Tay Do Beer - Beverage Joint Stock Company		
Sales of raw materials	161,192,464,742	124,401,309,965
Sales of goods	139,402,520	-
Provision of services	536,000,000	34,600,000
Purchases of merchandise goods	509,710,645,615	419,024,996,000
Dividends	9,078,299,100	-
Malaya - Vietnam Glass Limited		
Sales of goods	-	17,601,000
Purchases of merchandise goods	5,811,015,162	75,903,232,444
Me Linh Point Limited		
Dividends	29,213,424,951	27,423,437,596
San Miguel Yamamura Phu Tho Packaging Company Limited		
Sales of goods	798,420,000	334,824,000
Purchases of merchandise goods	57,043,964,718	82,035,035,740
Penalty income	-	623,700
Truong Sa Food - Food Business Joint Stock Company		
Purchases of merchandise goods	2,527,349,800	11,450,728,120
Crown Beverage Cans Saigon Limited		
Purchases of merchandise goods	877,828,217,637	883,351,511,433
Other income	51,993,600	78,288,457
Dividends	128,123,009,996	144,629,881,178

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2019 (continued)

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

	Six-month period ended	
	30/6/2019	30/6/2018
	VND	VND
Saigon - Bentre Beer Joint Stock Company		
Sales of raw materials	169,784,335,627	-
Sales of tools and supplies	3,388,571,824	-
Provision of services	799,600,000	-
Purchases of merchandise goods	585,970,019,480	-
Saigon - Lamdong Beer Joint Stock Company		
Sales of raw materials	22,874,483,572	-
Purchases of merchandise goods	14,586,000,000	-
Other related parties		
TBC-Ball Viet Nam limited liabilities company		
Purchases of raw materials	106,951,121,968	-
Best Spirits Company Limited		
Sales of merchandise and finished goods	228,111,930	-
Key management personnel		
Remuneration	15,580,453,858	22,772,925,144

42. Post balance sheet event

Dividends declared after the period-end

Subsequent to the interim financial period-end, a dividend of VND961,922 million has been declared to the shareholders per Resolution dated 21 August 2019. The amount payable has not been accrued in these consolidated interim financial statements.

Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2019 (continued)

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

43. Corresponding figures

The corresponding figures as at 1 January 2019 were brought forward from the Group's consolidated financial statements as at and for the year ended 31 December 2018. The corresponding figures of the consolidated statement of income and cash flows for the six-month period ended 30 June 2018 were brought forward from the Group's consolidated interim financial statements as at and for the six-month period ended 30 June 2018.

28 August 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

