

SAIGON BEER-ALCOHOL-BEVERAGE CORPORATION
CONSOLIDATED FINANCIAL STATEMENTS
QUARTER 3 YEAR 2018



CORPORATE INFORMATION

Business registration certificate No. 4103010027 dated 17 April 2008 issued by the Department of Planning and Investment of Ho Chi Minh City.

Enterprise registration certificate No. 0300583659 dated 29 February 2012 issued by the Department of Planning and Investment of Ho Chi Minh City.

The Business registration certificate was amended to the Enterprise registration certificate under joint stock company form on 29 February 2012. The ninth amended Enterprise registration certificate was issued on 07 August 2018.

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

Board of Management	Mr. Neo Gim Siong Bennett	General Director
	Mr. Teo Hong Keng	Deputy General Director
	Mr. Melvyn Ng Kuan Ngee	Deputy General Director
	Mr. Lam Du An	Deputy General Director
		Sai Gon – Nguyen Chi Thanh Brewery's Director
	Mr. Hoang Dao Hiep	Deputy General Director (from 01 October 2018)
	Mr. Nguyen Huu Loc	Sai Gon – Cu Chi Brewery's Director

Legal representative	Mr. Koh Poh Tiong	Chairman
	Mr. Neo Gim Siong Bennett	General Director

CORPORATE INFORMATION (continued)

Registered office	187, Nguyen Chi Thanh Street, Ward 12, District 5, Ho Chi Minh City, Vietnam
Contact address	5th Floor, Vincom Commercial Centre, 72 Le Thanh Ton and 45A Ly Tu Trong, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam
Branches	<p>Sai Gon-Cu Chi Brewery Lot C1, D3 Street, Northwest Cu Chi Industrial Zone, Cu Chi Town, Cu Chi District, Ho Chi Minh City, Vietnam</p> <p>Saigon-Nguyen Chi Thanh Brewery 187, Nguyen Chi Thanh Street, Ward 12, District 5 Ho Chi Minh City, Vietnam</p>

CONSOLIDATED BALANCE SHEET

As at 30 September 2018

VND

Code	ASSETS	Note	30/9/2018	01/01/2018
100	A. CURRENT ASSETS		15.206.371.060.048	13.686.327.476.651
110	I. Cash and cash equivalents	4	4.228.410.867.018	4.268.598.818.042
111	1. Cash		749.088.353.524	1.631.824.576.797
112	2. Cash equivalents		3.479.322.513.494	2.636.774.241.245
120	II. Short-term investments	5	7.866.885.974.564	6.558.801.231.269
123	1. Investments held-to-maturity		7.866.885.974.564	6.558.801.231.269
130	III. Short-term receivables		714.438.390.374	715.326.353.415
131	1. Short-term trade accounts receivable	6	108.672.095.920	171.320.969.298
132	2. Short-term prepayments to suppliers	7	81.825.877.405	108.549.780.497
136	3. Other short-term receivables	8	547.787.963.117	468.739.410.975
137	4. Provision for doubtful debts – short-term		(52.613.102.175)	(53.455.692.637)
139	5. Shortage of assets awaiting resolution		28.765.556.107	20.171.885.282
140	IV. Inventories		2.256.607.163.602	2.003.535.067.335
141	1. Inventories	9	2.373.379.379.056	2.116.546.352.025
149	2. Provision for decline in value of inventories		(116.772.215.454)	(113.011.284.690)
150	V. Other current assets		140.028.664.490	140.066.006.590
151	1. Short-term prepaid expenses	11	81.182.661.881	24.912.851.252
152	2. Value Added Tax to be reclaimed		56.365.031.430	112.192.286.560
153	3. Taxes and other payables to the State Budget		2.480.971.179	2.960.868.778

CONSOLIDATED BALANCE SHEET

As at 30 September 2018

VND

Code	ASSETS	Note	30/9/2018	01/01/2018
200	B. LONG-TERM ASSETS		7.794.081.647.953	8.327.361.633.259
210	I. Long-term receivables		3.619.177.758	20.093.775.062
211	1. Long-term account receivables		4.761.134.371	4.761.134.371
215	2. Long-term loan receivables		4.000.000.000	4.000.000.000
216	3. Other long-term receivables		32.939.157.663	49.118.570.411
219	4. Provision for doubtful long-term receivables		(38.081.114.276)	(37.785.929.720)
220	II. Fixed assets	10	4.687.305.964.873	5.008.100.480.672
221	1. Tangible fixed assets		3.731.569.594.490	4.044.747.362.200
222	Cost		9.475.357.400.406	9.343.836.360.323
223	Accumulated depreciation		(5.743.787.805.916)	(5.299.088.998.123)
227	2. Intangible fixed assets		955.736.370.383	963.353.118.472
228	Cost		1.091.385.605.211	1.088.315.805.211
229	Accumulated amortisation		(135.649.234.828)	(124.962.686.739)
230	III. Investment properties	10	54.859.515.963	67.657.774.573
231	1. Cost		71.444.026.942	83.725.457.765
232	2. Accumulated depreciation		(16.584.510.979)	(16.067.683.192)
240	IV. Long-term assets in progress		135.178.860.173	111.505.655.106
242	1. Construction in progress		135.178.860.173	111.505.655.106
250	V. Long-term investments	5	2.159.778.144.708	2.152.327.824.131
252	1. Investments in associates, joint ventures		1.748.632.456.214	1.747.121.088.747
253	2. Investments in other entities		716.852.914.597	736.652.914.597
254	3. Provision for long-term investments		(326.576.106.008)	(352.315.059.118)
255	4. Investments held-to-maturity		20.868.879.905	20.868.879.905
260	VI. Other long-term assets		753.339.984.478	967.676.123.715
261	1. Long-term prepaid expenses	11	631.267.379.801	816.991.436.755
262	2. Deferred income tax assets		107.264.772.917	136.822.415.511
263	3. Long-term supplies and spare parts		14.807.831.760	13.862.271.449
268	4. Other long-term assets			
270	TOTAL ASSETS		23.000.452.708.001	22.013.689.109.910

CONSOLIDATED BALANCE SHEET

As at 30 September 2018

VND

Code	RESOURCES	Note	30/9/2018	01/01/2018
300	C. LIABILITIES		5.297.792.226.865	7.593.162.674.962
310	I. Short-term liabilities		5.073.407.854.860	7.401.584.603.555
311	1. Short-term trade accounts payable	12	1.675.843.896.648	2.020.399.662.484
312	2. Short-term advances from customers	13	68.507.400.636	89.250.848.970
313	3. Tax and other payables to the State Budget		910.397.412.277	1.209.757.064.447
314	4. Payable to employees		258.891.647.814	222.226.205.331
315	5. Short-term accrued expenses	14	414.891.384.240	196.525.953.248
318	6. Short-term unearned revenue		1.383.290.896	606.060.605
319	7. Other short-term payables	15	1.005.468.075.426	2.630.180.684.051
320	8. Short-term borrowings		687.341.280.924	722.903.981.780
321	9. Provision for short-term payables		7.656.360.430	12.991.411.679
322	10. Bonus and welfare funds		43.027.105.569	296.742.730.960
330	II. Long-term liabilities		224.384.372.005	191.578.071.407
332	1. Long-term advances from customers		22.183.449	22.183.449
336	2. Long-term unearned revenue			
337	3. Other long-term payables		54.241.816.000	53.632.516.000
338	4. Long-term borrowings		17.053.022.047	1.941.629.834
341	5. Deferred income tax liabilities		29.972.352.804	17.217.198.238
342	6. Provision for long-term liabilities		68.834.844.282	64.493.890.463
343	7. Fund for science and technology development		54.260.153.423	54.270.653.423

CONSOLIDATED BALANCE SHEET

As at 30 September 2018

VND

Code	RESOURCES	Note	30/9/2018	01/01/2018
400	D. OWNERS' EQUITY		17.702.660.481.136	14.420.526.434.948
410	I. Capital and reserves	16	17.702.623.081.136	14.420.489.034.948
411	1. Owners' capital		6.412.811.860.000	6.412.811.860.000
411a	- Ordinary shares with voting rights		6.412.811.860.000	6.412.811.860.000
414	2. Owners' other capital		3.208.666.226	3.208.666.226
415	3. Treasury shares		-	-
417	4. Foreign exchange differences		19.584.723.623	19.113.771.975
418	5. Investment and development funds		1.127.766.483.245	1.118.963.482.640
420	6. Other funds		5.327.112.664	5.327.112.664
421	7. Undistributed earnings		9.078.703.204.184	5.823.903.898.574
421a	- Undistributed earnings of the previous years		5.795.410.143.418	2.946.086.838.409
421b	- Post-tax profit of current year		3.283.293.060.766	2.877.817.060.165
429	8. Non-controlling interests		1.055.221.031.194	1.037.160.242.869
430	II. Budget sources and other funds		37.400.000	37.400.000
431	1. Budget sources		37.400.000	37.400.000
440	TOTAL RESOURCES		23.000.452.708.001	22.013.689.109.910



Hoàng Thanh Vân
Preparer

Trần Nguyên Trung
Chief Accountant

Teo Hong Keng
Deputy General Director

Neo Gim Siong Bennett
General Director

30th October 2018

CONSOLIDATED INCOME STATEMENT

VND

Code	ITEMS	Note	Quarter 3		For the 9 month period ended 30 Sep	
			2018	2017	2018	2017
1	1. Sales	18	8,563,388,540.570	8,105,659,445.798	25,629,221,402.907	23,856,862,254.097
2	2. Less deductions	18	672,367.396	50,547,338.028	86,695,999.318	159,268,665.877
10	3. Net sales (10 = 01 - 02)	18	8,562,716,173.174	8,055,112,107.770	25,542,525,403.589	23,697,593,588.220
11	4. Cost of sales	19	6,703,128,018.595	5,929,708,007.307	19,642,482,703.431	17,288,301,026.979
20	5. Gross profit (20 = 10 - 11)		1,859,588,154.579	2,125,404,100.463	5,900,042,700.158	6,409,292,561.242
21	6. Financial income	20	173,942,627.626	134,375,469.804	456,485,182.968	351,981,222.063
22	7. Financial expenses	21	22,523,224.988	11,520,583.789	2,586,009.922	12,628,782.374
	- Including: Interest expenses		8,997,534.676	10,612,968.434	27,332,749.532	33,020,087.917
24	8. Profit sharing from investment in joint ventures and associates		107,487,615.111	82,972,789.276	267,891,303.944	274,124,428.013
25	9. Selling expenses	22	663,930,244.122	711,469,159.954	1,834,312,691.385	1,941,311,688.320
26	10. General and administration expenses	23	182,732,215.708	195,255,225.997	563,539,686.930	546,981,165.825
30	11. Net operating profit		1,271,832,712.498	1,424,507,389.803	4,223,980,798.833	4,534,476,574.799
31	12. Other income	24	21,987,509.794	14,044,904.887	61,908,834.280	57,446,187.759
32	13. Other expenses	25	18,036,268.209	27,299,895.184	31,427,635.475	67,439,374.056
40	14. Net other income/(expenses) (40 = 31 - 32)		3,951,241.585	(13,254,990.297)	30,481,198.805	(9,993,186.297)
50	15. Net accounting profit before tax (50 = 30 + 40)		1,275,783,954.083	1,411,252,399.506	4,254,461,997.638	4,524,483,388.502
51	16. Business income tax - current		249,664,944.034	266,133,871.475	730,621,727.756	783,361,376.957
52	17. Business income tax - deferred		(8,638,244.000)	(6,600,185.719)	42,312,797.163	22,642,242.385
60	18. Net profit after tax		1,034,757,254.049	1,151,718,713.750	3,481,527,472.719	3,718,479,769.160
61	19. Profit after tax attributable to the Company		974,874,396.940	1,098,207,039.530	3,311,876,741.763	3,540,096,975.610
62	20. Profit after tax attributable to non- controlling interests		59,882,857.109	53,511,674.220	169,650,730.956	178,382,793.550
70	21. Basic earnings per share (*)		1,432	1,581	4,900	5,127



[Signature]
Teo Hong Keng
Deputy General Director

[Signature]
Trần Nguyễn Trung
Chief Accountant

[Signature]
Hoàng Thanh Vân
Preparer

[Signature]
Nguyễn Siong Bennett
General Director

CONSOLIDATED CASH FLOW STATEMENT

VND

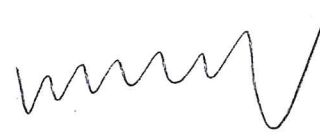
Code	ITEMS	Note	For the 9 month period ended 30 Sep	
			2018	2017
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
1	Net accounting profit before tax		4.254.461.997.638	4.524.483.388.502
	Adjustments for:			
2	Depreciation and amortisation		473.200.218.337	462.996.333.587
3	Provisions/(reversal of provisions)		(23.519.525.682)	(24.321.348.619)
4	Unrealised foreign exchange gains		29.332.476	(14.798.636)
5	Profits from investing activities		(724.071.225.055)	(623.354.644.073)
6	Interest expenses		27.332.749.532	32.662.450.859
8	Operating profit before changes in working capital			
9	Decrease/(increase) in receivables		191.120.807.902	252.850.843.041
10	Decrease/(increase) in inventories		(257.778.587.342)	(189.696.677.016)
11	Decrease in payables		(358.825.255.697)	(925.767.599.763)
12	Increase in prepaid expenses		129.454.246.325	123.705.833.188
14	Interest paid		(27.319.074.153)	(34.226.432.537)
15	Business income tax paid		(887.573.737.545)	(196.100.100.083)
17	Other cash outflows from operating activities		(307.677.920.005)	(333.822.960.857)
20	Net cash flows from operating activities		2.488.834.026.731	3.069.394.287.593
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets		(200.379.282.193)	(109.751.631.190)
22	Proceeds from disposals of fixed assets and other long-term assets		1.304.718.300	14.281.920.000
23	Deposits at banks with maturity exceeding 3 months		(7.180.284.743.295)	(5.179.766.940.162)
24	Proceeds from lendings, deposits at banks with maturity exceeding 3 months		5.872.200.000.000	3.203.133.880.324
25	Investments in other entities			(23.880.715.400)
26	Proceeds from divestment in other entities			43.322.703.243
27	Dividends and interest received		642.163.961.402	584.721.115.017
30	Net cash flows from investing activities		(864.995.345.786)	(1.467.939.668.168)


CONSOLIDATED CASH FLOW STATEMENT


VND

Code	ITEMS	Note	For the 9 month period ended 30 Sep	
			2018	2017
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
32	Proceeds from reissue of treasury shares			67.207.854.357
33	Proceeds from borrowings		2.484.596.430.839	2.643.404.761.608
34	Repayments of borrowings		(2.505.047.739.482)	(3.001.418.552.025)
35	Dividends paid		(1.643.669.577.373)	(200.694.833.050)
40	Net cash flows from financing activities		(1.664.120.886.016)	(491.500.769.110)
50	Net increase/(decrease) in cash and cash equivalents		(40.282.205.071)	1.109.953.850.315
60	Cash and cash equivalents at beginning of year		4.268.598.818.042	3.444.825.444.503
61	Effect of foreign exchange differences		94.254.047	
70	Cash and cash equivalents at end of year		4.228.410.867.018	4.554.779.294.818


Hoàng Thanh Vân
Preparer


Trần Nguyên Trung
Chief Accountant


Teo Hong Keng
Deputy General Director


Neo Gim Siong Bennett
General Director

30th October 2018



2 BASIS OF PREPARATION

2.1 *Accounting standards and system*

The consolidated financial statements of the Company and its subsidiaries ("the Group") expressed in Vietnam dong ("VND") are prepared in accordance with Vietnamese Enterprise Accounting Standard issued by the Ministry of Finance as per:

- > Decision No. 149/2001/QĐ-BTC dated 31 December 2001 on the issuance and promulgation of four Vietnamese Accounting Standards (Series 1);
- > Decision No. 165/2002/QĐ-BTC dated 31 December 2002 on the issuance and promulgation of six Vietnamese Accounting Standards (Series 2);
- > Decision No. 12/2005/QĐ-BTC dated 30 December 2003 on the issuance and promulgation of six Vietnamese Accounting Standards (Series 3);
- > Decision No. 12/2005/QĐ-BTC dated 15 February 2005 on the issuance and promulgation of six Vietnamese Accounting Standards (Series 4); and
- > Decision No. 100/2005/QĐ-BTC dated 28 December 2005 on the issuance and promulgation of four Vietnamese Accounting Standards (Series 5).

Accordingly, the accompanying consolidated financial statements, including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2.2 *Applied accounting documentation system*

The Company's applied accounting documentation system is the General Journal system.

2.3 *Fiscal year*

The Group's fiscal year applicable for the preparation of its consolidated financial statements starts on 1 January and ends on 31 December

2.4 *Accounting currency*

The consolidated financial statements are prepared in VND which is also the Company's accounting currency.

2.5 *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the period ended 31 March 2018.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the parent company, using consistent accounting policies.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intra-company balances, income and expenses and unrealised gains or losses result from intra-company transactions are eliminated in full.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated income statements and within equity in the consolidated balance sheet, separately from parent shareholders' equity.



Impact of change in the ownership interest of a subsidiary, without a loss of control, is recorded in undistributed earnings.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at banks and short-term, highly liquid investments with an original maturity of less than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

3.2 Inventories

Inventories are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs to complete costs necessary to make the sale.

The perpetual method is used to record inventories, which are valued as follows:

Raw materials: Cost of purchase on a weighted average basis.

Finished goods
and work - in - Cost of direct materials and labour plus attributable manufacturing overheads
process based on the normal operating capacity on a weighted average basis.

Provision for obsolete inventories

An inventory provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc) of raw materials, finished goods, and other inventories owned by the Group, based on appropriate evidence of impairment available at the balance sheet date.

Increases or decreases to the provision balance are recorded into the cost of goods sold account in the consolidated income statement.

3.3 Receivables

Receivables are presented in the consolidated financial statements at the carrying amounts due from customers and other debtors, after provision for doubtful debts.

The provision for doubtful debts represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered. Increases or decreases to the provision balance are recorded as general and administrative expense in the consolidated income statement.

3.4 Tangible fixed assets

Tangible fixed assets are stated at cost, except for certain items which had been revalued in connection with the equitisation process of the State Owned General Corporation in accordance with the Prime Minister's Decision No. 1862/QD-TTg, less accumulated depreciation. The revalued assets were included as a part of the capital contribution received.

The cost of a tangible fixed asset comprises its purchase price and any directly attributable costs of bringing the intangible fixed asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the consolidated income statements as incurred.

When tangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the consolidated income statement.

3.5 *Intangible fixed assets*

During the equitisation process of the State Owned General Corporation, intangible fixed assets were revalued on 31 December 2006 and 30 April 2008.

Intangible fixed assets are stated at cost or the valued amount less accumulated amortisation.

The cost of an intangible fixed asset comprises its purchase price and any directly attributable costs of preparing the intangible fixed asset for its intended use.

Expenditures for additions, improvements are added to the carrying amount of the assets and other expenditures are charged to the consolidated income statement as incurred.

When intangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the consolidated income statement).

Land use rights.

Land use rights are recorded as intangible fixed assets representing the value of the right to use the lands acquired or leased by the Group. The useful lives of land use rights are assessed as either finite or indefinite. Accordingly, the land use rights with finite lives representing the land lease are amortized over the term of lease while the land use rights with indefinite useful lives are not amortized.

The advance payment for land rental, of which the land lease contracts have effectiveness prior to 2003 and Land use right certificate being issued, are recorded as intangible fixed asset according to Circular No. 45/2013/TT-BTC issued by the Ministry of Finance on 25 April 2013 guiding the management, use and depreciation of fixed assets ("Circular 45").

3.6 *Depreciation and amortization*

Depreciation of tangible fixed assets and amortization of intangible fixed assets are calculated on straight-line basis over the estimated useful life of each asset as follows:

Buldings and structures	5 - 25 years
Machinery and equipment	3 - 15 years
Means of transportation	3 - 10 years
Office equipment	3 - 8 years
Computer software	3 - 10 years
Land use rights	13 years - indefinite

3.7 *Construction in progress*

Construction in progress represents tangible fixed assets under construction and is stated at cost.

This includes costs of construction of plant, installation of equipment and other direct costs.

Construction in progress is not depreciated until such time as the relevant assets are completed and put into operation.

3.8 *Investment properties.*

Investment properties are stated at cost including transaction costs less accumulated depreciation.

Subsequent expenditure relating to an investment property that has already been recognised is added to the net book value of the investment property when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing investment property, will flow to the Group.

Depreciation and amortisation of investment properties are calculated on a straight-line basis over the estimated useful life of

Buildings and structures	5 - 30 years
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Investment properties are derecognised when either they have been disposed of when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the assets is recognised in the consolidated income statements in the year of retirement or disposal.

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment properties when, and only when, there is change in use, evidenced by commencement of owner-occupation or commencement with a view to sale. The transfer from investment properties to owner-occupied property or inventories does not change the cost or the carrying value of the property for subsequent accounting at the date of change in use.

3.9 *Leased assets*

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

Where the Group is the lessee

Rentals under operating leases are charged to the consolidated income statement on a straight-line basis over the lease term.

Where the Group is the lessor

Assets subject to operating leases are included as the Group's fixed assets in the consolidated balance sheet. Initial direct costs incurred in negotiating an operating lease are recognised in the consolidated income statement as incurred.

Lease income is recognised in the consolidated income statement on a straight-line basis over the lease term.

3.10 *Borrowing costs*

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

Borrowing costs are recorded as expense during the year in which they are incurred.

3.11 *Prepaid expense*

Prepaid expenses are reported as on the consolidated balance sheet and amortised over the period for which the amount is paid or the period in which economic benefits are generated in relation to these expenses.

The following types of expenses are recorded as long-term prepaid expense and are amortised to the consolidated income statement.

- ▶ Returnable packaging materials;
- ▶ Tools and consumables with large value issued into production and can be used for more than one
- ▶ Prepaid rental fees
- ▶ Others

Starting from 10 June 2013, according to Circular 45, the prepaid rental related to land lease contract with effectiveness after 2003 is not qualified for recognition as intangible asset. Accordingly, the unamortized balances of prepaid rental made in accordance with the lease contract with effectiveness after 2003 are reclassified from intangible assets to long-term prepaid expenses and allocated to the consolidated income statements over the remaining lease term.

3.12 *Business combinations and goodwill*

Business combinations are accounted for using the purchase method. The cost of a business combination is measured as the fair value of assets given, equity instruments issued and liabilities or assumed at the date of exchange plus any costs directly attributable to the business combination. Identifiable assets and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the date of business combination.

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. If the cost of a business combination is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement. After initial recognition, goodwill is measured at cost less any accumulated amortisation. Goodwill is amortized over 10-year period on a straight-line basis.

3.13 *Investment*

Investment in associates

The Group's investments in its associates for using the equity method of accounting. An associate is an entity in which the Group has significant influence that is neither subsidiaries nor joint ventures. The Group generally deems they have significant influence if they have over 20% of the voting rights.

Under the equity method, the investment is carried in the consolidated balance sheet at cost plus cost acquisition of the associate is included in the carrying amount of the investment and is not amortized and subject to annual review for impairment. The consolidated income statement reflects the share of the post-acquisition results of operation of the associate.

The share of post-acquisition profit (loss) of the associates is presented on the face of the consolidated income statement and its share of post-acquisition movements in associates' funds is recognised in funds. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates reduce the carrying amount of the investment.

The financial statements of the associates are prepared for the same reporting period and use the same accounting policies as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Investment in jointly controlled entity

The Group's investments in jointly controlled entity is accounted for using the equity method of accounting. Under the equity method, the Group's interest in the jointly controlled entity is carried in the consolidated balance sheet at cost plus post joint venture changes in the Group's share of net assets of the jointly controlled entity. The consolidated income statement reflects the share of the post-jointly controlled results of operation of the jointly controlled entity.

The share of profit (loss) of the jointly controlled entity is presented on face of the consolidated income statement and its share of post-jointly controlled movements in reserves is recognised in reserves. The cumulative post-jointly controlled movements are adjusted against the carrying amount of the investment. Dividends receivable from jointly controlled entities reduce the carrying amount of the investment.

The financial statements of the jointly controlled entities are prepared for the same reporting period and use the same accounting policies as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Held-for-trading securities and investments in other entities.

Investments in securities and other investments are stated at their acquisition cost, except for certain long-term investments which are revalued on 31 December 2006 and 30 April 2008 for the equitisation purpose in accordance with equitisation finalization minutes dated 6 March 2010.

Held-to-maturity investments

Held-to-maturity investments are stated at their acquisition costs. After initial recognition, held-to-maturity investments are measured at recoverable amount. Any impairment loss incurred is recognized as finance expense in the consolidated income statement and deducted against the value of such investments.

Provision for investments:

Provision is made for nay diminution in value of the marketable investments at the balance sheet date representing the excess of the acquisition cost over the market value at the date and other investments in accordance with Circular No.228/2009/TT-BTC dated 7 December 2009, Circular No. 89/2013/TT-BTC dated 28 June 2013 issued by the Ministry of Finance and based on the prudence concept as stated in VAS No. 1 "Framework". Increases or decreases to the provision balance are recorded as finance expenses in the consolidated income statement.

3.14 Payables and accruals

Payables and accruals are decognised for amounts to be paid in the future for goods and services received, whether or not billed to the Group.

3.15 Accrual for severance pay

According to official letter No. 7228/BCT-TCDN date 7 June 2010 issued by Ministry of Finance, the severance pay to employee will be taken to the consolidated income statement as incurred.

3.16 Provisions:

Provision are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is possible that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance expenses.

3.17 Foreign currency transactions

Transactions in currencies other than the Group's reporting currency of VND are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

- > Transaction resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection.

- > Transaction resulting in liabilities are recorded at the selling exchange rates of the commercial banks designated for payment.
- > Capital contributions are recorded at the buying exchange rates of the commercial banks designated for capital contribution; and
- > Payments for assets or expenses without liabilities initially being recognised is recorded at the buying exchange rates at the balance sheet dates which are determined as follows:

At the end of the year, monetary balances denominated in foreign currencies are translated at the actual transaction exchange rates at the balance sheet dates which are determined as follows:

- > Monetary assets are translated at buying exchange rate of the commercial bank where the Group conducts transactions regularly; and
- > Monetary liabilities are translated at selling exchange rate of the commercial bank where the Group conducts transactions regularly.

All foreign exchange differences incurred during the year and arisen from the translation of monetary accounts denominated in foreign currency at year end are taken to the consolidated income statement.

3.18 *Treasury shares*

Own equity instruments which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss upon purchase, sale, issue or cancellation of the Group's own equity instruments.

3.19 *Earnings per share*

Basic earnings per share is computed by dividing net profit after tax for the year attributable to ordinary shareholders of the parent company (after adjusting for the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary equity holders of the parent company (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all potential dilutive ordinary shares into ordinary shares.

3.20 *Appropriation of net profits*

Net profit after corporate income tax (excluding negative goodwill arising from a bargain purchase) is available for appropriation to shareholders after approval in the annual general meeting, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

The Group maintains the following reserve funds which are appropriated from the Group's net profit as proposed by the Board of Directors and subject to approval by shareholders at the annual general meeting.

Investment and development fund

This fund is set aside for use in the Group's expansion of its operation or of in-depth investments.

Bonus and welfare fund

This fund is set aside for the purpose of pecuniary rewarding and encouraging, common benefits and improvement of the employees' benefits, and presented as a liability on the consolidated balance sheet.

Dividend distribution

Net profit after tax is available for appropriation to shareholders as proposed by the Board of Management and subject to shareholders' approval at the Annual General Meeting.

3.21 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognised.

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually upon the delivery of the goods.

Rendering of services

Revenue is recognised when the service has been rendered.

Interest

Revenue is recognised as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

Dividends

Income is recognised when the Group's entitlement as an investor to receive the dividend is established.

3.22 Taxation

Current income tax

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the consolidated balance sheet date.

Current income tax is charged or credited to the consolidated income statement, except when it relates to items recognised directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legal enforceable right for the Group to set off current tax assets against current tax liabilities and when the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the consolidated balance sheet date between the tax base of assets and liabilities and their carrying amount for financing reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- > Where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the related transaction affects neither the accounting profit nor taxable profit or loss;
- > In respect of taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures where timing of reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised, except:

- > Where the deferred tax assets in respect of deductible temporary difference which arises from the initial recognition of an assets or liability which at the time of related transaction, affects neither the accounting profit nor taxable profit or loss;
- > In respect of deductible temporary differences associated with investments in subsidiaries, associates, and interests in joint venture, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Previously unrecognised deferred tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset realised or the liability is settle based on tax rates and tax laws that have been enacted at the consolidated balance sheet date.

Deferred tax (continued)

Deferred tax is charged or credited to the consolidated income statement, except it relates to items recognised directly to equity, in which case the deferred tax is also dealt with in the equity account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Group to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on:

- > Either the same taxable entity; or
- > When the Group intends either settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amount of deferred tax liabilities or assets are expected to be settled or recovered.

3.23 *Segment information*

The Group's principal activities are to produce and sell beer, alcohol, beverages and related products including materials and packaging materials. In addition, these activities are mainly taking place within Vietnam. Therefore, the Group's risks and returns are not impacted by the Group's products that the Group is manufacturing or the locations where the Group is trading. As a result, the Groups's managements is of the view that there is only one segment for business and geography and therefore presentation of segmental information is not required.



4 CASH AND CASH EQUIVALENTS

	30.09.2018 VNĐ	01.01.2018 VNĐ
Cash on hand	5.346.569.352	5.390.868.148
Cash in transit	92.947.378	-
Cash at bank	743.648.836.794	1.626.433.708.649
Cash equivalents (*)	3.479.322.513.494	2.636.774.241.245
TOTAL	<u>4.228.410.867.018</u>	<u>4.268.598.818.042</u>

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



5 INVESTMENTS

(a) Investments held-to-maturity

(i) Short-term

	30.09.2018			01.01.2018		
	Cost VND	Provision VND	Book value VND	Cost VND	Provision VND	Book value VND
Term deposits (*)	7.866.885.974.564	-	7.866.885.974.564	6.558.801.231.269	-	6.558.801.231.269
	<u>7.866.885.974.564</u>	<u>-</u>	<u>7.866.885.974.564</u>	<u>6.558.801.231.269</u>	<u>-</u>	<u>6.558.801.231.269</u>

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

(ii) Long-term

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

	30.09.2018			01.01.2018		
	Cost VND	Provision VND	Book value VND	Cost VND	Provision VND	Book value VND
Shipbuilding Industry Corporation	20.868.879.905	(20.868.879.905)	-	20.868.879.905	(20.868.879.905)	-
Term deposits	-	-	-	-	-	-
	<u>20.868.879.905</u>	<u>(20.868.879.905)</u>	<u>-</u>	<u>20.868.879.905</u>	<u>(20.868.879.905)</u>	<u>-</u>

(b) Investments in other entities

	30.09.2018			01.01.2018		
	Cost VND	Provision VND	Book value VND	Cost VND	Provision VND	Book value VND
Investments in joint ventures, associates (i)	1.748.632.456.214	(19.094.814.000)		1.747.121.088.747	(19.988.792.554)	
Investments in other entities (ii)	716.852.914.597	(307.481.292.008)		736.652.914.597	(332.326.266.564)	
	<u>2.465.485.370.811</u>	<u>(326.576.106.008)</u>		<u>2.483.774.003.344</u>	<u>(352.315.059.118)</u>	

5 INVESTMENTS (continued)

(b) Investments in other entities (continued)

(i) Investments in associates and joint ventures

Company name	Principal activities	30.09.2018				01.01.2018			
		Voting right %	Interest %	Cost VND	Provision VND	Voting right %	Interest %	Cost VND	Provision VND
Thanh Nam Consultant Investment - Engineering and Technology Transfer Joint Stock Company	Construction and design consulting	29%	29%	329.653.546	-	29%	29%	329.653.546	-
Mechanical and Industrial Construction Joint Stock Company	Manufacturing, installation machinery, bridges and roads and industrial construction products	26%	26%	10.727.077.141	-	26%	26%	12.641.612.636	-
Saigon - Tay Do Beer & Beverage Joint Stock Company	Produce beer, alcohol and beverage	35%	28%	104.830.774.474	-	35%	28%	111.504.428.891	-
Saigon - Binh Tay Beer Group Joint Stock Company	Produce beer, alcohol and beverage	22%	22%	483.354.029.948	-	22%	21%	326.779.406.443	-
Saigon - Bac Lieu Beer Joint Stock Company	Produce beer, alcohol and beverage	20%	10%	39.313.330.028	-	20%	10%	39.376.471.352	-
Truong Sa Food - Food Business Joint Stock Company (*)	Produce agricultural products and foods	39%	39%	5.872.986.160	-	39%	39%	4.597.654.606	-
Saigon - Phu Ly Beer Joint Stock Company	Produce beer, mineral water, provide hotel and transportation services	0%	0%	-	-	30%	30%	134.708.832.052	-
Saigon - Phu Tho Beer Joint Stock Company	Produce beer, alcohol and beverage	34%	31%	78.593.501.979	-	34%	31%	81.363.598.253	-
Saigon - Mien Trung Beer Joint Stock Company	Produce beer, alcohol and beverage	32%	32%	151.137.103.494	-	32%	32%	150.263.429.620	-
Tan Thanh Investment Trading Company Limited	Construction and trade real estates	29%	29%	69.888.052.736	-	29%	29%	69.681.606.168	-
Saigon - Vinh Long Beer Joint Stock Company	Produce beer, alcohol and beverage	20%	20%	47.240.246.133	-	20%	20%	45.712.379.489	-
Saigon - Kien Giang Beer Joint Stock Company	Produce beer, alcohol and beverage	20%	20%	26.897.550.901	-	20%	20%	27.867.627.428	-
Me Linh Point Limited	Lease office building	25%	35%	115.595.592.408	-	25%	35%	119.215.074.210	-
Saigon Crown Company Limited	Manufacture aluminium cans	30%	30%	253.331.797.888	-	30%	30%	302.127.077.404	-
Malaya Vietnam Glass Company Limited	Manufacture glass products	30%	30%	200.459.017.669	-	30%	30%	169.368.729.376	-
San Miguel Phu Tho Packaging Limited Company	Manufacture and trade metal packaging	35%	35%	60.481.792.377	-	35%	35%	55.532.678.119	-
Vietnam Spirits and Wine Company Limited	Produce and trade alcohol and alcohol-related products	45%	45%	19.094.814.000	(19.094.814.000)	45%	45%	19.988.792.554	(19.988.792.554)
Saigon - Khanh Hoa Beer Joint Stock Company	Produce beer, alcohol and beverage	26%	26%	41.485.135.532	-	26%	26%	36.062.036.600	-
Saigon - Ben Tre Beer Joint Stock Company	Produce beer, alcohol and beverage	20%	20%	20.000.000.000	-	20%	20%	20.000.000.000	-
Saigon - Lam Dong Beer Joint Stock Company	Produce beer, alcohol and beverage	20%	20%	20.000.000.000	-	20%	20%	20.000.000.000	-
				1.748.632.456.214	(19.094.814.000)			1.747.121.088.747	(19.988.792.554)

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5 INVESTMENTS (continued)

(b) Investments in other entities (continued)

(ii) Investments in other entities

	30.09.2018				01.01.2018			
	ownership and voting right %	Cost	Provision	VND	ownership and voting right %	Cost	Provision	VND
Orient Commercial Joint Stock Bank	2,03%	216.579.320.000	-	-	2,31%	216.579.320.000	(34.944.167.400)	(34.944.167.400)
Dong A Commercial Joint Stock Bank	0,95%	136.265.460.000	(136.265.460.000)	-	0,95%	136.265.460.000	(136.265.460.000)	(136.265.460.000)
Sabeco - Song Lam Packaging Joint Stock Company	16,60%	50.000.000.000	-	-	16,60%	50.000.000.000	-	-
PVI Insurance Saigon Company	0,21%	51.475.140.000	(35.113.318.200)	-	0,21%	51.475.140.000	(35.890.140.600)	(35.890.140.600)
Khong Gian Ngam Investment and Development Joint Stock Company	5,29%	23.085.000.000	(23.085.000.000)	-	5,29%	23.085.000.000	(23.085.000.000)	(23.085.000.000)
Orient Tourism Petroleum Joint Stock Company	9,80%	30.700.950.000	(23.644.950.000)	-	9,80%	30.700.950.000	(24.820.950.000)	(24.820.950.000)
Saigon Securities Investment Fund A2	10,00%	51.107.720.722	(35.757.720.722)	-	10,00%	51.107.720.722	(35.757.720.722)	(35.757.720.722)
Vietnam Investment Fund	7,97%	35.617.214.481	(11.810.412.658)	-	7,97%	35.617.214.481	-	-
Dai Viet Securities Joint Stock Company	7,20%	45.000.000.000	(10.928.187.863)	-	7,20%	45.000.000.000	(11.407.259.277)	(11.407.259.277)
Saigon - Dong Nai Beer Beverage Joint Stock Company	10,38%	3.954.000.000	(3.872.396.382)	-	10,38%	3.954.000.000	(3.872.396.382)	(3.872.396.382)
DIC Services and Trading Joint Stock Company	8,35%	14.992.108.200	(762.610.800)	-	8,35%	14.992.108.200	(341.936.800)	(341.936.800)
Vietnam - Binh Tay Alcohol Joint Stock Company	6,00%	300.000.000	(300.000.000)	-	6,00%	300.000.000	-	-
Dong Ha Tourism Joint Stock Company	3,64%	5.600.000.000	(1.514.648.583)	-	3,64%	5.600.000.000	(1.514.648.583)	(1.514.648.583)
Nha Trang Trading and Tourism Joint Stock Company	1,89%	1.161.147.000	-	-	1,89%	1.161.147.000	-	-
Saigon Beer Delivery and Transportation Joint Stock Company	13,54%	26.588.267.394	-	-	13,54%	26.588.267.394	-	-
Sabeco HP Investment Company Limited	8,00%	24.426.586.800	(24.426.586.800)	-	8,00%	24.426.586.800	(24.426.586.800)	(24.426.586.800)
Saigon - Ninh Thuan Beer Joint Stock Company	0,00%	-	-	-	10,26%	19.800.000.000	-	-
		716.852.914.597	(307.481.292.008)			736.652.914.597	(332.326.266.564)	

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6 SHORT-TERM RECEIVABLES

	30.09.2018	01.01.2018
	VND	VND
Third parties	63.730.051.938	113.176.299.199
Related parties (Note 26)	44.942.043.982	58.144.670.099
TOTAL	108.672.095.920	171.320.969.298

7 SHORT-TERM REPAYMENTS TO SUPPLIERS

	30.09.2018	01.01.2018
	VND	VND
Third parties	81.824.218.205	108.548.121.297
Related parties (Note 26)	1.659.200	1.659.200
	81.825.877.405	108.549.780.497

8 OTHER RECEIVABLES

	30.09.2018	01.01.2018
	VND	VND
(a) Other short-term receivables		
Receivables from land use right capital contribution from a related party	277.230.733.543	277.230.733.543
Interest receivables from term deposits at banks	166.105.611.652	137.325.695.453
Dividend receivables	60.432.090.905	4.184.381.836
Deposits	537.292.381	2.155.971.763
Advances to employees	6.477.530.402	5.353.747.361
Interest receivables from bonds and loans	7.567.397.260	11.088.955.594
Other receivables from employees	1.217.229.461	1.781.508.224
Others	28.220.077.513	29.618.417.201
TOTAL	547.787.963.117	468.739.410.975
<i>In which:</i>		
Third parties	203.572.819.384	186.957.565.868
Related parties (Note 26)	344.215.143.733	281.781.845.107
	547.787.963.117	468.739.410.975
(b) Other long-term receivables		
Deposits	24.910.392.663	41.089.805.411
Others	8.028.765.000	8.028.765.000
TOTAL	32.939.157.663	49.118.570.411

9 INVENTORIES

	30.09.2018	01.01.2018
	VNĐ	VNĐ
Goods in transit	115.946.903.167	133.269.869.755
Raw materials	563.150.114.491	445.447.823.503
Tools and supplies	192.298.253.092	110.139.126.470
Work in progress	208.915.275.610	195.379.665.874
Finished goods	1.293.068.832.696	1.228.465.858.552
Goods on consignment	-	3.844.007.871
TOTAL	2.373.379.379.056	2.116.546.352.025

10 FIXED ASSETS

(a) Tangible fixed assets

	Buildings and plant	Machinery	Others	Total
Cost				
Beginning balance	1,836,562,373.407	7,137,337,652.511	369,936,334.405	9,343,836,360.323
Increases in the year:	25,608,909.778	99,312,309.264	25,026,201.021	149,947,420.063
<i>In which:</i>				-
<i>Newly purchase</i>	4,158,438.436	16,917,887.019	21,100,100.573	42,176,426.028
<i>Transferred from construction in progress</i>	9,169,040.519	82,394,422.245	3,632,400.455	95,195,863.219
<i>Reclassification</i>	12,281,430.823		293,699.993	12,575,130.816
Decreases in the year	(692,855.077)	(10,892,368.949)	(6,841,155.954)	(18,426,379.980)
<i>In which:</i>				-
<i>Reclassification</i>		(293,699.993)	-	(293,699.993)
<i>Sold, disposed</i>		(10,583,459.347)	(6,832,356.014)	(17,415,815.361)
Ending balance	1,861,478,428.108	7,225,757,592.826	388,121,379.472	9,475,357,400.406
Accumulated depreciation				
Beginning balance	778,802,224.832	4,266,764,828.920	253,521,944.372	5,299,088,998.123
Depreciation for the year	76,061,676.042	358,956,943.258	26,617,399.469	461,636,018.768
<i>Reclassification</i>	358,208,399		293,699.993	651,908.392
Decrease in the year				-
<i>In which:</i>				-
<i>Sold, disposed</i>		(10,508,426.083)	(6,670,798.485)	(17,179,224.568)
<i>Reclassification</i>		(293,699.993)		(293,699.993)
Ending balance	855,105,914.466	4,614,919,646.101	273,762,245.348	5,743,787,805.916
Net carrying amount:				
Beginning balance	1,057,760,148.575	2,870,572,823.591	116,414,390.033	4,044,747,362.200
Ending balance	1,006,372,513.641	2,610,837,946.725	114,359,134.124	3,731,569,594.490

10 FIXED ASSETS (continued)

(b) Intangible fixed assets

	Land in rights	Softwares	Others	Total
Cost:				
Beginning balance	1.024.215.267.144	63.853.090.585	247.447.482	1.088.315.805.211
<i>New purchase</i>		2.602.000.000		2.602.000.000
<i>Transferred from construction in progress</i>		467.800.000		467.800.000
Ending balance	1.024.215.267.144	66.922.890.585	247.447.482	1.091.385.605.211
Accumulated amortisation:				
Beginning balance	69.890.212.159	54.918.397.770	154.076.810	124.962.686.739
Amortization for the year	5.244.577.974	5.411.816.341	30.153.774	10.686.548.089
Ending balance	75.134.790.133	60.330.214.111	184.230.584	135.649.234.828
Net carrying amount:				
Beginning balance	954.325.054.985	8.934.692.815	93.370.672	963.353.118.472
Ending balance	949.080.477.011	6.592.676.474	63.216.898	955.736.370.383

10 FIXED ASSETS (continued)

(b) Tangible fixed assets (continued)

Land use rights included the value of land use rights that the Company has recorded at the estimated value into the increase in value of the Company on the equisitation date at "Intangible fixed assets" account and the corresponding "Other short-term payables" account with the amount of VND 1,492,547,178,700 as stated in the Minutes of Corporate Valuation as at 31 December 2007 and the Equitisation Finalisation Minutes as at 30 April 2008 dated 6 March 2010 issued by the Equitisation Finalisation Committee consisting of representatives of the Ministry of Industry and Trade and the Ministry of Finance

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

<i>Location</i>	<i>Square (m²)</i>	<i>Revalued amount in connection with equitisation (VND)</i>
46 Ben Van Don, Ward 12, District 4, Ho Chi Minh City, Vietnam	3.872,50	55.241.212.500
187 Nguyen Chi Thanh, Ward 12, District 5, Ho Chi Minh City, Vietnam	17.406,10	418.634.111.100
474 Nguyen Chi Thanh, Ward 6, District 10, Ho Chi Minh City, Vietnam	7.729,00	247.637.160.000
18/3B Phan Huy Ich, Ward 15, Tan Binh District, Ho Chi Minh City, Vietnam	2.216,30	13.867.389.100
Total		<u>735.379.872.700</u>



10 FIXED ASSETS (continued)

(c) Investment properties

	Beginning balance	Increase	Decrease	Ending balance
Cost				
- Land use rights	83.725.457.765	69.562.000	(12.350.992.823)	71.444.026.942
- Buildings	40.163.431.567	-	(12.350.992.823)	27.812.438.744
- Investment properties held-for-price appreciation	8.650.204.623	69.562.000	-	8.719.766.623
	34.911.821.575	-	-	34.911.821.575
Accumulated depreciation				
- Land use rights	16.067.683.192	877.651.480	(360.823.693)	16.584.510.979
- Buildings	7.057.861.512	456.078.971	(360.823.693)	7.153.116.790
- Investment properties held-for-price appreciation	5.858.909.762	421.572.509	-	6.280.482.271
	3.150.911.918	-	-	3.150.911.918
Net carrying amount				
- Land use rights	67.657.774.573	(808.089.480)	(11.990.169.130)	54.859.515.963
- Buildings	33.105.570.055	(456.078.971)	(11.990.169.130)	20.659.321.954
- Investment properties held-for-price appreciation	2.791.294.861	(352.010.509)	-	2.439.284.352
	31.760.909.657	-	-	31.760.909.657

11 PREPAID EXPENSES**(a) Short-term**

	30.09.2018	01.01.2018
	VND	VND
Land rental fee	5.279.002.162	6.946.093.638
Tools and supplies	10.138.082.238	6.715.976.137
Tools for advertising activities	663.230.814	-
Advertising expense	38.928.323.994	-
Others	26.174.022.673	11.250.781.477
Total	81.182.661.881	24.912.851.252

(b) Long-term

	30.09.2018	01.01.2018
	VND	VND
- Returnable packaging	432.349.713.832	554.146.916.047
- Goodwill	-	5.783.470.637
- Land rental expenses	30.504.576.673	31.229.488.999
- Land use rights	37.872.448.877	38.636.770.331
- Tools and instrument	19.201.921.375	16.501.730.911
- Warehouse and office rental expenses	18.545.436.465	55.498.626.890
- Repairs cost and spare part	27.738.634.826	28.343.040.565
- Property held for future investment	51.602.316.000	51.602.316.000
- Others	13.452.331.753	35.249.076.375
Total	631.267.379.801	816.991.436.755

12 SHORT-TERM TRADE ACCOUNTS PAYABLE

	30.09.2018	01.01.2018
	VND	VND
Third parties	1.093.307.477.777	1.127.667.318.950
Related parties (Note 26)	582.536.418.871	892.732.343.534
Total	1.675.843.896.648	2.020.399.662.484

13 SHORT-TERM ADVANCES FROM CUSTOMERS

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

	30.09.2018	01.01.2018
	VND	VND
Third parties	61.877.294.022	87.930.849.616
Related parties	6.630.106.614	1.319.999.354

Total	<u>68.507.400.636</u>	<u>89.250.848.970</u>
14 SHORT-TERM ACCRUED EXPENSES		
	30.09.2018	01.01.2018
	VND	VND
Accrued interest payable	13.667.321.594	13.850.566.994
Accrued - A&P cost	164.932.136.846	133.081.509.942
Accrued - salary, wages and other employee costs	23.454.149.058	6.490.117.111
Accrued - Repair and maintenance	561.036.234	623.667.746
Accouns payable - construction in progress	8.053.258.045	8.044.870.027
Accrued - Transportation	151.921.215.875	9.488.210.331
Accrued - Tax and other charges	6.977.287.943	1.019.368.561
Accrued - Loading cost	5.164.326.936	1.862.050.018
Accrued - Fee of using bottle	6.225.013.464	3.869.011.391
Accrued - Cost of breaking packaging	1.446.076.200	620.346.000
Others	32.489.562.045	17.576.235.127
Total	<u>414.891.384.240</u>	<u>196.525.953.248</u>
15 OTHER PAYABLES		
(a) Short-term		
	30.09.2018	01.01.2018
	VND	VND
Dividend payable to shareholders of the Company	51.337.297.757	1.521.388.663.665
Payables to Enterprise Restructure and Development Assistance Fund;	-	109.965.627.840
Deposits received	176.608.720.522	187.756.893.824
Social contribution fund	3.314.081.780	22.340.343.864
Estimated land use rights payable to the State in connection with equitisation	735.379.872.700	735.379.872.700
Advance from liquidation process of Saigon Securities Investment Fund A2	15.350.000.000	15.350.000.000
Others	23.478.102.667	37.999.282.158
Total	<u>1.005.468.075.426</u>	<u>2.630.180.684.051</u>

16 OWNERS' CAPITAL

16.1 Owners' capital

	30.09.2018			01.01.2018		
	Total par value	Ordinary shares	%	Total par value	Ordinary shares	%
The Ministry of Industry and Trade	2.308.765.470.000	230.876.547	36,00%	2.308.765.470.000	230.876.547	36,00%
Vietnam Beverage Company Limited	3.436.425.870.000	343.642.587	53,59%	3.436.425.870.000	343.642.587	53,59%
Other shareholders	667.620.520.000	66.762.052	10,41%	667.620.520.000	66.762.052	10,41%
Total	6.412.811.860.000	641.281.186		6.412.811.860.000	641.281.186	

16.2 Number of shares

	30.09.2018	01.01.2018
	(Ordinary shares)	(Ordinary shares)
Number of shares registered	641.281.186	641.281.186
Number of shares issued	641.281.186	641.281.186
Number of existing shares in circulation	641.281.186	641.281.186

SAIGON BEER - ALCOHOL - BEVERAGE CORPORATION

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16.3 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital	Owners' other capital	Treasury shares	Foreign exchange differences	Investment and development fund	Other funds	Undistributed earnings	Total
Previous year:								
Beginning balance	6,412,811,860,000	3,208,666,226	(23,450,000,000)	17,006,600,079	1,118,398,295,310	6,040,737,039	3,713,726,741,137	11,247,742,899,791
Treasury shares			23,450,000,000					23,450,000,000
Foreign currency differences				2,107,171,896				2,107,171,896
Profit for the year								
Appropriation to funds								
Dividends paid					565,187,330	687,800,000	4,711,485,204,581	4,711,485,204,581
Appropriation to bonus and welfare fund							(1,252,987,330)	-
Appropriation to social contribution fund							(2,244,484,151,000)	(2,244,484,151,000)
Used funds							(349,839,933,837)	(349,839,933,837)
Other increases/ (decreases)							(58,203,058,568)	(58,203,058,568)
Changes in proportion of non-controlling interests								-
Ending balance	6,412,811,860,000	3,208,666,226	-	19,113,771,975	1,118,963,482,640	5,327,112,664	5,823,903,898,574	13,383,328,792,079
Current year:								
Beginning balance	6,412,811,860,000	3,208,666,226		19,113,771,975	1,118,963,482,640	5,327,112,664	5,823,903,898,574	13,383,328,792,079
Treasury shares				470,951,648				470,951,648
Foreign currency differences								
Profit for the year								
Appropriation to funds					8,712,420,678		3,311,876,741,763	3,311,876,741,763
Dividends paid							(8,712,420,678)	-
Appropriation to bonus and welfare fund							(47,319,371,421)	(47,319,371,421)
Appropriation to social contribution fund							(1,090,626,248)	(1,090,626,248)
Other increases/ (decreases)					90,579,927		44,982,194	135,562,121
Ending balance	6,412,811,860,000	3,208,666,226	-	19,584,723,623	1,127,766,483,245	5,327,112,664	9,078,703,204,184	16,647,402,049,942

17 TAX AND OTHER PAYABLES TO THE STATE BUDGET

	At as 1.1.2018	Incurred during the period	Paid during the period	As at 30.9.2018
Corporate income tax	402.195.889.905	730.621.727.756	887.573.737.545	245.243.880.116
Special sales tax	662.818.389.348	4.968.344.959.758	5.090.999.445.231	540.163.903.875
Value added tax	(25.982.764.809)	1.121.344.224.243	1.049.962.212.543	45.399.246.891
Land tax	1.677.492.486	31.421.188.024	30.956.318.549	2.142.361.961
Personal income tax	53.889.606.053	95.707.059.277	130.983.626.618	18.613.038.712
Import-Export duties	(56.103.997)	21.031.438.086	20.986.643.781	(11.309.692)
Other taxes	61.400.123	2.813.882.856	2.874.995.174	287.805
TOTAL	1.094.603.909.109	6.971.284.480.000	7.214.336.979.441	851.551.409.668

18 SALES

	30.09.2018 VNĐ	30.09.2017 VNĐ
Sales of beer	21.831.193.327.132	20.660.116.519.031
Sales of raw materials	3.461.991.751.009	2.800.803.716.086
Sales of beverages	223.719.745.242	261.471.384.246
Sales of alcohol	26.916.147.296	44.691.719.433
Sales of spirits	13.212.165.871	20.410.712.087
Others	72.188.266.357	69.368.203.214

Gross sales

25.629.221.402.907	23.856.862.254.097
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Sale deductions

(86.695.999.318)	(159.268.665.877)
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Trade discounts

(86.659.720.726)	(158.721.813.707)
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Sale discounts

-

Sales returns

(36.278.592)	(546.852.170)
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Net sales

25.542.525.403.589	23.697.593.588.220
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19 COST OF SALES

	30.09.2018 VNĐ	30.09.2017 VNĐ
Beer	16.057.570.513.371	14.482.755.011.590
Raw materials	3.380.552.581.045	2.554.180.608.075
Beverages	158.031.804.162	192.861.618.934
Alcohol	22.776.549.643	38.922.330.522
Spirits	11.857.502.014	16.496.106.669
Others	11.693.753.197	3.085.351.189

Total

19.642.482.703.432	17.288.301.026.979
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20 FINANCIAL INCOME

	30.09.2018 VNĐ	30.09.2017 VNĐ
Interest income from deposits at banks, lending	432.931.891.934	293.509.544.639
Gain from divestments	-	22.725.562.057
Dividend income	13.359.439.200	19.383.184.875
Realised foreign exchange gains	1.649.152.153	850.301.927
Others	8.544.699.681	15.512.628.565

Total

456.485.182.968	351.981.222.063
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21 FINANCIAL EXPENSES

	30.09.2018 VNĐ	30.09.2017 VNĐ
Interest expenses	27.332.749.532	33.020.087.917
Realised foreign exchange losses	1.251.357.042	2.693.166.553
(Reversal of provision) provision for diminution in value of investments	(26.038.953.110)	(23.318.291.477)
Others	40.856.458	233.819.381
Total	<u>2.586.009.922</u>	<u>12.628.782.374</u>

22 SELLING EXPENSES

	30.09.2018 VNĐ	30.09.2017 VNĐ
Staff costs	532.886.976.417	457.758.493.731
Depreciation and amortisation expenses	17.158.496.297	17.536.482.958
Material costs - bottles and crates	261.749.496.096	223.344.231.794
Rental expenses	96.121.625.070	91.268.414.350
Transportation and loading expenses	82.270.633.904	73.787.257.122
Trade promotions and advertising expenses	624.716.141.009	886.773.222.854
Others	219.409.322.592	190.843.585.511
Total	<u>1.834.312.691.385</u>	<u>1.941.311.688.320</u>

23 GENERAL AND ADMINISTRATION EXPENSES

	30.09.2018 VNĐ	30.09.2017 VNĐ
Staff costs	344.073.750.283	279.874.577.085
Rental expenses	24.572.028.878	36.413.151.929
Material costs	7.188.426.306	8.188.523.293
Depreciation and amortisation expenses	25.742.910.495	25.950.196.070
Others	161.962.570.968	196.554.717.448
Total	<u>563.539.686.930</u>	<u>546.981.165.825</u>

24 OTHER INCOME

	30.09.2018 VNĐ	30.09.2017 VNĐ
Scrap sales and compensations for broken bottles	46.240.708.464	40.994.719.095
Gain from fixed assets disposals	1.559.777.287	3.813.002.439
Others	14.108.348.529	12.638.466.225
Total	61.908.834.280	57.446.187.759

25 OTHER EXPENSES

	30.09.2018 VNĐ	30.09.2017 VNĐ
Expenses for fixed assets disposals	215.886.991	422.187.422
Fines from violations		-
Others	31.211.748.484	67.017.186.634
Total	31.427.635.475	67.439.374.056

26 RELATED PARTY TRANSACTIONS


Related party transactions

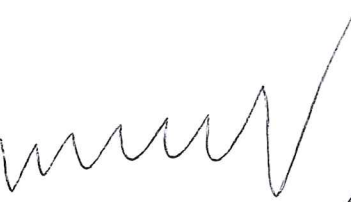
During the period, the following transactions were carried out with related parties:


	30.09.2018 VND	01.01.2018 VND
Short-term trade accounts receivable		
<i>Associates</i>		
Truong Sa Food Joint Stock Company	-	2.319.240.000
Saigon - Phu Ly Beer Joint Stock Company	-	13.417.740.094
Saigon - Phu Tho Beer Joint Stock Company	11.301.542.620	5.648.817.406
Saigon - Tay Do Beer - Beverage Joint Stock Company	134.642.346	3.831.030.858
Malaya Vietnam Glass Limited Company	-	108.220.200
San Miguel Phu Tho Packaging Company Limited	210.117.600	185.116.800
Vietnam Spirits and Wine Company Limited	-	-
Saigon - Binh Tay Beer Trading Joint Stock Company	5.261.235.087	7.915.048.569
Saigon - Mien Trung Beer Trading Joint Stock Company	3.153.195.159	3.933.250.925
Saigon - Bac Lieu Beer Trading Joint Stock Company	1.565.169.410	617.388.182
Saigon - Vinh Long Beer Trading Joint Stock Company	895.782.193	4.450.827.166
Saigon - Kien Giang Beer Trading Joint Stock Company	20.234.404.141	12.046.298.380
Saigon - Khanh Hoa Beer Trading Joint Stock Company	2.168.006.009	3.653.742.102
<i>Other related party</i>		
Saigon Beer Delivery and Transportation Joint Stock Company	17.949.417	17.949.417
	<u>44.942.043.982</u>	<u>58.144.670.099</u>
Short-term advances from customer		
Saigon - Ben Tre Beer Trading Joint Stock Company	6.630.106.614	-
	<u>6.630.106.614</u>	<u>-</u>
Other short-term receivables		
Saigon - Tay Do Beer - Beverage Joint Stock Company	190.378.816	
Crown Beverage Cans Saigon Limited	56.752.371.305	
Saigon - Binh Tay Beer Trading Joint Stock Company	4.614.553.931	
Saigon - Mien Trung Beer Trading Joint Stock Company	831.985.353	
Tan Thanh Investment Joint Stock Company	277.230.733.543	277.230.733.543
Saigon - Bac Lieu Beer Trading Joint Stock Company	431.504.704	3.025.172.453
Saigon - Vinh Long Beer Trading Joint Stock Company	3.571.746.241	734.911.676
Saigon - Kien Giang Beer Trading Joint Stock Company	423.297.773	691.210.488
Saigon - Khanh Hoa Beer Trading Joint Stock Company	83.916.000	89.868.378
<i>Other related party</i>		
Saigon Beer Delivery and Transportation Joint Stock Company	84.656.067	9.948.569
	<u>344.215.143.733</u>	<u>281.781.845.107</u>
Short-term trade accounts payable		
<i>Associates</i>		
Truong Sa Food - Food Business Joint stock Company	944.349.000	664.446.000
Saigon - Phu Ly Beer Joint Stock Company	-	19.571.068.000
Saigon - Phu Tho Beer Joint Stock Company	28.065.080.340	24.891.438.000
Saigon - Tay Do Beer & Beverage Joint Stock Company	11.523.087.730	26.368.874.356
Crown Beverage Cans Saigon Limited	191.478.005.355	262.095.508.855
Malaya Vietnam Glass Company Limited	21.917.113.338	40.077.461.556
San Miguel Phu Tho Packaging Limited Company	15.468.505.800	21.639.640.000
Saigon - Binh Tay Beer Joint Stock Company	48.858.475.160	56.286.113.565
Saigon - Mien Trung Beer Joint Stock Company	33.432.252.260	32.647.521.270
Saigon - Bac Lieu Beer Joint Stock Company	9.617.871.780	18.116.463.860
Saigon - Vinh Long Beer Joint Stock Company	13.829.935.130	8.908.347.338
Saigon - Kien Giang Beer Joint Stock Company	24.211.717.090	31.049.297.290
Saigon - Khanh Hoa Beer Joint Stock Company	14.597.754.600	10.606.197.800
<i>Other related party</i>		
Saigon Beer Delivery and Transportation Joint Stock Company	168.592.271.288	339.809.965.644
	<u>582.536.418.871</u>	<u>892.732.343.534</u>

27 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS


On 1st October 2018, Sabeco announced the deadline to shareholders for registering the right of being entitled dividend prepayment 2018 in cash (The final registration was on 17th October 2018 with dividend ratio 15% per share)


Hoàng Thanh Vân
Preparer


Trần Nguyên Trung
Chief Accountant


Teo Hong Keng
Deputy General Director




Neo Gim Siong Bennett
General Director

30th October 2018