



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

Consolidated Financial Statements  
for the year ended 31 December 2019



## Saigon Beer - Alcohol - Beverage Corporation Corporate Information

### Enterprise Registration Certificate No.

0300583659

29 February 2012

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

### 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
	Saigon - Nguyen Chi Thanh
	Brewery's Director
Mr. Hoang Dao Hiep	Deputy General Director

### Audit Committee

Mr. Pramoad Phornprapha	Head of Audit Committee
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 financial statements of the Company and its subsidiaries (collectively “the Group”) for the year ended 31 December 2019.

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

- (a) the consolidated financial statements set out on pages 5 to 68 give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, and of its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Group will not be able to pay its debts as and when they fall due.

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

On behalf of the Board of Management



Neo Gim Siong Bennett  
*General Director*

Ho Chi Minh City, 8 April 2020



KPMG Limited Branch  
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115 Nguyen Hue Street, Ben Nghe Ward  
District 1, Ho Chi Minh City, Vietnam  
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## **INDEPENDENT AUDITOR'S REPORT**

### **To the Shareholders Saigon Beer - Alcohol - Beverage Corporation**

We have audited the accompanying consolidated financial statements of Saigon Beer - Alcohol - Beverage Corporation ("the Company") and its subsidiaries (collectively "the Group"), which comprise the consolidated balance sheet as at 31 December 2019, the consolidated statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Company's Board of Management on 8 April 2020, as set out on pages 5 to 68.

### **Management's Responsibility**

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

### **Auditor's Responsibility**

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

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

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





### Auditor's Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of Saigon Beer - Alcohol - Beverage Corporation and its subsidiaries as at 31 December 2019 and of their consolidated results of operations and their consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

### KPMG Limited's Branch in Ho Chi Minh City

Vietnam

Audit Report No. 19-01-00257-20-4



Chang Hung Chun  
Practicing Auditor Registration  
Certificate No. 0863-2018-007-1  
Deputy General Director

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

Ho Chi Minh City, 8 April 2020

**Saigon Beer - Alcohol - Beverage Corporation and its subsidiaries**  
**Consolidated balance sheet as at 31 December 2019**

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

	Code	Note	31/12/2019 VND	1/1/2019 VND (Reclassified)
<b>ASSETS</b>				
<b>Current assets</b> (100 = 110 + 120 + 130 + 140 + 150)	<b>100</b>		<b>19,164,602,511,633</b>	<b>14,690,168,205,219</b>
<b>Cash and cash equivalents</b>	<b>110</b>	<b>6</b>	<b>4,115,884,646,637</b>	<b>4,467,391,585,137</b>
Cash	111		953,478,997,565	1,595,188,808,377
Cash equivalents	112		3,162,405,649,072	2,872,202,776,760
<b>Short-term financial investments</b>	<b>120</b>		<b>12,393,226,750,273</b>	<b>7,544,188,420,764</b>
Held-to-maturity investments	123	7(a)	12,393,226,750,273	7,544,188,420,764
<b>Accounts receivable – short-term</b>	<b>130</b>		<b>568,608,377,917</b>	<b>765,630,597,003</b>
Accounts receivable from customers	131	8	157,654,572,653	244,119,166,060
Prepayments to suppliers	132		54,679,363,371	74,757,986,951
Other short-term receivables	136	9(a)	702,587,109,178	502,624,746,736
Allowance for doubtful short-term debts	137	10(a)	(346,312,667,285)	(55,871,302,744)
<b>Inventories</b>	<b>140</b>	<b>11(a)</b>	<b>1,967,137,719,907</b>	<b>1,813,754,190,894</b>
Inventories	141		2,169,540,753,708	2,034,063,807,573
Allowance for inventories	149		(202,403,033,801)	(220,309,616,679)
<b>Other current assets</b>	<b>150</b>		<b>119,745,016,899</b>	<b>99,203,411,421</b>
Short-term prepaid expenses	151	12(a)	97,129,905,121	86,456,727,461
Deductible value added tax	152		18,203,862,026	7,564,621,909
Taxes receivable from State Treasury	153	19(b)	4,411,249,752	5,182,062,051

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

**Saigon Beer - Alcohol - Beverage Corporation and its subsidiaries**  
**Consolidated balance sheet as at 31 December 2019 (continued)**

**Form B 01 – DN/HN**

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

	Code	Note	31/12/2019 VND	1/1/2019 VND
<b>Long-term assets</b>				
<b>(200 = 210 + 220 + 230 + 240 + 250 + 260)</b>	<b>200</b>		<b>7,797,873,582,412</b>	<b>7,676,574,586,994</b>
<b>Accounts receivable – long-term</b>	<b>210</b>		<b>9,110,080,970</b>	<b>5,860,731,012</b>
Accounts receivable from customers				
– long-term	211		6,005,003,018	6,077,549,878
Loans receivable – long-term	215		4,000,000,000	4,000,000,000
Other long-term receivables	216	9(b)	38,495,491,775	35,180,710,917
Allowance for doubtful long-term debts	219	10(b)	(39,390,413,823)	(39,397,529,783)
<b>Fixed assets</b>	<b>220</b>		<b>4,685,440,455,287</b>	<b>4,567,091,079,194</b>
Tangible fixed assets	221	13	3,743,642,558,190	3,614,850,885,054
Cost	222		10,190,230,853,202	9,497,449,925,191
Accumulated depreciation	223		(6,446,588,295,012)	(5,882,599,040,137)
Intangible fixed assets	227	14	941,797,897,097	952,240,194,140
Cost	228		1,091,733,605,211	1,091,397,605,211
Accumulated amortisation	229		(149,935,708,114)	(139,157,411,071)
<b>Investment properties</b>	<b>230</b>	<b>15</b>	<b>58,433,154,033</b>	<b>54,567,837,235</b>
Cost	231		80,830,516,128	71,444,026,942
Accumulated depreciation	232		(22,397,362,095)	(16,876,189,707)
<b>Long-term work in progress</b>	<b>240</b>		<b>307,773,703,264</b>	<b>144,377,898,065</b>
Construction in progress	242	16	307,773,703,264	144,377,898,065
<b>Long-term financial investments</b>	<b>250</b>		<b>2,162,738,822,723</b>	<b>2,119,042,308,110</b>
Investments in associates and jointly controlled entities	252	7(c)	1,878,458,174,350	1,800,203,395,934
Equity investments in other entities	253	7(c)	665,885,700,116	688,510,888,053
Allowance for diminution in the value of long-term financial investments	254	7(c)	(435,473,931,648)	(390,540,855,782)
Held-to-maturity investments	255	7(b)	53,868,879,905	20,868,879,905
<b>Other long-term assets</b>	<b>260</b>		<b>574,377,366,135</b>	<b>785,634,733,378</b>
Long-term prepaid expenses	261	12(b)	328,604,633,780	551,794,760,319
Deferred tax assets	262	17	214,736,310,715	184,533,845,767
Long-term tools, supplies and spare parts	263	11(b)	31,036,421,640	49,306,127,292
<b>TOTAL ASSETS (270 = 100 + 200)</b>	<b>270</b>		<b>26,962,476,094,045</b>	<b>22,366,742,792,213</b>

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



**Saigon Beer - Alcohol - Beverage Corporation and its subsidiaries**  
**Consolidated balance sheet as at 31 December 2019 (continued)**

**Form B 01 – DN/HN**

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

	Code	Note	31/12/2019 VND	1/1/2019 VND
<b>RESOURCES</b>				
<b>LIABILITIES (300 = 310 + 330)</b>	<b>300</b>		<b>6,886,229,037,681</b>	<b>6,254,837,224,044</b>
<b>Current liabilities</b>	<b>310</b>		<b>6,087,830,053,039</b>	<b>5,925,696,932,383</b>
Accounts payable to suppliers	311	18	2,427,067,853,887	2,027,262,167,712
Advances from customers	312		42,587,372,642	110,463,408,413
Taxes payable to State Treasury	313	19(a)	855,960,013,165	1,100,614,318,513
Payables to employees	314		389,618,575,865	308,694,031,650
Accrued expenses	315	20	433,170,981,720	473,169,060,350
Unearned revenue – short-term	318		930,242,260	1,739,369,694
Other payables – short-term	319	21(a)	1,079,347,828,644	1,079,538,511,465
Short-term borrowings	320	22(a)	560,511,063,296	594,242,788,680
Provisions – short-term	321	23(a)	3,710,918,283	7,668,228,740
Bonus and welfare fund	322	24	294,925,203,277	222,305,047,166
<b>Long-term liabilities</b>	<b>330</b>		<b>798,398,984,642</b>	<b>329,140,291,661</b>
Long-term accounts payable to suppliers	331		100,000,000	-
Long-term advances from customers	332		22,183,449	22,183,449
Other payables – long-term	337	21(b)	54,073,316,000	53,149,616,000
Long-term borrowings	338	22(b)	494,244,987,274	14,618,022,047
Deferred tax liabilities	341	17	30,543,620,073	31,483,891,699
Provisions – long-term	342	23(b)	135,416,747,716	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 financial statements*



**Saigon Beer - Alcohol - Beverage Corporation and its subsidiaries**  
**Consolidated balance sheet as at 31 December 2019 (continued)**

**Form B 01 – DN/HN**

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

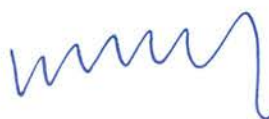
	Code	Note	31/12/2019 VND	1/1/2019 VND
<b>EQUITY (400 = 410 + 430)</b>	<b>400</b>		<b>20,076,247,056,364</b>	<b>16,111,905,568,169</b>
<b>Owners' equity</b>	<b>410</b>	<b>25</b>	<b>20,076,247,056,364</b>	<b>16,111,868,168,169</b>
Share capital	411	26	6,412,811,860,000	6,412,811,860,000
- Ordinary shares with voting rights	411a		6,412,811,860,000	6,412,811,860,000
Other capital	414		3,208,666,226	3,208,666,226
Foreign exchange differences	417		27,272,873,771	21,099,487,654
Investment and development fund	418	27	1,130,372,829,157	1,130,147,220,442
Other equity funds	420		-	5,327,112,664
Retained profits	421		11,231,596,467,620	7,473,777,581,426
- Retained profits brought forward	421a		6,485,261,875,965	5,787,247,290,578
- Retained profit for the current year	421b		4,746,334,591,655	1,686,530,290,848
Non-controlling interest	429		1,270,984,359,590	1,065,496,239,757
<b>Non-business expenditure fund and other funds</b>	<b>430</b>		<b>-</b>	<b>37,400,000</b>
Non-business expenditure fund	431		-	37,400,000
<b>TOTAL RESOURCES</b> (440 = 300 + 400)	<b>440</b>		<b>26,962,476,094,045</b>	<b>22,366,742,792,213</b>

8 April 2020

Prepared by:



Hoang Thanh Van  
Accountant



Tran Nguyen Trung  
Chief Accountant

Approved by:



Teo Hong Keng  
Deputy General Director



Neo Gim Siong Bennett  
General Director

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

**Saigon Beer - Alcohol - Beverage Corporation and its subsidiaries**  
**Consolidated statement of income the year ended 31 December 2019**

**Form B 02 – DN/HN**

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

	Code	Note	2019 VND	2018 VND
Revenue from sales of goods and provision of services	01	30	38,133,790,098,273	36,043,018,331,946
Revenue deductions	02	30	234,730,596,978	94,465,769,999
Net revenue (10 = 01 - 02)	10	30	37,899,059,501,295	35,948,552,561,947
Cost of goods sold and services provided	11	31	28,348,430,809,281	27,864,413,389,551
Gross profit (20 = 10 - 11)	20		9,550,628,692,014	8,084,139,172,396
Financial income	21	32	889,852,505,295	630,350,383,424
Financial expenses	22	33	93,009,586,460	74,634,952,869
<i>In which: Interest expense</i>	23		37,367,206,872	35,244,808,353
Share of profits in associates and jointly controlled entities	24	7(c)	378,267,281,269	354,965,023,940
Selling expenses	25	34	3,003,290,717,435	2,731,090,859,491
General and administration expenses	26	35	1,047,841,925,145	912,705,312,866
Net operating profit {30 = 20 + (21 - 22) + 24 - (25 + 26)}	30		6,674,606,249,538	5,351,023,454,534
Other income	31		74,504,231,449	81,737,853,570
Other expenses	32		62,933,856,025	42,321,666,598
Results of other activities (40 = 31 - 32)	40		11,570,375,424	39,416,186,972
Accounting profit before tax (50 = 30 + 40)	50		6,686,176,624,962	5,390,439,641,506
Income tax expense – current	51	37	1,347,171,652,994	1,021,134,431,877
Income tax benefit – deferred	52	37	(31,142,736,574)	(33,444,736,795)
Net profit after tax (60 = 50 - 51 - 52) (carried forward to next page)	60		5,370,147,708,542	4,402,749,946,424

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

**Saigon Beer - Alcohol - Beverage Corporation and its subsidiaries**  
**Consolidated statement of income the year ended 31 December 2019 (continued)**

**Form B 02 – DN/HN**

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

	Code	Note	2019 VND	2018 VND
<b>Net profit after tax (60 = 50 - 51 - 52) (brought forward from previous page)</b>	<b>60</b>		<b>5,370,147,708,542</b>	<b>4,402,749,946,424</b>
<b>Attributable to:</b>				
Equity holders of the Company	61		5,053,363,919,165	4,177,432,235,379
Non-controlling interest	62		316,783,789,377	225,317,711,045
<b>Earnings per share</b>				
Basic earnings per share	70	38	7,477	6,143

8 April 2020

Prepared by:



Hoang Thanh Van  
Accountant



Tran Nguyen Trung  
Chief Accountant

Approved by:



Teo Hong Keng  
Deputy General Director



Neo Gim Siong Bennett  
General Director

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

**Saigon Beer - Alcohol - Beverage Corporation and its subsidiaries**  
**Consolidated statement of cash flows for the year ended 31 December 2019**  
**(Indirect method)**

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

	Code	Note	2019 VND	2018 VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Accounting profit before tax</b>	<b>01</b>		<b>6,686,176,624,962</b>	<b>5,390,439,641,506</b>
<b>Adjustments for</b>				
Depreciation and amortisation	02		647,247,814,181	634,592,696,360
Allowances and provisions	03		358,145,344,743	241,180,788,466
Exchange losses/(gains) arising from revaluation of monetary items denominated in foreign currencies	04		790,189,554	(71,937,562)
Profits from investing activities	05		(862,160,728,753)	(628,666,671,052)
Shared profits in associates and jointly controlled entities	05		(378,267,281,269)	(354,965,023,940)
Interest expense	06		37,367,206,872	35,244,808,353
Other adjustments	07		322,602,195	29,737,976,707
<b>Operating profit before changes in working capital</b>	<b>08</b>		<b>6,489,621,772,485</b>	<b>5,347,492,278,838</b>
Change in receivables	09		95,622,299,886	119,830,562,870
Change in inventories	10		(109,295,244,209)	36,215,461,662
Change in payables and other liabilities	11		11,238,478,499	324,263,923,251
Change in prepaid expenses	12		218,117,087,755	203,652,800,227
			<b>6,705,304,394,416</b>	<b>6,031,455,026,848</b>
Interest paid	14		(36,835,510,098)	(35,956,684,154)
Corporate income tax paid	15		(1,398,559,753,310)	(1,140,987,498,904)
Other payments for operating activities	17		(264,896,575,660)	(339,724,962,299)
<b>Net cash flows from operating activities</b>	<b>20</b>		<b>5,005,012,555,348</b>	<b>4,514,785,881,491</b>

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



**Saigon Beer - Alcohol - Beverage Corporation and its subsidiaries**  
**Consolidated statement of cash flows for the year ended 31 December 2019**  
**(Indirect method – continued)**

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

	Code	Note	2019 VND	2018 VND
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for additions to fixed assets	21		(268,997,916,043)	(290,439,347,849)
Proceeds from disposals of fixed assets	22		4,838,741,500	2,009,409,588
Placements of term deposits at banks	23		(14,261,677,226,631)	(10,860,587,189,495)
Collections of term deposits at banks	24		9,379,638,897,122	9,875,200,000,000
Proceeds from withdrawal of investments in other entities	26		-	28,339,826,544
Receipts of interests and dividends	27		955,090,518,922	934,229,165,303
Acquisition of subsidiary, net of cash acquired	28	5	82,063,103,504	-
<b>Net cash flows from investing activities</b>	<b>30</b>		<b>(4,109,043,881,626)</b>	<b>(311,248,135,909)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from borrowings	33		3,235,967,733,915	3,255,664,065,073
Payments to settle loan principals	34		(3,346,479,516,980)	(3,371,648,865,960)
Payments of dividends	36		(1,136,965,484,108)	(3,888,748,971,778)
<b>Net cash flows from financing activities</b>	<b>40</b>		<b>(1,247,477,267,173)</b>	<b>(4,004,733,772,665)</b>
<b>Net cash flows during the year (50 = 20 + 30 + 40)</b>	<b>50</b>		<b>(351,508,593,451)</b>	<b>198,803,972,917</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>60</b>		<b>4,467,391,585,137</b>	<b>4,268,598,818,042</b>
<b>Effect of exchange rate fluctuations on cash and cash equivalents</b>	<b>61</b>		<b>1,654,951</b>	<b>(11,205,822)</b>
<b>Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61)</b>	<b>70</b>	<b>6</b>	<b>4,115,884,646,637</b>	<b>4,467,391,585,137</b>

8 April 2020

Prepared by:  

Hoang Thanh Van      Tran Nguyen Trung  
Accountant      Chief Accountant

Approved by:  

Teo Hong Keng      Neo Gim Siong Bennett  
Deputy General Director      General Director



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

**Saigon Beer - Alcohol - Beverage Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**

**Form B 09 – DN/HN**

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

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

**1. Reporting entity**

**(a) Ownership structure**

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

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

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

The consolidated financial statements of the Company for the year ended 31 December 2019 comprise the Company and its subsidiaries (together referred to as “the Group”) and the Group’s interest in associates and jointly controlled entities.

**(b) Principal activities**

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

**(c) Normal operating cycle**

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

**(d) Group structure**

As at 31 December 2019, the Group had 26 subsidiaries and 18 associates and jointly controlled entities (1/1/2019: 25 subsidiaries and 19 associates and jointly controlled entities) as follows:



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No	Company name	Principal activities	31/12/2019		1/1/2019	
			% of equity interest	% of voting rights	% of equity interest	% of voting rights
<b>I</b>	<b>Subsidiaries</b>					
1	Western - Sai Gon Beer Joint Stock Company (formerly known as “Saigon Beer Western Joint Stock Company”)	Producing and trading beer	51%	51%	51%	51%
2	Chuong Duong Beverages Joint Stock Company	Producing and trading beverages, canned food and accessories	62.06%	62.06%	62.06%	62.06%
3	Sai Gon - Quang Ngai Beer Joint Stock Company	Producing and trading beer	66.56%	66.56%	66.56%	66.56%
4	Binh Tay Liquor Joint Stock Company	Producing and trading alcohol	93.32%	93.47%	93.32%	93.47%
5	Sai Gon - Dong Xuan Beer Alcohol Joint Stock Company	Producing and trading beer and soft drinks	55.90%	56.24%	55.90%	56.24%
6	Saigon - Nghetinh Beer Joint Stock Company	Producing and trading beer, alcohol and beverages	54.73%	54.73%	54.73%	54.73%
7	Saigon - Songlam Beer Joint Stock Company	Producing and trading beer and beverages; importing and exporting related materials	68.78%	68.78%	68.78%	68.78%
8	Sai Gon - Ha Noi Beer Corporation	Producing and trading beer and beverages; importing and exporting related materials	52.11%	52.11%	52.11%	52.11%
9	Sai Gon Beer Trading Company Limited	Trading beer, alcohol and beverages	100%	100%	100%	100%
10	Northern Sai Gon Beer Trading Joint Stock Company	Trading beer, alcohol and beverages; providing 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 beverages; providing 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 beverages; providing warehousing and cargo transportation by car services	91.24%	91.24%	91.24%	91.24%

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No	Company name	Principal activities	31/12/2019		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 beverages; providing warehousing and transportation services	90%	90%	90%	90%
15	Saigon Beer Nam Trung Bo Trading Joint Stock Company	Trading beer, alcohol and beverages; providing 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 beverages; providing 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 beverages; providing warehousing cargo transportation by road services	90%	90%	90%	90%
18	Saigon Song Hau Beer Trading Joint Stock Company	Trading beer, alcohol and beverages; providing cargo transportation by road and waterway services	90%	90%	90%	90%
19	Sa Be Co Mechanical Co., Ltd	Manufacturing equipment used in food manufacturing, installing and maintaining 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 beverages; providing 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 beverages	100%	100%	100%	100%
25	Saigon Beer Group Company Limited	Wholesale of beer, alcohol and beverages	100%	100%	100%	100%
26	Saigon - Lamdong Beer Joint Stock Company	Producing beer, alcohol and beverages	52.91%	52.91%	20%	20%



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No	Company name	Principal activities	31/12/2019		1/1/2019	
			% of equity interest	% of voting rights	% of equity interest	% of voting rights
<b>II</b>	<b>Jointly controlled entities</b>					
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%	30%	30%	30%
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%
<b>III</b>	<b>Associates</b>					
6	Thanh Nam Consultant Investment - Engineering and Technology Transfer Joint Stock Company	Providing consulting construction and designing services	28.57%	28.57%	28.57%	28.57%
7	Truong Sa Food - Food Business Joint Stock Company	Producing agricultural products and foods	38.62%	38.98%	38.62%	38.98%
8	Saigon - Phutho Beer Joint Stock Company	Producing beer, alcohol and beverages	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 beer, alcohol and beverages	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%

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No	Company name	Principal activities	31/12/2019		1/1/2019	
			% of equity interest	% of voting rights	% of equity interest	% of voting rights
15	Saigon - Bentre Beer Joint Stock Company	Producing beer, alcohol and beverages	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%	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%	34.92%
18	Saigon - Bac Lieu Beer Joint Stock Company	Producing beer, alcohol and beverages	10.2%	20%	10.2%	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 the Ministry of Industry and Trade). According to the joint venture agreement, profit allocated to each party in the joint venture follows a schedule stated in this agreement. For the year ended 31 December 2019, the ratios are 35% and 65% (2018: 35% and 65%) for the Group and the counter party, respectively.

As at 31 December 2019, the Group had 8,017 employees (1/1/2019: 7,877 employees).

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## **2. Basis of preparation**

### **(a) Statement of compliance**

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

### **(b) Basis of measurement**

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

### **(c) Annual accounting period**

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

### **(d) Accounting and presentation currency**

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

## **3. Summary of significant accounting policies**

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

### **(a) Basis of consolidation**

#### **(i) Subsidiaries**

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

#### **(ii) Non-controlling interests**

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

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



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

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

**(iv) *Transactions eliminated on consolidation***

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

**(v) *Business combination***

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

**(b) *Foreign currency***

**(i) *Foreign currency transactions***

Transactions in currencies other than VND during the year 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 account transfer selling rate, respectively, at the end of the annual accounting period quoted by the commercial bank where the Group most frequently conducts transactions.

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



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

Assets and liabilities of associate which denominated in currency other than VND are translated to VND at exchange rates at the end of the annual accounting period. 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.

**(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.

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**(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 year in which the cost is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

**(ii) Depreciation**

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

▪ buildings and structures	5 – 45 years
▪ machinery and equipment	5 – 30 years
▪ motor vehicles	3 – 10 years
▪ office equipment	3 – 15 years
▪ others	2 – 20 years

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**(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 32 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.



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**(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 expenditure of bringing the property to the condition necessary for it to be capable of operating in the manner intended by the Board of Management. Expenditure incurred after the investment property held to earn rental has been put into operation, such as repairs and maintenance, is charged to the consolidated statement of income in the year in which the expenditure is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in future economic benefits in excess of the originally assessed standard of performance of the existing investment property held to earn rental, the expenditure is capitalised as an additional cost of the investment property.

*Depreciation*

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

- |                            |              |
|----------------------------|--------------|
| ▪ land use rights          | 46 years     |
| ▪ buildings and structures | 5 – 45 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.

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**(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 is amortised on a straight-line basis over 2 to 3 years.

**(ii) *Prepaid land costs***

Prepaid land costs comprise prepaid land lease rentals, including those for which the Group obtained land use rights certificate but are not qualified as intangible fixed assets under Circular No. 45/2013/TT-BTC dated 25 April 2013 of the Ministry of Finance providing guidance on management, use and depreciation of fixed assets, and other costs incurred in conjunction with securing the use of leased land. These costs are recognised in the consolidated statement of income on a straight-line basis over the term of the lease of 32 to 48 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. Costs of tools and instruments are 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.

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***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 annual 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 receipt from share issuance over par value is recorded as share premium. Incremental costs directly attributable to the issue of shares, net of tax effects, are recognised as a deduction from share premium.

**(o) Taxation**

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

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

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

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



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**(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.

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**(r) Borrowing costs**

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

**(s) Earnings per share**

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

The Group did not have potentially dilutive shares and 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.

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#### **4. 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 year, other business activities accounted for an insignificant proportion of total revenue and operating results of the Group and the Group's assets and liabilities as at reporting dates were mainly related to beer manufacturing activities. Accordingly, the financial information presented in the consolidated balance sheet as at 31 December 2019 and 1 January 2019 were related to the Group's sales of beers activities. Note 30 and Note 31 disclosed breakdown of revenue and cost of sales per each category of products, which provided sufficient information as to performance of each segment as identified above.

##### **(b) Geographical segments**

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

	<b>Geographical segments</b>		
	<b>Local VND</b>	<b>Export VND</b>	<b>Total VND</b>
<b>For the year ended 31 December 2019</b>			
Net revenue	37,557,429,131,763	341,630,369,532	37,899,059,501,295
Cost of sales	(28,094,225,325,656)	(254,205,483,625)	(28,348,430,809,281)
	9,463,203,806,107	87,424,885,907	9,550,628,692,014
<b>For the year ended 31 December 2018</b>			
Net revenue	35,360,893,401,425	587,659,160,522	35,948,552,561,947
Cost of sales	(27,387,499,862,489)	(476,913,527,062)	(27,864,413,389,551)
	7,973,393,538,936	110,745,633,460	8,084,139,172,396

The Group's assets were located in Vietnam.



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## **5. Business combination**

On 1 October 2019, the Group acquired additional 31.99% shares of Saigon – Lamdong Beer Joint Stock Company (“Sai Gon Lam Dong”) for a consideration of VND82,000 million to increase the ownership and voting rights of the Group in Sai Gon Lam Dong from 20% to 51.99% and thus obtaining control over Sai Gon Lam Dong. The principal business activities of Sai Gon Lam Dong are to produce and sell beer, alcohol and beverages.

For the period from 1 October 2019 to 31 December 2019, Sai Gon Lam Dong contributed revenue of VND206,974 million and net profit after tax of VND27,917 million to the Group.

The acquisition had the following effect on the Group’s assets and liabilities on acquisition date:

	<b>Pre-acquisition carrying amounts VND</b>	<b>Fair value adjustments VND</b>	<b>Recognised value on acquisition VND</b>
Cash and cash equivalents	164,063,103,504	-	164,063,103,504
Accounts receivable – short-term	14,244,693,750	-	14,244,693,750
Inventories	40,733,898,595	-	40,733,898,595
Other current assets	3,169,117,862	-	3,169,117,862
Tangible fixed assets	594,055,159,657	-	594,055,159,657
Construction in progress	319,912,641	-	319,912,641
Long-term prepaid expenses	3,028,093,892	-	3,028,093,892
Current liabilities	(114,738,934,735)	-	(114,738,934,735)
Long-term liabilities	(502,541,674,016)	-	(502,541,674,016)
Net identifiable assets and liabilities	202,333,371,150	-	202,333,371,150
Share of net assets acquired (with ownership of 51.99%)			105,202,007,683
Fair value of initial investments (with ownership of 20%)			(20,617,493,148)
Bargain purchase incurred from acquisition of subsidiary			(2,584,514,535)
Considerations paid			(82,000,000,000)
Cash acquired			164,063,103,504
Net cash inflows			82,063,103,504

On 31 October 2019, the Group acquired additional 0.92% shares of Sai Gon Lam Dong for a consideration of VND3,825 million to increase the ownership and voting rights of the Group in Sai Gon Lam Dong from 51.99% to 52.91%.

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**6. Cash and cash equivalents**

	<b>31/12/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Cash on hand	1,999,169,826	3,813,388,314
Cash in banks	951,479,827,739	1,591,375,420,063
Cash equivalents (*)	3,162,405,649,072	2,872,202,776,760
	4,115,884,646,637	4,467,391,585,137

- (\*) Cash equivalents represented term deposits at banks with original terms to maturity of three months or less. Cash equivalents are denominated in VND and earned interest at rates ranging from 4.3% to 5.5% per annum (1/1/2019: 5.0% to 5.5% per annum).

**7. Investments**

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

Held-to-maturity investments – short-term represented term deposits at banks with terms to maturity of more than 3 months from their transaction dates but less than 12 months from the reporting date. Term deposits are denominated in VND and earned interest at rates ranging from 6.5% to 8.2% 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 in bonds issued by Shipbuilding Industry Corporation. Allowance was fully made for this investment.

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**(c) Equity investments in other entities**

	<b>31/12/2019</b>			<b>1/1/2019</b>		
	<b>Equity accounted/ Cost VND</b>	<b>Allowance VND</b>	<b>Carrying amount VND</b>	<b>Equity accounted/ Cost VND</b>	<b>Allowance VND</b>	<b>Carrying amount VND</b>
Investments in associates and jointly controlled entities (i)	1,878,458,174,350	(97,332,469,971)	1,781,125,704,379	1,800,203,395,934	(24,135,767,100)	1,776,067,628,834
Equity investments in other entities (ii)	665,885,700,116	(338,141,461,677)	327,744,238,439	688,510,888,053	(366,405,088,682)	322,105,799,371
	<b>2,544,343,874,466</b>	<b>(435,473,931,648)</b>	<b>2,108,869,942,818</b>	<b>2,488,714,283,987</b>	<b>(390,540,855,782)</b>	<b>2,098,173,428,205</b>



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**(i) Investments in associates and jointly controlled entities**

Company name	31/12/2019			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	5,349,040,203	(*)	-	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	79,280,455,575	103,789,126,800	-	76,506,756,665	76,172,400,000	-
Mechanical and Industrial Construction Joint Stock Company	11,239,321,481	(*)	-	10,727,077,141	(*)	-
Saigon Tay Do Beer - Beverage Joint Stock Company	112,110,621,745	(*)	-	103,121,828,391	(*)	-
Me Linh Point Limited	129,777,418,614	(*)	-	123,970,386,177	(*)	-
Crown Beverage Cans Saigon Limited	300,165,809,593	(*)	-	287,070,899,745	(*)	-
Malaya - Vietnam Glass Limited	261,432,271,091	(*)	-	216,067,689,657	(*)	-
San Miguel Yamamura Phu Tho Packaging Company Limited	58,224,106,724	(*)	-	61,605,169,453	(*)	-
Vietnam Spirits and Wine Ltd	26,502,914,250	(*)	(26,502,914,250)	24,135,767,100	(*)	(24,135,767,100)
Saigon Binh Tay Beer Group Joint Stock Company	478,371,013,670	(*)	-	473,240,164,300	(*)	-
Sai Gon - Mien Trung Beer Joint Stock Company	149,579,209,268	381,106,862,200	-	151,198,862,177	313,397,521,200	-
Tan Thanh Investment Trading Company Limited	70,829,555,721	-	(70,829,555,721)	69,888,052,736	(*)	-
Saigon - Baclieu Beer Joint Stock Company	39,413,251,891	31,554,189,333	-	39,177,284,776	58,858,800,000	-
Sai Gon - Vinh Long Beer Joint Stock Company	49,365,264,038	(*)	-	45,161,525,814	(*)	-
Sai Gon - Kien Giang Beer Joint Stock Company	32,474,770,492	(*)	-	31,194,049,992	(*)	-
Sai Gon - Khanh Hoa Beer Joint Stock Company	48,931,173,926	(*)	-	42,000,603,692	(*)	-
Saigon - Bentre Beer Joint Stock Company	25,082,322,522	(*)	-	18,907,847,457	(*)	-
Saigon - Lamdong Beer Joint Stock Company	-	-	-	20,000,000,000	(*)	-
	1,878,458,174,350		(97,332,469,971)	1,800,203,395,934		(24,135,767,100)

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

	<b>2019</b> <b>VND</b>	<b>2018</b> <b>VND</b>
Opening balance	1,800,203,395,934	1,747,121,088,747
Share of profits during the year	378,267,281,269	354,965,023,940
Dividends received during the year	(285,568,395,822)	(331,646,622,511)
Foreign exchange differences	6,173,386,117	1,985,715,679
(Decrease)/increase from change in equity interest	(20,617,493,148)	19,800,000,000
Gains from change in equity interest	-	7,801,887,574
Other adjustments	-	176,302,505
	<hr/>	<hr/>
Closing balance	1,878,458,174,350	1,800,203,395,934
	<hr/>	<hr/>

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

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**(ii) Equity investments in other entities**

Company name	31/12/2019			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	234,115,429,133	-	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)
Saigon Packaging Group Joint Stock Company (formerly known as “Sabeco - Song Lam Packaging Joint Stock Company”)	50,000,000,000	(*)	-	50,000,000,000	(*)	-
PVI Holdings	51,475,140,000	14,953,831,200	(36,521,308,800)	51,475,140,000	15,730,653,600	(35,744,486,400)
Underground Space Investment Development Corporation	23,085,000,000	(*)	(23,085,000,000)	23,085,000,000	(*)	(23,085,000,000)
Phuong Dong Petroleum Tourism Joint Stock Company	30,700,950,000	7,056,000,000	(30,700,950,000)	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 Trade 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 Incorporation	45,000,000,000	(*)	(45,000,000,000)	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)
Saigon Dong Ha Tourist Joint Stock Company	5,600,000,000	(*)	(1,810,837,795)	5,600,000,000	(*)	(1,542,596,156)
DIC Tourist and Trade Joint Stock Company	14,992,108,200	(*)	(319,597,560)	14,992,108,200	(*)	(849,646,800)
	665,885,700,116		(338,141,461,677)	688,510,888,053		(366,405,088,682)

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

Movements of equity investments in other entities during the year were as follows:

	<b>2019</b> <b>VND</b>	<b>2018</b> <b>VND</b>
Opening balance	688,510,888,053	736,652,914,597
Decrease through offsetting with other payables	(15,350,000,000)	-
Written off during the year	(7,275,187,937)	-
Divestments during the year	-	(48,142,026,544)
	<hr/>	<hr/>
Closing balance	665,885,700,116	688,510,888,053

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

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

	<b>2019</b> <b>VND</b>	<b>2018</b> <b>VND</b>
Opening balance	390,540,855,782	352,315,059,118
Allowance made during the year	87,873,766,910	40,423,450,864
Allowance reversed during the year	(35,665,503,107)	(2,497,654,200)
Allowance utilised during the year	(7,275,187,937)	-
Transfer from allowance for doubtful debts	-	300,000,000
	<hr/>	<hr/>
Closing balance	435,473,931,648	390,540,855,782



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**8. Accounts receivable from customers**

**(a) Accounts receivable from customers detailed by significant customers**

	<b>31/12/2019</b> <b>VND</b>	<b>1/1/2019</b> <b>VND</b>
Saigon Binh Tay Beer Group Joint Stock Company	30,014,447,972	26,202,728,309
Sai Gon - Kien Giang Beer Joint Stock Company	10,112,131,104	63,349,221,846
Other customers	117,527,993,577	154,567,215,905
	<hr/> 157,654,572,653	<hr/> 244,119,166,060 <hr/>

**(b) Accounts receivable from customers who are related parties**

	<b>31/12/2019</b> <b>VND</b>	<b>1/1/2019</b> <b>VND</b>
<i>Associates and jointly controlled entities</i>		
Saigon Binh Tay Beer Group Joint Stock Company	30,014,447,972	26,202,728,309
Sai Gon - Kien Giang Beer Joint Stock Company	10,112,131,104	63,349,221,846
Sai Gon - Mien Trung Beer Joint Stock Company	8,673,647,771	11,937,316,293
Saigon - Phutho Beer Joint Stock Company	8,367,162,123	7,688,953,934
Sai Gon - Vinh Long Beer Joint Stock Company	7,636,502,161	7,503,558,108
Saigon - Bentre Beer Joint Stock Company	7,622,147,366	22,467,798,416
Saigon Tay Do Beer - Beverage Joint Stock Company	6,307,906,113	12,553,413,185
Sai Gon - Khanh Hoa Beer Joint Stock Company	5,481,242,048	14,862,841,933
Malaya - Vietnam Glass Limited	2,134,763,192	19,875,240
San Miguel Yamamura Phu Tho Packaging Company Limited	375,144,000	162,439,200
Saigon - Baclieu Beer Joint Stock Company	-	1,295,023,699
	<hr/>	<hr/>

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**9. Other receivables**

**(a) Other short-term receivables**

	<b>31/12/2019</b> <b>VND</b>	<b>1/1/2019</b> <b>VND</b> <b>(Reclassified)</b>
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 receivables	313,539,765,595	150,223,096,267
Dividends receivables	48,821,921,232	19,345,526,000
Other short-term receivables	62,994,688,808	55,825,390,926
	<hr/> 702,587,109,178	<hr/> 502,624,746,736

*Other short-term receivables from related parties*

	<b>31/12/2019</b> <b>VND</b>	<b>1/1/2019</b> <b>VND</b>
<i>Associates and jointly controlled entities</i>		
Tan Thanh Investment Trading Company Limited	277,230,733,543	277,230,733,543
Sai Gon - Mien Trung Beer Joint Stock Company	36,311,825,665	19,587,812,354
San Miguel Yamamura Phu Tho Packaging Company Limited	8,141,000,000	-
Sai Gon - Vinh Long Beer Joint Stock Company	6,950,307,806	1,194,336,210
Saigon Binh Tay Beer Group Joint Stock Company	3,470,918,435	-
Saigon - Baclieu Beer Joint Stock Company	-	814,325,684
Saigon - Bentre Beer Joint Stock Company	1,868,442,672	99,712,159
Sai Gon - Kien Giang Beer Joint Stock Company	1,592,202,248	-
Sai Gon - Khanh Hoa Beer Joint Stock Company	83,916,000	83,916,000
Saigon - Phutho Beer Joint Stock Company	-	84,907,293
	<hr/>	<hr/>

**(b) Other long-term receivables**

	<b>31/12/2019</b> <b>VND</b>	<b>1/1/2019</b> <b>VND</b>
Long-term deposits	30,466,726,775	27,151,945,917
Other long-term receivables	8,028,765,000	8,028,765,000
	<hr/> 38,495,491,775	<hr/> 35,180,710,917

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## 10. Allowance for doubtful debts

### (a) Short-term

	Overdue days	31/12/2019			Overdue days	1/1/2019		
		Cost VND	Allowance VND	Recoverable amount VND		Cost VND	Allowance VND	Recoverable amount VND
Other short-term receivables	Over 2 years	329,371,173,672	(329,371,173,672)	-	Over 2 years	47,680,033,835	(47,574,353,351)	105,680,484
Prepayments to suppliers	Over 2 years	11,688,783,954	(11,675,439,217)	13,344,737	Over 2 years	6,328,949,613	(6,328,949,613)	-
Accounts receivable from customers	Over 2 years	5,355,275,946	(5,266,054,396)	89,221,550	Over 2 years	2,248,779,557	(1,967,999,780)	280,779,777
		<u>346,415,233,572</u>	<u>(346,312,667,285)</u>	<u>102,566,287</u>		<u>56,257,763,005</u>	<u>(55,871,302,744)</u>	<u>386,460,261</u>

### (b) Long-term

	Overdue days	31/12/2019			Overdue days	1/1/2019		
		Cost VND	Allowance VND	Recoverable amount VND		Cost VND	Allowance VND	Recoverable amount VND
Held-to-maturity investments								
– long-term	Over 2 years	20,868,879,905	(20,868,879,905)	-	Over 2 years	20,868,879,905	(20,868,879,905)	-
Accounts receivable from customers								
– long-term	Over 2 years	6,005,003,018	(6,005,003,018)	-	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	8,516,530,900	(8,516,530,900)	-	Over 2 years	8,451,100,000	(8,451,100,000)	-
		<u>39,390,413,823</u>	<u>(39,390,413,823)</u>	<u>-</u>		<u>39,397,529,783</u>	<u>(39,397,529,783)</u>	<u>-</u>



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

	<b>2019 VND</b>	<b>2018 VND</b>
Opening balance	95,268,832,527	91,241,622,357
Allowance made during the year	291,232,795,662	5,078,736,508
Allowance reversed during the year	(450,295,177)	(751,526,338)
Transfer to allowance for diminution in the value of long-term financial investments	-	(300,000,000)
Allowance utilised during the year	(348,251,904)	-
Closing balance	385,703,081,108	95,268,832,527

## **11. Inventories**

### **(a) Inventories**

	<b>31/12/2019</b>		<b>1/1/2019</b>	
	<b>Cost VND</b>	<b>Allowance VND</b>	<b>Cost VND</b>	<b>Allowance VND</b>
Goods in transit	206,339,542,512	-	102,764,346,138	-
Raw materials	517,894,000,688	(56,730,202,872)	517,645,998,858	(46,917,742,252)
Tools and supplies	285,028,888,383	(123,647,246,994)	203,077,547,298	(130,651,227,235)
Work in progress	232,611,199,538	(1,939,778,598)	207,713,866,901	(2,615,718,757)
Finished goods	927,663,136,778	(20,085,805,337)	1,002,862,048,378	(40,124,928,435)
Merchandise inventories	3,985,809	-	-	-
	2,169,540,753,708	(202,403,033,801)	2,034,063,807,573	(220,309,616,679)

Included in inventories as at 31 December 2019 was VND202,403 million (1/1/2019: VND220,310 million) of obsolete or slow-moving inventories that are difficult to sell.



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Movements of allowance for inventories during the year were as follows:

	<b>2019</b> <b>VND</b>	<b>2018</b> <b>VND</b>
Opening balance	220,309,616,679	113,011,284,690
Allowance made during the year	23,963,592,718	148,418,415,265
Allowance reversed during the year	(24,704,592,098)	(23,354,818,220)
Allowance utilised during the year	(16,972,354,971)	(17,765,265,056)
Transfer to allowance for long-term tools, suppliers and spare parts	(193,228,527)	-
Closing balance	<u>202,403,033,801</u>	<u>220,309,616,679</u>

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

	<b>31/12/2019</b>		<b>1/1/2019</b>	
	<b>Cost</b> <b>VND</b>	<b>Allowance</b> <b>VND</b>	<b>Cost</b> <b>VND</b>	<b>Allowance</b> <b>VND</b>
Long-term tools, supplies and spare parts	60,182,188,934	(29,145,767,294)	62,602,347,236	(13,296,219,944)

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

	<b>2019</b> <b>VND</b>	<b>2018</b> <b>VND</b>
Opening balance	13,296,219,944	20,238,258,053
Allowance made during the year	18,276,894,934	1,317,967,401
Allowance reversed during the year	(2,620,576,111)	(8,260,005,510)
Transfer from allowance for inventories	193,228,527	-
Closing balance	<u>29,145,767,294</u>	<u>13,296,219,944</u>

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## 12. Prepaid expenses

### (a) Short-term prepaid expenses

	31/12/2019 VND	1/1/2019 VND
Advertising expenses	61,446,931,219	40,229,620,142
Rental expenses	17,831,096,101	26,653,581,192
Tools and instruments	2,976,228,969	11,208,665,233
Others	14,875,648,832	8,364,860,894
	97,129,905,121	86,456,727,461

### (b) Long-term prepaid expenses

	31/12/2019 VND	1/1/2019 VND
Returnable packaging	138,132,411,556	362,332,923,329
Prepaid land costs	66,375,716,506	67,899,879,298
Property held for future investment (*)	51,602,316,000	51,602,316,000
Tools and instruments	32,092,214,503	19,867,926,592
Others	40,401,975,215	50,091,715,100
	328,604,633,780	551,794,760,319

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

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

	2019 VND	2018 VND
Opening balance	551,794,760,319	816,991,436,755
Acquired through business combination	3,028,093,892	-
Additions during the year	144,660,537,471	276,866,262,139
Transfer from construction in progress	2,589,479,748	-
Amortisation for the year	(372,275,394,494)	(532,911,531,545)
Transfer to tangible fixed assets	(1,108,205,697)	-
Transfer to short-term prepaid expenses	(84,637,459)	(4,281,329,444)
Disposals	-	(4,870,077,586)
	328,604,633,780	551,794,760,319

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**13. Tangible fixed assets**

	<b>Buildings and structures VND</b>	<b>Machinery and equipment VND</b>	<b>Motor vehicles VND</b>	<b>Office equipment VND</b>	<b>Others VND</b>	<b>Total VND</b>
<b>Cost</b>						
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
Acquired through business combination	195,988,236,941	407,088,902,490	3,928,627,273	-	-	607,005,766,704
Additions	293,116,368	71,387,706,891	8,264,446,026	7,510,653,430	180,510,000	87,636,432,715
Transfer from construction in progress	28,453,662,703	57,478,930,159	1,327,710,302	-	-	87,260,303,164
Transfer to investment properties (Note 15(a))	(9,386,489,186)	-	-	-	-	(9,386,489,186)
Transfer from long-term prepaid expenses	-	2,618,867,318	-	-	-	2,618,867,318
Reclassification	5,098,876	102,901,124	-	(108,000,000)	-	-
Disposals	-	(75,805,733,896)	(3,921,726,081)	(689,492,727)	-	(80,416,952,704)
Written off	(1,937,000,000)	-	-	-	-	(1,937,000,000)
Closing balance	2,078,623,291,633	7,700,011,600,756	254,634,372,155	147,640,041,984	9,321,546,674	10,190,230,853,202
<b>Accumulated depreciation</b>						
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
Acquired through business combination	3,609,330,484	9,194,194,871	147,081,692	-	-	12,950,607,047
Charge for the year	101,852,172,040	499,131,513,125	19,523,878,128	13,578,416,924	877,982,480	634,963,962,697
Transfer to investment properties (Note 15(a))	(4,015,617,947)	-	-	-	-	(4,015,617,947)
Transfer from long-term prepaid expenses	-	1,510,661,621	-	-	-	1,510,661,621
Reclassification	-	22,238,710	-	(22,238,710)	-	-
Disposals	-	(75,397,158,462)	(3,396,707,354)	(689,492,727)	-	(79,483,358,543)
Written off	(1,937,000,000)	-	-	-	-	(1,937,000,000)
Closing balance	980,892,096,872	5,153,799,156,887	191,989,917,201	114,036,300,943	5,870,823,109	6,446,588,295,012
<b>Net book value</b>						
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	1,097,731,194,761	2,546,212,443,869	62,644,454,954	33,603,741,041	3,450,723,565	3,743,642,558,190



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Included in tangible fixed assets as at 31 December 2019 were assets costing VND2,346,481 million (1/1/2019: VND1,330,187 million) which were fully depreciated, but which are still in active use.

The net book value of tangible fixed assets retired from active use and held for disposal was to VND58,590 million as at 31 December 2019 (1/1/2019: VND123,380 million).

Historical cost of tangible fixed assets that the Group leased to its associates to earn rental income as at 31 December 2019 was VND61,027 million (1/1/2019: VND61,027 million).

#### **14. Intangible fixed assets**

	<b>Land use rights (*) VND</b>	<b>Software VND</b>	<b>Others VND</b>	<b>Total VND</b>
<b>Cost</b>				
Opening balance	1,024,215,267,144	66,934,890,585	247,447,482	1,091,397,605,211
Additions	-	336,000,000	-	336,000,000
Closing balance	1,024,215,267,144	67,270,890,585	247,447,482	1,091,733,605,211
<b>Accumulated amortisation</b>				
Opening balance	76,820,881,479	62,142,247,750	194,281,842	139,157,411,071
Charge for the year	6,807,352,985	3,933,024,669	37,919,389	10,778,297,043
Closing balance	83,628,234,464	66,075,272,419	232,201,231	149,935,708,114
<b>Net book value</b>				
Opening balance	947,394,385,665	4,792,642,835	53,165,640	952,240,194,140
Closing balance	940,587,032,680	1,195,618,166	15,246,251	941,797,897,097

Included in intangible fixed assets as at 31 December 2019 were assets costing VND64,172 million (1/1/2019: VND54,541 million) which were fully amortised, but which are still in active use.

The net book value of intangible fixed assets retired from active use and held for disposal was to VND304 million as at 31 December 2019 (1/1/2019: VND1,196 million).



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- (\*) Land use rights as at 31 December 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 21(a)).

The Ministry of Industry and Trade has allowed the Group to manage and use these land use rights following the plan of the People’s Committee of Ho Chi Minh City. At the date of these consolidated financial statements, the Group 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 Street, Ward 12, District 4, Ho Chi Minh City, Vietnam	3,872.5	55,241,212,500
2	187 Nguyen Chi Thanh Street, Ward 12, District 5, Ho Chi Minh City, Vietnam	17,406.1	418,634,111,100
3	474 Nguyen Chi Thanh Street, Ward 6, District 10, Ho Chi Minh City, Vietnam	7,729	247,637,160,000
4	18/3B Phan Huy Ich Street, Ward 15, Tan Binh District, Ho Chi Minh City, Vietnam	2,216.3	13,867,389,100
			<hr/> 735,379,872,700 <hr/>

The Group has not amortised the above land use rights because their costs and useful lives have not been measured reliably at the consolidated balance sheet date. During the year, the Group has also recognised the land rental expenses to the consolidated statement of income an amount of VND26,967 million (2018: VND23,043 million) following the tax payment notices from local tax authorities.

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**15. Investment properties**

	<b>31/12/2019</b> <b>VND</b>	<b>1/1/2019</b> <b>VND</b>
Investment property held to earn rental (a)	26,672,244,376	22,806,927,578
Investment property held for capital appreciation (b)	31,760,909,657	31,760,909,657
	<b>58,433,154,033</b>	<b>54,567,837,235</b>

**(a) Investment property held to earn rental**

	<b>Land use</b> <b>rights</b> <b>VND</b>	<b>Buildings and</b> <b>structures</b> <b>VND</b>	<b>Total</b> <b>VND</b>
<b>Cost</b>			
Opening balance	27,812,438,744	8,719,766,623	36,532,205,367
Transfer from tangible fixed assets (Note 13)	-	9,386,489,186	9,386,489,186
Closing balance	27,812,438,744	18,106,255,809	45,918,694,553
<b>Accumulated depreciation</b>			
Opening balance	7,301,656,054	6,423,621,735	13,725,277,789
Charge for the year	604,618,237	900,936,204	1,505,554,441
Transfer from tangible fixed assets (Note 13)	-	4,015,617,947	4,015,617,947
Closing balance	7,906,274,291	11,340,175,886	19,246,450,177
<b>Net book value</b>			
Opening balance	20,510,782,690	2,296,144,888	22,806,927,578
Closing balance	19,906,164,453	6,766,079,923	26,672,244,376

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**(b) Investment property held for capital appreciation**

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

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

**16. Construction in progress**

	<b>2019 VND</b>	<b>2018 VND</b>
Opening balance	144,377,898,065	111,505,655,106
Additions during the year	259,569,796,251	143,200,496,777
Acquired through business combination	319,912,641	-
Transfer to tangible fixed assets	(87,260,303,164)	(109,860,453,818)
Transfer to intangible fixed assets	-	(467,800,000)
Transfer to long-term prepaid expenses	(2,589,479,748)	-
Written off	(6,644,120,781)	-
Closing balance	307,773,703,264	144,377,898,065

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Major constructions in progress were as follows:

	31/12/2019 VND	1/1/2019 VND
Upgrade warehouse and brewery at Nguyen Chi Thanh		
Brewery	88,942,805,924	88,817,343,236
Buildings and structures	78,407,669,034	824,581,182
Beer filtration and separation systems	100,342,589,681	15,646,107,455
Other projects	40,080,638,625	39,089,866,192
	307,773,703,264	144,377,898,065

## 17. Deferred tax assets and deferred tax liabilities

	Tax rate	31/12/2019 VND	1/1/2019 VND
Deferred tax assets recognised on:			
▪ Allowance for diminution in the value of long-term financial investments	20%	62,078,974,035	52,984,561,076
▪ Accrued expenses and provisions	20%	65,769,374,820	44,551,441,993
▪ Unrealised profits	20%	45,504,272,571	43,935,387,185
▪ Allowance for inventories and long-term tools, suppliers and spare parts	20%	36,470,545,384	40,758,143,846
▪ Allowance for doubtful debts	20%	4,345,263,905	2,304,311,667
▪ Others	20%	567,880,000	-
Total deferred tax assets		214,736,310,715	184,533,845,767
Deferred tax liabilities recognised on:			
▪ Allowance for diminution in the value of long-term financial investments	20%	25,196,385,655	24,920,989,732
▪ Tools and instruments	20%	6,480,311,474	6,865,493,069
▪ Provision and allowance	20%	(1,133,077,056)	-
▪ Accrued expenses	20%	-	(75,929,285)
▪ Unearned revenue	20%	-	(226,661,817)
Total deferred tax liabilities		30,543,620,073	31,483,891,699



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**18. Accounts payable to suppliers**

**(a) Accounts payable to suppliers detailed by significant suppliers**

	<b>Cost/Amount within payment capacity</b>	
	<b>31/12/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Hanacans Joint Stock Company	255,937,951,196	77,109,556,718
Crown Beverage Cans Saigon Limited	235,967,453,301	217,001,205,735
Other suppliers	1,935,162,449,390	1,733,151,405,259
	<hr/>	<hr/>
	2,427,067,853,887	2,027,262,167,712

**(b) Accounts payable to suppliers who are related parties**

	<b>Cost/Amount within payment capacity</b>	
	<b>31/12/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
<i>Associates and jointly controlled entities</i>		
Crown Beverage Cans Saigon Limited	235,967,453,301	217,001,205,735
Saigon Binh Tay Beer Group Joint Stock Company	63,993,357,149	80,479,565,925
Sai Gon - Mien Trung Beer Joint Stock Company	52,041,494,908	68,770,742,216
Sai Gon - Kien Giang Beer Joint Stock Company	27,107,766,113	55,072,169,614
Sai Gon - Vinh Long Beer Joint Stock Company	21,125,716,480	42,224,298,050
Saigon - Phutho Beer Joint Stock Company	24,851,400,970	34,832,174,850
Saigon - Bentre Beer Joint Stock Company	18,409,920,276	36,922,865,100
San Miguel Yamamura Phu Tho Packaging Company Limited	15,764,630,891	13,248,400,000
Saigon Tay Do Beer - Beverage Joint Stock Company	8,441,778,004	28,504,068,582
Sai Gon - Khanh Hoa Beer Joint Stock Company	5,565,963,898	43,265,809,950
Saigon - Baclieu Beer Joint Stock Company	4,688,242,020	6,121,281,540
Malaya - Vietnam Glass Limited	-	34,009,252,977
Truong Sa Food - Food Business Joint Stock Company	-	436,148,400
<i>Other related party</i>		
TBC-Ball Beverage Can Vietnam Co., Ltd	52,601,015,251	424,310,304

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**19. Taxes payable to and receivable from State Treasury**

**(a) Taxes payable to State Treasury**

	1/1/2019 VND	Acquired through business combination	Incurred VND	Paid VND	Net-off VND	Reclassified to taxes receivable VND	31/12/2019 VND
Special sales tax	656,687,046,516	34,274,930,182	7,674,253,546,583	(7,872,365,230,854)	-	-	492,850,292,427
Corporate income tax	286,511,622,964	-	1,347,171,652,994	(1,398,559,753,310)	(2,850,902,627)	671,344,406	232,943,964,427
Value added tax	118,429,734,689	3,315,483,534	16,003,472,784,644	(1,845,111,989,622)	(14,181,628,831,493)	1,806,954,567	100,284,136,319
Personal income tax	34,292,978,432	39,673,612	106,620,128,614	(114,383,487,662)	(861,287,147)	463,563,366	26,171,569,215
Import-export tax	-	-	17,615,137,035	(17,615,024,715)	(112,320)	-	-
Other taxes	4,692,935,912	-	71,176,938,369	(72,159,823,504)	-	-	3,710,050,777
	1,100,614,318,513	37,630,087,328	25,220,310,188,239	(11,320,195,309,667)	(14,185,341,133,587)	2,941,862,339	855,960,013,165

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.

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**(b) Taxes receivable from State Treasury**

	<b>1/1/2019 VND</b>	<b>Net-off VND</b>	<b>Reclassified from taxes payable VND</b>	<b>31/12/2019 VND</b>
Value added tax	-	-	1,806,954,567	1,806,954,567
Corporate income tax	4,168,800,085	(2,850,902,627)	671,344,406	1,989,241,864
Personal income tax	861,287,147	(861,287,147)	463,563,366	463,563,366
Other taxes	151,974,819	(484,864)	-	151,489,955
	<b>5,182,062,051</b>	<b>(3,712,674,638)</b>	<b>2,941,862,339</b>	<b>4,411,249,752</b>

**20. Accrued expenses**

	<b>31/12/2019 VND</b>	<b>1/1/2019 VND</b>
Advertising and promotion expenses	325,832,316,250	204,884,672,148
Interest expenses	21,487,979,834	13,493,369,109
Transportation expenses	3,338,741,362	192,363,334,018
Others	82,511,944,274	62,427,685,075
	<b>433,170,981,720</b>	<b>473,169,060,350</b>

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**21. Other payables**

**(a) Other payables – short-term**

	31/12/2019 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	179,289,889,446	186,444,336,213
Dividends payable	45,680,554,923	47,642,016,752
Other payables	118,997,511,575	110,072,285,800
	1,079,347,828,644	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 14).

*Other payables – short-term to related parties*

	31/12/2019 VND	1/1/2019 VND
<i>Associates and 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
<i>Other related parties</i>		
Super Brands Company Pte. Ltd	6,246,344,005	-
Fraser and Neave, Limited	2,425,671,710	-
Fraser & Neave (Singapore) Pte. Limited	874,455,121	-

**(b) Other payables – long-term**

	31/12/2019 VND	1/1/2019 VND
Land tax payable to the State (Note 12(b))	51,602,316,000	51,602,316,000
Long-term deposits received	2,471,000,000	1,547,300,000
	54,073,316,000	53,149,616,000



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## 22. Borrowings

### (a) Short-term borrowings

	1/1/2019 Carrying amount/ Amount within repayment capacity VND	Acquired through business combination VND	Movements during the year		31/12/2019 Carrying amount/ Amount within repayment capacity VND
			Increase VND	Decrease VND	
Short-term borrowings	584,502,788,680	53,865,348,892	3,188,666,630,657	(3,322,121,494,933)	504,913,273,296
Current portion of long-term borrowings (Note 22(b))	9,740,000,000	-	55,597,790,000	(9,740,000,000)	55,597,790,000
	594,242,788,680	53,865,348,892	3,244,264,420,657	(3,331,861,494,933)	560,511,063,296

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

	Currency	31/12/2019 VND	1/1/2019 VND
▪ Vietnam Joint Stock Commercial Bank for Industry and Trade – No. 4 Branch	VND	144,973,056,278	108,982,967,784
▪ Vietnam Joint Stock Commercial Bank for Industry and Trade – No. 4 Branch	VND	118,766,311,328	216,614,876,467
▪ Vietnam Joint Stock Commercial Bank for Industry and Trade – No. 4 Branch	VND	100,000,000,000	-
▪ Vietnam Joint Stock Commercial Bank for Industry and Trade – Quang Ngai Branch	VND	91,500,000,000	-
▪ Vietnam Joint Stock Commercial Bank for Industry and Trade – Quang Minh Branch	VND	39,373,905,690	34,000,000,000
▪ Vietnam Joint Stock Commercial Bank for Industry and Trade – Nam Thang Long Branch	VND	10,300,000,000	-
▪ Vietnam Joint Stock Commercial Bank for Industry and Trade – Quang Ngai Branch	USD	-	138,546,240,000
▪ Joint Stock Commercial Bank for Foreign Trade of Vietnam – Thanh Xuan Branch	VND	-	62,010,614,429
▪ 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
		504,913,273,296	584,502,788,680

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The short-term VND denominated borrowings bore interest at rates ranging from 5.3% to 6.5% per annum (1/1/2019: from 5.5% to 7.0% per annum) and short-term USD denominated borrowings bore interest at rates ranging from 3.3% to 4.0% per annum (1/1/2019: from 3.3% to 3.5% per annum). The short-term borrowings are secured over inventories, tangible fixed assets and investment properties.

**(b) Long-term borrowings**

	<b>31/12/2019 VND</b>	<b>1/1/2019 VND</b>
Long-term borrowings	549,842,777,274	24,358,022,047
Repayable within twelve months (Note 22(a))	(55,597,790,000)	(9,740,000,000)
Repayable after twelve months	494,244,987,274	14,618,022,047

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

	<b>Year of Currency maturity</b>	<b>31/12/2019 VND</b>	<b>1/1/2019 VND</b>
▪ Vietnam Joint Stock Commercial Bank for Industry and Trade – No. 4 Branch	VND 2027	525,069,877,274	-
▪ Vietnam Joint Stock Commercial Bank for Industry and Trade – Quang Minh Branch	VND 2022	19,795,300,000	-
▪ Shinhan Bank Vietnam Ltd - Ha Noi Branch	VND 2022	4,977,600,000	-
▪ Joint Stock Commercial Bank for Foreign Trade of Vietnam – Thanh Xuan Branch	VND 2021	-	24,358,022,047
		549,842,777,274	24,358,022,047

The long-term borrowings bore interest at rates ranging from 7.80% to 8.44% per annum (1/1/2019: 7.20% per annum) and are secured over tangible fixed assets, assets to be formed in the future and investment properties.

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## **23. Provisions**

### **(a) Provisions – short-term**

	<b>31/12/2019</b> <b>VND</b>	<b>1/1/2019</b> <b>VND</b>
Trademark fee	2,984,605,367	7,644,228,740
Other provisions	726,312,916	24,000,000
	<hr/> 3,710,918,283	<hr/> 7,668,228,740

### **(b) Provisions – long-term**

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

	<b>2019</b> <b>VND</b>	<b>2018</b> <b>VND</b>
Opening balance	145,868,448,336	64,493,890,463
Provision made during the year	2,413,258,271	86,975,919,664
Transfer from provisions – short-term	-	5,657,176,251
Provision reversed during the year	(3,322,314,534)	(6,503,690,280)
Provision utilised during the year	(9,542,644,357)	(4,754,847,762)
	<hr/> 135,416,747,716	<hr/> 145,868,448,336

## **24. Bonus and welfare fund**

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

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

	<b>2019</b> <b>VND</b>	<b>2018</b> <b>VND</b>
Opening balance	222,305,047,166	296,742,730,960
Appropriation during the year (Note 25)	290,010,109,064	231,462,634,848
Additional appropriation of bonus and welfare fund (Note 25)	32,858,350,618	29,059,295,895
Utilisation during the year	(250,248,303,571)	(334,959,614,537)
	<hr/> 294,925,203,277	<hr/> 222,305,047,166



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**25. 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
<b>Balance as at 1 January 2018</b>	6,412,811,860,000	3,208,666,226	19,113,771,975	1,118,963,482,640	5,327,112,664	5,823,903,898,574	13,383,328,792,079	1,037,160,242,869	14,420,489,034,948
Net profit for the year	-	-	-	-	-	4,177,432,235,379	4,177,432,235,379	225,317,711,045	4,402,749,946,424
Appropriation to bonus and welfare fund (Note 24)	-	-	-	-	-	(207,978,477,582)	(207,978,477,582)	(23,484,157,266)	(231,462,634,848)
Additional appropriation to bonus and welfare fund (Note 24)	-	-	-	-	-	(26,622,909,105)	(26,622,909,105)	(2,436,386,790)	(29,059,295,895)
Appropriation to investment and development fund	-	-	-	2,380,737,197	-	(2,380,737,197)	-	-	-
Additional appropriation to investment and development fund	-	-	-	8,712,420,678	-	(8,712,420,678)	-	-	-
Dividends (Note 28)	-	-	-	-	-	(2,244,484,151,000)	(2,244,484,151,000)	(169,291,179,518)	(2,413,775,330,518)
Foreign exchange differences	-	-	1,985,715,679	-	-	-	1,985,715,679	-	1,985,715,679
Appropriation to social activities fund	-	-	-	-	-	(36,103,560,946)	(36,103,560,946)	(1,514,477,709)	(37,618,038,655)
Additional appropriation to social activities fund	-	-	-	-	-	(1,321,278,213)	(1,321,278,213)	-	(1,321,278,213)
Change in proportion of non-controlling interests	-	-	-	90,579,927	-	44,982,194	135,562,121	(255,512,874)	(119,950,753)
<b>Balance as at 31 December 2018</b>	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



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	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
<b>Balance as at 1 January 2019</b>	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 year	-	-	-	-	-	5,053,363,919,165	5,053,363,919,165	316,783,789,377	5,370,147,708,542
Appropriation to bonus and welfare fund (Note 24)	-	-	-	-	-	(258,732,607,752)	(258,732,607,752)	(31,277,501,312)	(290,010,109,064)
Additional appropriation to bonus and welfare fund (Note 24)	-	-	-	-	-	(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 28)	-	-	-	-	-	(961,921,779,000)	(961,921,779,000)	(173,082,243,279)	(1,135,004,022,279)
Foreign exchange differences	-	-	6,173,386,117	-	-	-	6,173,386,117	-	6,173,386,117
Appropriation to social activities fund	-	-	-	-	-	(48,395,939,581)	(48,395,939,581)	(1,187,283,714)	(49,583,223,295)
Additional appropriation to social activities fund	-	-	-	-	-	(2,116,745,426)	(2,116,745,426)	176,278,556	(1,940,466,870)
Transfer from other equity funds to retained profits	-	-	-	-	(5,327,112,664)	5,327,112,664	-	-	-
Acquisition of a subsidiary	-	-	-	-	-	-	-	97,131,363,467	97,131,363,467
Change in proportion of non-controlling interests	-	-	-	-	-	99,219,823	99,219,823	(99,219,823)	-
Others	-	-	-	4,038,094	-	421,806,867	425,844,961	(103,242,766)	322,602,195
<b>Balance as at 31 December 2019</b>	6,412,811,860,000	3,208,666,226	27,272,873,771	1,130,372,829,157	-	11,231,596,467,620	18,805,262,696,774	1,270,984,359,590	20,076,247,056,364

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## **26. Share capital**

The Company's authorised and issued share capital are:

	<b>31/12/2019 and 1/1/2019</b>	
	<b>Number of shares</b>	<b>VND</b>
<b>Authorised and issued share capital</b>		
Ordinary shares	641,281,186	6,412,811,860,000
<b>Shares in circulation</b>		
Ordinary shares	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 dividends as declared from time to time. All ordinary shares are ranked equally with regard to the Group's residual assets. In respect of shares bought back by the Group, all rights are suspended until those shares are reissued.

There was no movement in share capital during the years ended 31 December 2019 and 31 December 2018.

## **27. Investment and development fund**

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

## **28. Dividends**

The Resolution of the Board of Directors of the Company on 21 August 2019 resolved to declare dividends to shareholders amounting to VND961,922 million (equivalent to VND1,500 per share) from retained profits of 2018 (2018: VND2,244,484 million, equivalent to VND3,500 per share).

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**29. Off balance sheet items**

**(a) Leases**

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

	<b>31/12/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Within one year	185,533,784,273	176,383,522,518
Within two to five years	626,011,774,676	625,013,894,911
More than five years	488,152,938,344	638,268,959,797
	<u>1,299,698,497,293</u>	<u>1,439,666,377,226</u>

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

	<b>Unit</b>	<b>31/12/2019</b>	<b>1/1/2019</b>
Beers	box/crate	3,960,378	1,950,503
Beverages	box/crate	1,040	208,785
Plastic crates	piece	-	195,616
		<u>                    </u>	<u>                    </u>

**(c) Foreign currencies**

	<b>31/12/2019</b>		<b>1/1/2019</b>	
	<b>Original currency</b>	<b>VND equivalent</b>	<b>Original currency</b>	<b>VND equivalent</b>
USD	788,013	18,205,699,512	443,243	10,283,555,316
EUR	7,613	196,014,284	11,978	316,294,767
		<u>18,401,713,796</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:

	<b>31/12/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Approved and contracted	185,144,507,293	70,770,589,338
	<u>                    </u>	<u>                    </u>

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### 30. Revenue from sales of goods and provision of services

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

Net revenue comprised:

	<b>2019 VND</b>	<b>2018 VND</b>
Total revenue		
▪ Sales of beers	32,713,860,434,875	30,790,775,222,873
▪ Sales of raw materials	4,991,064,456,953	4,816,208,783,077
▪ Sales of beverages	250,920,276,337	286,040,640,845
▪ Sales of alcohol and wine	55,724,630,554	53,052,895,250
▪ Others	122,220,299,554	96,940,789,901
	<hr/> 38,133,790,098,273	<hr/> 36,043,018,331,946
Less revenue deductions		
▪ Sales discounts	234,657,207,883	93,431,343,743
▪ Sales returns	73,389,095	1,034,426,256
	<hr/> 234,730,596,978	<hr/> 94,465,769,999
Net revenue	<hr/> 37,899,059,501,295	<hr/> 35,948,552,561,947

### 31. Cost of goods sold and services provided

	<b>2019 VND</b>	<b>2018 VND</b>
Total cost of goods sold and services provided:		
▪ Beers sold	23,157,713,223,335	22,632,123,278,938
▪ Raw materials sold	4,932,930,673,347	4,851,969,567,319
▪ Beverages sold	172,072,628,372	199,352,815,051
▪ Alcohol and wine sold	50,581,136,908	53,405,432,982
▪ Allowance for inventories and long-term tools, suppliers and spare parts	14,915,319,443	118,121,558,936
▪ Others	20,217,827,876	9,440,736,325
	<hr/> 28,348,430,809,281	<hr/> 27,864,413,389,551



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**32. Financial income**

	<b>2019 VND</b>	<b>2018 VND</b>
Interest income from deposits at banks	854,825,190,787	605,719,812,676
Dividends income	7,489,996,873	13,832,319,500
Foreign exchange gains	27,535,583,268	2,183,840,855
Gains from change in equity interest	-	7,801,887,576
Other financial income	1,734,367	812,522,817
	<hr/> 889,852,505,295	<hr/> 630,350,383,424 <hr/>

**33. Financial expenses**

	<b>2019 VND</b>	<b>2018 VND</b>
Interest expense	37,367,206,872	35,244,808,353
Foreign exchange losses	3,434,115,785	1,366,724,081
Allowance for diminution in the value of long-term financial investments	52,208,263,803	37,925,796,664
Other financial expenses	-	97,623,771
	<hr/> 93,009,586,460	<hr/> 74,634,952,869 <hr/>

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**34. Selling expenses**

	<b>2019 VND</b>	<b>2018 VND</b>
Advertising and promotion expenses	1,478,600,968,196	1,124,799,098,859
Staff costs	783,525,063,648	705,146,263,182
Returnable packaging expenses	273,839,287,032	381,094,174,303
Rental expenses	147,384,900,248	188,221,294,373
Transportation expenses	36,639,865,534	50,253,427,098
Depreciation and amortisation	25,633,103,240	28,670,423,382
Others	257,667,529,537	252,906,178,294
	3,003,290,717,435	2,731,090,859,491

**35. General and administration expenses**

	<b>2019 VND</b>	<b>2018 VND</b>
Staff costs	456,926,050,808	477,628,023,824
Depreciation and amortisation	32,897,497,524	34,584,660,041
Rental expenses	53,761,096,307	41,461,394,061
Provision and allowance	292,148,677,747	86,933,868,690
Other expenses	212,108,602,759	272,097,366,250
	1,047,841,925,145	912,705,312,866

**36. Production and business costs by elements**

	<b>2019 VND</b>	<b>2018 VND</b>
Raw material costs included in production cost	5,902,129,918,563	5,813,809,353,665
Labour costs and staff costs	1,716,805,355,987	1,764,524,052,187
Depreciation and amortisation	647,247,814,181	634,592,696,360
Outside services	3,338,684,534,370	3,299,307,255,808
Other expenses	1,143,628,786,976	646,656,970,561

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### 37. Corporate income tax

#### (a) Recognised in the consolidated statement of income

	2019 VND	2018 VND
<b>Current tax expense</b>		
Current year	1,315,976,891,222	1,019,050,069,002
Under provision in prior years	31,194,761,772	2,084,362,875
	1,347,171,652,994	1,021,134,431,877
<b>Deferred tax benefits</b>		
Origination and reversal of temporary differences	(31,142,736,574)	(33,444,736,795)
Income tax expense	1,316,028,916,420	987,689,695,082

#### (b) Reconciliation of effective tax rate

	2019 VND	2018 VND
Accounting profit before tax	6,686,176,624,962	5,390,439,641,506
Tax at the Company's tax rate	1,337,235,324,992	1,078,087,928,301
Effect of different tax rates in subsidiaries	(18,973,369,714)	(11,903,796,754)
Tax incentives	(17,835,281,641)	(17,651,885,527)
Tax exempted income	(77,151,455,628)	(73,759,468,688)
Non-deductible expenses	81,076,709,514	17,232,517,802
Changes in unrecognised deferred tax assets	(24,470,256,147)	717,193,710
Tax losses utilised	(833,805,992)	(1,748,494,727)
Under provision in prior years	31,194,761,772	2,084,362,875
Others	5,786,289,264	(5,368,661,910)
	1,316,028,916,420	987,689,695,082

#### (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.

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**38. Basic earnings per share**

The calculation of basic earnings per share for the year ended 31 December 2019 was based on the profit attributable to ordinary shareholders after deducting the amounts appropriated to bonus and welfare fund and a weighted average number of ordinary shares, calculated as follows:

**(i) Net profit attributable to ordinary shareholders**

	<b>2019</b> <b>VND</b>	<b>2018</b> <b>VND</b> <b>(Restated)</b>
Net profit for the year	5,053,363,919,165	4,177,432,235,379
Appropriation to bonus and welfare fund	(258,732,607,752)	(237,983,007,527)
Net profit attributable to ordinary shareholders	4,794,631,311,413	3,939,449,227,852

The appropriation of bonus and welfare fund for the year ended 31 December 2019 was estimated based on the budgeted amount that approved by shareholders at Annual General Meeting.

The appropriation of bonus and welfare fund for the year ended 31 December 2018 was restated based on the actual appropriation which was approved by shareholders at Annual General Meeting. Accordingly, basic earnings per share for the year ended 31 December 2018 have been recalculated based on the adjusted amount appropriated to bonus and welfare fund (as previously reported: VND6,190 per share).

**(ii) Weighted average number of ordinary shares**

	<b>2019</b>	<b>2018</b>
Weighted average number of ordinary shares	641,281,186	641,281,186



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### **39. Significant transactions with related parties**

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

	<b>Transaction value</b>	
	<b>2019</b>	<b>2018</b>
	<b>VND</b>	<b>VND</b>
<i><b>The intermediate parent company</b></i>		
<b>BeerCo Limited</b>		
Payments on behalf of the Company	4,019,622,199	-
<i><b>The parent company</b></i>		
<b>Vietnam Beverage Company Limited</b>		
Dividends	515,463,880,500	1,202,749,054,500
<i><b>Associates and jointly controlled entities</b></i>		
<b>Sai Gon - Khanh Hoa Beer Joint Stock Company</b>		
Sales of raw materials	352,635,879,929	459,397,935,443
Provision of services	753,600,000	22,700,000
Sales of finished goods	44,918,500	193,096,220
Purchases of merchandise goods	994,553,660,150	1,194,945,732,340
Other purchases	1,539,498,353	441,545,000
Dividends received	3,900,000,000	2,600,000,000
<b>Saigon - Phutho Beer Joint Stock Company</b>		
Sales of raw materials	371,203,537,187	360,371,075,673
Provision of services	766,305,176	149,736,364
Sales of other goods	71,964,297	228,480,000
Purchases of merchandise goods	1,010,086,840,070	961,848,772,950
Other purchases	691,511,289	-
Dividends received	14,811,300,000	16,927,200,000
<b>Sai Gon - Kien Giang Beer Joint Stock Company</b>		
Sales of raw materials	460,351,534,763	457,942,814,837
Provision of services	3,320,940,227	1,723,872,839
Sales of finished goods	-	22,272,727
Sales of other goods	-	60,385,500
Purchases of merchandise goods	1,529,542,004,800	1,556,291,736,740
Other purchases	3,903,160,089	17,262,000
Dividends received	4,600,000,000	5,750,000,000
<b>Mechanical and Industrial Construction Joint Stock Company</b>		
Dividends received	-	1,404,000,000

**Saigon Beer - Alcohol - Beverage Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

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	<b>Transaction value</b>	
	<b>2019</b>	<b>2018</b>
	<b>VND</b>	<b>VND</b>
<b>Sai Gon - Mien Trung Beer Joint Stock Company</b>		
Sales of raw materials	654,418,952,988	616,631,539,006
Provision of services	9,897,355,864	3,416,170,632
Sales of other goods	-	268,712,440
Purchases of merchandise goods	2,073,797,940,960	2,031,504,341,600
Warehouse rental fee	686,053,167	562,411,457
Other purchases	1,282,638,925	660,136,320
Dividends received	53,199,462,696	48,363,615,000
<b>Sai Gon - Vinh Long Beer Joint Stock Company</b>		
Sales of raw materials	424,672,745,453	404,745,579,037
Provision of services	7,448,094,938	2,180,264,429
Sales of finished goods	110,547,300	17,550,000
Sales of other goods	-	11,701,031,956
Purchases of merchandise goods	1,359,862,377,800	1,340,883,769,030
Dividends received	12,000,000,000	13,500,000,000
Other purchases	2,393,640,486	-
<b>Saigon Binh Tay Beer Group Joint Stock Company</b>		
Sales of raw materials	709,559,693,610	754,701,887,650
Provision of services	7,271,197,075	2,665,808,105
Sales of other goods	-	4,310,945,923
Purchases of merchandise goods	2,145,297,668,670	2,340,230,045,160
Other purchases	2,254,412,541	-
Dividends received	19,412,601,464	33,932,902,928
Dividends	6,166,739,400	1,166,667,000
<b>Saigon - Bac Lieu Beer Joint Stock Company</b>		
Sales of raw materials	100,779,714,589	103,736,923,097
Provision of services	3,950,658,194	3,894,967,279
Sales of finished goods	248,423,370	1,020,649,370
Purchases of merchandise goods	537,021,532,820	576,018,048,880
Other purchases	962,499,252	437,671,387
Dividends received	3,603,600,000	7,207,200,000
<b>Saigon Tay Do Beer - Beverage Joint Stock Company</b>		
Sales of raw materials	351,446,086,552	270,532,045,101
Sales of finished goods	193,002,520	-
Sales of other goods	48,076,364	-
Provision of services	2,557,180,912	985,611,916
Purchases of merchandise goods	1,053,417,990,380	863,363,755,460
Other purchases	1,293,549,940	36,426,818
Dividends received	9,078,299,100	22,346,582,400
<b>Malaya - Vietnam Glass Limited</b>		
Sales of other goods	8,570,951,847	35,669,400
Purchases of raw materials	116,424,770,688	194,350,971,768

**Saigon Beer - Alcohol - Beverage Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

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	<b>Transaction value</b>	
	<b>2019</b>	<b>2018</b>
	<b>VND</b>	<b>VND</b>
<b>Me Linh Point Limited</b>		
Dividends received	29,213,424,951	27,423,437,596
<b>San Miguel Yamamura Phu Tho Packaging Company Limited</b>		
Sales of finished goods	2,015,412,000	826,728,000
Purchases of raw materials	138,901,504,428	153,241,947,740
Dividends received	8,141,000,000	-
<b>Truong Sa Food - Food Business Joint Stock Company</b>		
Purchases of raw materials	2,527,349,800	19,197,120,580
<b>Crown Beverage Cans Saigon Limited</b>		
Purchases of raw materials	1,813,373,317,964	1,681,200,598,678
Dividends received	127,608,707,612	147,299,384,587
<b>Vietnam Spirits and Wine Ltd</b>		
Sales of finished goods	-	1,054,200,000
<b>Saigon - Bentre Beer Joint Stock Company</b>		
Sales of raw materials	402,137,282,352	122,573,876,156
Sale of tools and supplies	-	26,505,129,080
Provision of services	3,362,989,702	531,647,417
Sales of other goods	-	41,989,500
Purchases of merchandise goods	1,283,978,376,300	263,357,907,910
Other purchases	4,252,279,684	-
<b>Other related parties</b>		
<b>TBC-Ball Beverage Can Vietnam Co., Ltd</b>		
Purchases of raw materials	475,900,079,788	-
<b>Best Spirits Company Limited</b>		
Sales of merchandise and finished goods	228,111,930	-
<b>MM Mega Market (Vietnam) Company Limited</b>		
Purchases of goods	1,329,824,158	-
<b>Super Brands Company Pte. Ltd.</b>		
Payments on behalf of the Group	6,246,344,005	-
<b>Fraser and Neave, Limited</b>		
Payments on behalf of the Group	2,425,671,710	-
<b>Fraser &amp; Neave (Singapore) Pte. Limited</b>		
Payments on behalf of the Group	874,455,121	-
<b>Key management personnel</b>		
Salary, bonus and remuneration	27,345,596,469	18,890,169,245

**Saigon Beer - Alcohol - Beverage Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

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**40. Non-cash investing activities**

	<b>2019</b>	<b>2018</b>
	<b>VND</b>	<b>VND</b>
Gains from change in equity interest	-	7,801,887,576

**41. Post balance sheet events**

**(i) Dividends declared after the year end**

Subsequent to the financial year-end, dividends of VND2,244,484 million (equivalent to VND3,500 per share) has been declared to the shareholders per Resolution dated 21 January 2020. The dividends payable has not been accrued in these consolidated financial statements.

**(ii) Impact of 2019 Novel Coronavirus**

The outbreak of the 2019 Novel Coronavirus ("COVID-19") globally and the subsequent measures imposed by the Vietnam Government have had an impact on the Group's sales in Vietnam, resulting from slower economic activities and consumptions. Management is pro-actively managing the impact by (i) preparing a business continuity plan to avoid operational disruption; (ii) managing its costs to reduce the financial impact of the incident; and (iii) adapting its business strategy further if the event continues to prolong.



**Saigon Beer - Alcohol - Beverage Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2019**  
**(continued)**

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## 42. Corresponding figures


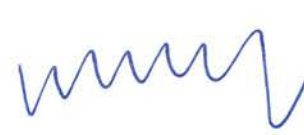

Except for the restated EPS as disclosed in Note 38 and the reclassification of certain corresponding figures as disclosed below, other corresponding figures as at 1 January 2019 were brought forward from the figures in the Group's consolidated financial statements as at and for the year ended 31 December 2018.

### Reclassification

Certain corresponding figures below have been reclassified to conform with the current year's presentation. A comparison of the amounts as previously reported and as reclassified is as follows:

	1/1/2019 VND (as reclassified)	1/1/2019 VND (as previously reported)
Other short-term receivables	502,624,746,736	473,750,492,186
Shortage of assets awaiting resolution	-	28,874,254,550

8 April 2020

<p>Prepared by:</p>  <p><b>Hoang Thanh Van</b> Accountant</p>	 <p><b>Tran Nguyen Trung</b> Chief Accountant</p>	<p>Approved by:</p>  <p><b>Teo Hong Keng</b> Deputy General Director</p>	 <p><b>Neo Gim Siong Bennett</b> General Director</p>
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