

**Saigon Beer – Alcohol – Beverage
Corporation**

Consolidated Financial Statements
Quarter 4 Year 2019



Saigon Beer – Alcohol – Beverage Corporation Corporate Information

Business Registration Certificate No.

0300583659

29 February 2012

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

Board of Directors

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

Board of Management

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

Audit Committee

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

Legal representative

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

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

Registered Office	No. 187, Nguyen Chi Thanh Street, Ward 12, District 5 Ho Chi Minh City, Vietnam
Contact address	5th Floor, Vincom Commercial Centre, 72 Le Thanh Ton and 45A Ly Tu Trong, Ben Nghe Ward, District 1 Ho Chi Minh City, Vietnam
Branches	<p>Sai Gon-Cu Chi Brewery Lot C1, D3 Street, Northwest Cu Chi Industrial Zone, Cu Chi Town, Cu Chi District, Ho Chi Minh City, Vietnam</p> <p>Sai Gon-Nguyen Chi Thanh Brewery 187, Nguyen Chi Thanh Street, Ward 12, District 5 Ho Chi Minh City, Vietnam</p>

CONSOLIDATED BALANCE SHEET

As at 31 December 2019

VND

Code	ASSETS	31/12/2019	01/01/2019
100	A. CURRENT ASSETS	19,164,602,511,633	14,690,168,205,219
110	I. Cash and cash equivalents	4,115,884,646,637	4,467,391,585,137
111	1. Cash	953,478,997,565	1,595,188,808,377
112	2. Cash equivalents	3,162,405,649,072	2,872,202,776,760
120	II. Short-term investments	12,393,226,750,273	7,544,188,420,764
123	1. Investments held-to-maturity	12,393,226,750,273	7,544,188,420,764
130	III. Short-term receivables	568,608,377,917	765,630,597,003
131	1. Short-term trade accounts receivable	157,654,572,653	244,119,166,060
132	2. Short-term prepayments to suppliers	54,679,363,371	74,757,986,951
136	3. Other short-term receivables	673,712,854,628	473,750,492,186
137	4. Provision for doubtful debts – short-term	(346,312,667,285)	(55,871,302,744)
139	5. Shortage of assets awaiting resolution	28,874,254,550	28,874,254,550
140	IV. Inventories	1,967,137,719,907	1,813,754,190,894
141	1. Inventories	2,169,540,753,708	2,034,063,807,573
149	2. Provision for decline in value of inventories	(202,403,033,801)	(220,309,616,679)
150	V. Other current assets	119,745,016,899	99,203,411,421
151	1. Short-term prepaid expenses	97,129,905,121	86,456,727,461
152	2. Value Added Tax to be reclaimed	18,203,862,026	7,564,621,909
153	3. Taxes and other receivables to the State Budget	4,411,249,752	5,182,062,051

CONSOLIDATED BALANCE SHEET

As at 31 December 2019

VND

Code	ASSETS	31/12/2019	01/01/2019
200	B. LONG-TERM ASSETS	7,797,873,582,412	7,676,574,586,994
210	I. Long-term receivables	9,110,080,969	5,860,731,012
211	1. Long-term account receivables	6,005,003,018	6,077,549,878
215	2. Long-term loan receivables	4,000,000,000	4,000,000,000
216	3. Other long-term receivables	38,495,491,774	35,180,710,917
219	4. Provision for doubtful long-term receivables	(39,390,413,823)	(39,397,529,783)
220	II. Fixed assets	4,685,440,455,287	4,567,091,079,194
221	1. Tangible fixed assets	3,743,642,558,190	3,614,850,885,054
222	Cost	10,190,230,853,202	9,497,449,925,191
223	Accumulated depreciation	(6,446,588,295,012)	(5,882,599,040,137)
227	2. Intangible fixed assets	941,797,897,097	952,240,194,140
228	Cost	1,091,733,605,211	1,091,397,605,211
229	Accumulated amortisation	(149,935,708,114)	(139,157,411,071)
230	III. Investment properties	58,433,154,033	54,567,837,235
231	1. Cost	80,830,516,128	71,444,026,942
232	2. Accumulated depreciation	(22,397,362,095)	(16,876,189,707)
240	IV. Long-term assets in progress	307,773,703,264	144,377,898,065
242	1. Construction in progress	307,773,703,264	144,377,898,065
250	V. Long-term investments	2,162,738,822,723	2,119,042,308,110
252	1. Investments in associates, joint ventures	1,878,458,174,350	1,800,203,395,934
253	2. Investments in other entities	665,885,700,116	688,510,888,053
254	3. Provision for long-term investments	(435,473,931,648)	(390,540,855,782)
255	4. Investments held-to-maturity	53,868,879,905	20,868,879,905
260	VI. Other long-term assets	574,377,366,136	785,634,733,378
261	1. Long-term prepaid expenses	328,604,633,780	551,794,760,319
262	2. Deferred income tax assets	214,736,310,716	184,533,845,767
263	3. Long-term supplies and spare parts	31,036,421,640	49,306,127,292
268	4. Other long-term assets		
270	TOTAL ASSETS	26,962,476,094,045	22,366,742,792,213

CONSOLIDATED BALANCE SHEET

As at 31 December 2019

VND

Code	RESOURCES	31/12/2019	01/01/2019
300	C. LIABILITIES	6,886,229,037,681	6,254,837,224,044
310	I. Short-term liabilities	6,087,830,053,039	5,925,696,932,383
311	1. Short-term trade accounts payable	2,427,067,853,887	2,027,262,167,712
312	2. Short-term advances from customers	42,587,372,642	110,463,408,413
313	3. Tax and other payables to the State Budget	855,960,013,165	1,100,614,318,513
314	4. Payable to employees	389,618,575,865	308,694,031,650
315	5. Short-term accrued expenses	433,170,981,720	473,169,060,350
318	6. Short-term unearned revenue	930,242,260	1,739,369,694
319	7. Other short-term payables	1,079,347,828,644	1,079,538,511,465
320	8. Short-term borrowings	560,511,063,296	594,242,788,680
321	9. Provision for short-term payables	3,710,918,283	7,668,228,740
322	10. Bonus and welfare funds	294,925,203,277	222,305,047,166
330	II. Long-term liabilities	798,398,984,642	329,140,291,661
331	1. Long-term trade accounts payable	100,000,000	
332	2. Long-term advances from customers	22,183,449	22,183,449
336	3. Long-term unearned revenue	-	-
337	4. Other long-term payables	54,073,316,000	53,149,616,000
338	5. Long-term borrowings	494,244,987,274	14,618,022,047
341	6. Deferred income tax liabilities	30,543,620,073	31,483,891,699
342	7. Provision for long-term liabilities	135,416,747,716	145,868,448,336
343	8. Fund for science and technology development	83,998,130,130	83,998,130,130


CONSOLIDATED BALANCE SHEET


As at 31 December 2019


VND


Code	RESOURCES	31/12/2019	01/01/2019
400	D. OWNERS' EQUITY	20,076,247,056,364	16,111,905,568,169
410	I. Capital and reserves	20,076,247,056,364	16,111,868,168,169
411	1. Owners' capital	6,412,811,860,000	6,412,811,860,000
411a	- Ordinary shares with voting rights	6,412,811,860,000	6,412,811,860,000
414	2. Owners' other capital	3,208,666,226	3,208,666,226
415	3. Treasury shares	-	-
417	4. Foreign exchange differences	27,272,873,771	21,099,487,654
418	5. Investment and development funds	1,130,372,829,157	1,130,147,220,442
420	6. Other funds	-	5,327,112,664
421	7. Undistributed earnings	11,231,596,467,620	7,473,777,581,426
421a	- Undistributed earnings of the previous years	6,485,261,875,965	5,787,247,290,578
421b	- Post-tax profit of current year	4,746,334,591,655	1,686,530,290,848
429	8. Non-controlling interests	1,270,984,359,590	1,065,496,239,757
430	II. Budget sources and other funds	-	37,400,000
431	1. Budget sources	-	37,400,000
440	TOTAL RESOURCES	26,962,476,094,045	22,366,742,792,213




Hoàng Thanh Vân
Preparer


Trần Nguyên Trung
Chief Accountant


Teo Hong Keng
Deputy General Director


Neo Gim Siong Bennett
General Director

20 January 2020

CONSOLIDATED INCOME STATEMENT

VND

Code	ITEMS	Note	Quarter 4		For the 12 month period ended 31 December	
			2019	2018	2019	2018
1	1. Sales	18	9,812,095,732,754	10,413,796,929,039	38,133,790,098,273	36,043,018,331,946
2	2. Less deductions	18	83,012,735,777	7,769,770,681	234,730,596,978	94,465,769,999
10	3. Net sales (10 = 01 - 02)	18	9,729,082,996,977	10,406,027,158,358	37,899,059,501,295	35,948,552,561,947
11	4. Cost of sales	19	7,181,884,978,097	8,221,930,686,119	28,348,430,809,281	27,864,413,389,551
20	5. Gross profit (20 = 10 - 11)		2,547,198,018,880	2,184,096,472,239	9,550,628,692,014	8,084,139,172,396
21	6. Financial income	20	267,743,284,104	173,865,200,456	889,852,505,295	630,350,383,424
22	7. Financial expenses	21	98,302,533,226	72,048,942,947	93,009,586,460	74,634,952,869
	- Including: Interest expenses		17,744,056,606	7,912,058,821	37,367,206,872	35,244,808,353
24	8. Profit sharing from investment in joint ventures and associates		122,373,098,445	87,073,719,996	378,267,281,269	354,965,023,940
25	9. Selling expenses	22	903,901,753,854	896,778,168,106	3,003,290,717,435	2,731,090,859,491
26	10. General and administration expenses	23	517,138,474,052	349,165,625,936	1,047,841,925,145	912,705,312,866
30	11. Net operating profit		1,417,971,640,297	1,127,042,655,702	6,674,606,249,538	5,351,023,454,534
31	12. Other income	24	34,573,998,268	19,829,019,290	74,504,231,449	81,737,853,570
32	13. Other expenses	25	23,207,031,752	10,894,031,123	62,933,856,023	42,321,666,598
40	14. Net other income/(expenses) (40 = 31 - 32)		11,366,966,516	8,934,988,167	11,570,375,426	39,416,186,972
50	15. Net accounting profit before tax (50 = 30 + 40)		1,429,338,606,813	1,135,977,643,869	6,686,176,624,964	5,390,439,641,506
51	16. Business income tax - current		367,620,724,593	290,512,704,121	1,347,171,652,994	1,021,134,431,877
52	17. Business income tax - deferred		(29,122,952,766)	(75,757,533,958)	(31,142,736,572)	(33,444,736,795)
60	18. Net profit after tax		1,090,840,834,986	921,222,473,706	5,370,147,708,542	4,402,749,946,424
61	19. Profit after tax attributable to the Company		1,008,415,600,410	865,555,493,617	5,053,363,919,165	4,177,432,235,379
62	20. Profit after tax attributable to non- controlling interests		82,425,234,576	55,666,980,089	316,783,789,377	225,317,711,045
70	21. Basic earnings per share (*)		1,462	1,257	7,477	6,143

Hoàng Thanh Vân
Preparer

Trần Nguyên Trung
Chief Accountant

Teo Hong Keng
Deputy General Director

Neo Gim Siong Bennett
General Director



CONSOLIDATED CASH FLOW STATEMENT


VND


Code	ITEMS	Note	For the 12 month period ended 31 Dec	
			2019	2018
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
1	Net accounting profit before tax		6,686,176,624,964	5,390,439,641,506
	Adjustments for:			
2	Depreciation and amortisation		647,247,814,181	634,592,696,360
3	Provisions/(reversal of provisions)		339,862,784,018	241,180,788,466
4	Unrealised foreign exchange gains		790,189,554	(71,937,562)
5	Profits from investing activities		(1,244,928,712,250)	(983,631,694,992)
6	Interest expenses		37,367,206,872	35,244,808,353
	Other adjustments		(5,364,512,664)	29,737,976,707
8	Operating profit before changes in working capital			
9	Change in receivables		100,185,047,437	119,830,562,870
10	Change in inventories		(92,322,889,218)	36,215,461,662
11	Change in payables (exclusive of interest payables, business income tax payables)		16,118,758,579	324,263,923,251
12	Change in prepaid expenses		212,499,514,115	203,652,800,227
14	Interest paid		(36,835,510,098)	(35,956,684,154)
15	Business income tax paid		(1,398,559,753,310)	(1,140,987,498,904)
17	Other cash outflows from operating activities		(260,096,297,928)	(339,724,962,299)
20	Net cash flows from operating activities		5,002,140,264,252	4,514,785,881,491
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets		(262,762,092,834)	(290,439,347,849)
22	Proceeds from disposals of fixed assets and other long-term assets		5,279,837,482	2,009,409,588
23	Loans and purchase of debt instruments from other entities		(14,261,677,226,631)	(10,860,587,189,495)
24	Proceeds from loans and purchase of debt instruments from other entities		9,379,638,897,122	9,875,200,000,000
25	Investments in other entities			
26	Proceeds from divestment in other entities			28,339,826,544
27	Dividends and interest received		955,110,890,827	934,229,165,303
25	Acquisition of subsidiary, net of cash acquired		78,238,103,504	
30	Net cash flows from investing activities		(4,106,171,590,530)	(311,248,135,909)


CONSOLIDATED CASH FLOW STATEMENT

VND

Code	ITEMS	Note	For the 12 month period ended 31 Dec	
			2019	2018
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
32	Proceeds from reissue of treasury shares			
33	Proceeds from borrowings		3,235,967,733,915	3,255,664,065,073
34	Repayments of borrowings		(3,346,479,516,980)	(3,371,648,865,960)
35	Dividends paid		(1,136,965,484,108)	(3,888,748,971,778)
40	Net cash flows from financing activities		(1,247,477,267,173)	(4,004,733,772,665)
50	Net increase/(decrease) in cash and cash equivalents		(351,508,593,451)	198,803,972,917
60	Cash and cash equivalents at beginning of year		4,467,391,585,137	4,268,598,818,042
61	Effect of foreign exchange differences		1,654,951	(11,205,822)
70	Cash and cash equivalents at end of year		4,115,884,646,637	4,467,391,585,137


Hoàng Thanh Vân
Preparer


Trần Nguyên Trung
Chief Accountant


Teo Hong Keng
Deputy General Director


Neo Gim Siong Bennett
General Director

20 January 2020



1. 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.

2. 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.

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

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

(iv) Transactions eliminated on consolidation

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

(b) Foreign currency 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 the account transfer selling rates, respectively, at the end of the annual accounting period quoted by the commercial bank where the Group most frequently conducts transactions.

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

(c) Cash and cash equivalents

Cash comprises cash balances and call deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(d) Investments

(i) *Held-to-maturity investments*

Held-to-maturity investments are those that the Group's management has the intention and ability to hold until maturity. Held-to-maturity investments include term deposits at banks, bonds and loans receivable held to maturity. These investments are stated at costs less allowance for doubtful debts.

(ii) *Investments in equity instruments of other entities*

Investments in equity instruments of other entities are initially recognised at cost which include purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, these investment are stated at cost less allowance for diminution in value. An allowance is made for diminution in investment values if the investee has suffered a loss, except where such a loss was anticipated by the Group's management before making the investment. The allowance is reversed if the investee subsequently made a profit that offsets the previous loss for which the allowance had been made. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

(e) Accounts receivable

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

(f) Inventories

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

The Group applies the perpetual method of accounting for inventories.

(g) Tangible fixed assets

(i) Cost

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

(ii) Depreciation

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

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

(h) Intangible fixed assets

(i) Land use rights

Land use rights comprise:

- those granted by the State for which land use payments are collected;
- those acquired in a legitimate transfer; and
- rights to use leased land obtained before the effective date of Land Law (2003) for which payments have been made in advance for more than 5 years and supported by land use right certificate issued by competent authority.

Land use rights are stated at cost less accumulated amortisation. The initial cost of land use rights comprises the value of the right as stated in the certificate for definite term land use rights and as stated in Decision No. 1862/QĐ-TTg dated 6 March 2010 of the Prime Minister for indefinite term land use rights and any direct attributable costs incurred in conjunction with securing the land use rights.

Land use rights with definite term are amortised on a straight-line basis over term of land use rights which is from 40 years to 49 years.

(ii) Software

Cost of acquiring new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Software cost is amortised on a straight-line basis over 3 years.

(i) Investment properties

(i) Investment property held to earn rental

Cost

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

Depreciation

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

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

(ii) Investment property held for capital appreciation

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

(j) Construction in progress

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

(k) Long-term prepaid expenses

(i) *Prepaid land costs*

Prepaid land costs comprise prepaid land lease rentals, including those for which the Group obtained land use rights certificate but are not qualified as intangible fixed assets under prevailing regulation and other costs incurred in conjunction with securing the use of leased land. These costs are recognised in the consolidated statement of income on a straight-line basis over the term of the lease of 2 to 3 years.

(ii) *Returnable packaging*

Returnable packaging includes bottles and crates being used in the Group's production and business activities and is stated at costs. Bottles and crates are amortised on a straight-line basis over 2 to 3 years.

(iii) *Tools and instruments*

Tools and instruments include assets held for use by the Company in the normal course of business whose costs of individual items are less than VND30 million and therefore not qualified for recognition as fixed assets under prevailing regulation. Cost of tools and instruments are amortised on a straight-line basis over a period ranging from 2 to 3 years.

(iv) *Renovation expenses*

Renovation expenses of fixed assets represents the expense for repairing and replacing machinery, equipment and other fixed assets but not qualified for capitalisation into cost of fixed assets. Renovation expenses are recognised at cost and amortised on a straight-line basis over the period ranging from 2 to 3 years

(l) Trade and other payables

Trade and other payables are stated at their cost.

(m) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Severance allowance

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

(n) Share capital

Ordinary shares

Ordinary shares are stated at par value. The excess of cash received from share insurance over par value is recorded as share premium. Incremental costs directly attributable to the issue of shares, net of tax effects, are recognised as a deduction from share premium.

(o) Taxation

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

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

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

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

(p) Revenue and other income

(i) Goods sold

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

(ii) Services rendered

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

(iii) Rental income

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

(iv) Interest income

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

(v) Dividend income

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

(q) Operating lease payments

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

(r) Borrowing costs

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

(s) Earnings per share

The Group presents basic earnings per share ("EPS") for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders (after deducting any amounts appropriated to bonus and welfare fund for the accounting period) by the weighted average number of ordinary shares outstanding during the period. The Group has no shares with impact of potential dilution. Therefore, regulations on presentation of diluted earnings per share are not applied.

(t) Segment reporting

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

(u) Related parties

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

4 CASH AND CASH EQUIVALENTS

	31.12.2019 VNĐ	01.01.2019 VNĐ
Cash on hand	1,999,169,826	3,813,388,314
Cash at bank	951,479,827,739	1,591,375,420,063
Cash equivalents (*)	3,162,405,649,072	2,872,202,776,760
TOTAL	4,115,884,646,637	4,467,391,585,137

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

SAIGON BEER - ALCOHOL - BEVERAGE CORPORATION
Notes to the consolidated financial statements (continued)

Form B09-DN/HN

5 INVESTMENTS

(a) Investments held-to-maturity

(i) Short-term

	31.12.2019			01.01.2019		
	Cost VNĐ	Provision VNĐ	Book value VNĐ	Cost VNĐ	Provision VNĐ	Book value VNĐ
Term deposits (*)	12,393,226,750,273	-	12,393,226,750,273	7,544,188,420,764	-	7,544,188,420,764
	<u>12,393,226,750,273</u>	<u>-</u>	<u>12,393,226,750,273</u>	<u>7,544,188,420,764</u>	<u>-</u>	<u>7,544,188,420,764</u>

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

(ii) Long-term

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

	31.12.2019			01.01.2019		
	Cost VNĐ	Provision VNĐ	Book value VNĐ	Cost VNĐ	Provision VNĐ	Book value VNĐ
Shipbuilding Industry Corporation	20,868,879,905	(20,868,879,905)	-	20,868,879,905	(20,868,879,905)	-
Term deposits	33,000,000,000	-	33,000,000,000	-	-	-
	<u>53,868,879,905</u>	<u>(20,868,879,905)</u>	<u>33,000,000,000</u>	<u>20,868,879,905</u>	<u>(20,868,879,905)</u>	<u>-</u>

(b) Investments in other entities

	31.12.2019		01.01.2019	
	Cost VNĐ	Provision VNĐ	Cost VNĐ	Provision VNĐ
Investments in joint ventures, associates (i)	1,878,458,174,350	(97,332,469,971)	1,800,203,395,934	(24,135,767,100)
Investments in other entities (ii)	665,885,700,116	(338,141,461,677)	688,510,888,053	(366,405,088,682)
	<u>2,544,343,874,466</u>	<u>(435,473,931,648)</u>	<u>2,488,714,283,987</u>	<u>(390,540,855,782)</u>

SAIGON BEER - ALCOHOL - BEVERAGE CORPORATION
Notes to the consolidated financial statements (continued)

Form B09-DN/HN

5 INVESTMENTS (continued)

(b) Investments in other entities (continued)

(i) Investments in associates and joint ventures

Company name	Principal activities	31.12.2019				01.01.2019			
		Voting right	Interest	Cost	Provision	Voting right	Interest	Cost	Provision
		%	%	VND	VND	%	%	VND	VND
Thanh Nam Consultant Investment - Engineering and Technology Transfer Joint Stock Company	Construction and design consulting	29%	29%	329,653,546	-	29%	29%	329,653,546	-
Mechanical And Industrial Construction Joint Stock Company	Manufacturing, installation machinery, bridges and roads and industrial construction products	26%	26%	11,239,321,481	-	26%	26%	10,727,077,141	-
Saigon Tay Do Beer - Beverage Joint Stock Company	Produce beer, alcohol and beverage	35%	28%	112,110,621,745	-	35%	28%	103,121,828,391	-
Saigon Binh Tay Beer Group Joint Stock Company	Produce beer, alcohol and beverage	22%	22%	478,371,013,670	-	22%	21%	473,240,164,300	-
Saigon – Bac Lieu Beer Joint Stock Company	Produce beer, alcohol and beverage	20%	10%	39,413,251,891	-	20%	10%	39,177,284,776	-
Truong Sa Food - Food Business Joint Stock Company	Produce agricultural products and foods	39%	39%	5,349,040,203	-	39%	39%	5,899,777,115	-
Saigon - Phutho Beer Joint Stock Company	Produce beer, alcohol and beverage	34%	31%	79,280,455,575	-	34%	31%	76,506,756,665	-
Sai Gon – Mien Trung Beer Joint Stock Company	Produce beer, alcohol and beverage	32%	32%	149,579,209,268	-	32%	32%	151,198,862,177	-
Tan Thanh Investment Trading Company Limited	Construction and trade real estates	29%	29%	70,829,555,721	(70,829,555,721)	29%	29%	69,888,052,736	-
Sai Gon – Vinh Long Beer Joint Stock Company	Produce beer, alcohol and beverage	20%	20%	49,365,264,038	-	20%	20%	45,161,525,814	-
Sai Gon – Kien Giang Beer Joint Stock Company	Produce beer, alcohol and beverage	20%	20%	32,474,770,492	-	20%	20%	31,194,049,992	-
Me Linh Point Limited	Lease office building	25%	35%	129,777,418,614	-	25%	35%	123,970,386,177	-
Crown Beverage Cans Saigon Limited	Manufacture aluminium cans	30%	30%	300,165,809,593	-	30%	30%	287,070,899,745	-
Malaya - Vietnam Glass Limited	Manufacture glass products	30%	30%	261,432,271,091	-	30%	30%	216,067,689,657	-
San Miguel Yamamura Phu Tho Packaging Company Limited	Manufacture and trade metal packaging	35%	35%	58,224,106,724	-	35%	35%	61,605,169,453	-
Vietnam Spirits And Wine LTD.	Produce and trade alcohol and alcohol-related products	45%	45%	26,502,914,250	(26,502,914,250)	45%	45%	24,135,767,100	(24,135,767,100)
Sai Gon – Khanh Hoa Beer Joint Stock Company	Produce beer, alcohol and beverage	26%	26%	48,931,173,926	-	26%	26%	42,000,603,692	-
Saigon – Bentre Beer Joint Stock Company	Produce beer, alcohol and beverage	20%	20%	25,082,322,522	-	20%	20%	18,907,847,457	-
Saigon – Lamdong Beer Joint Stock Company (*)	Produce beer, alcohol and beverage	-	-	-	-	20%	20%	20,000,000,000	-
				<u>1,878,458,174,350</u>	<u>(97,332,469,971)</u>			<u>1,800,203,395,934</u>	<u>(24,135,767,100)</u>

(*) In October 2019, Sabeco additionally acquired 32.91% shares of Saigon – Lam Dong Beer Joint Stock Company ("BIASAIGONLAMDONG") for a consideration of VND85,825 million to increase the ownership and voting rights of the Group at BIASAIGONLAMDONG from 20% to 52.91%. The principal business activities of BIASAIGONLAMDONG are to produce and sell beers



SAIGON BEER - ALCOHOL - BEVERAGE CORPORATION
Notes to the consolidated financial statements (continued)

Form B09-DN/HN

5 INVESTMENTS (continued)

(b) Investments in other entities (continued)

(ii) Investments in other entities

	31.12.2019			01.01.2019		
	Ownership	Cost	Provision	Ownership	Cost	Provision
	%	VND	VND	%	VND	VND
Orient Commercial Joint Stock Bank	2.00%	216,579,320,000	-	2.31%	216,579,320,000	(35,135,453,867)
Dong A Commercial Joint Stock Bank	0.95%	136,265,460,000	(136,265,460,000)	0.95%	136,265,460,000	(136,265,460,000)
Sai Gon Packaging Group Joint Stock Company	8.89%	50,000,000,000	-	8.89%	50,000,000,000	-
PVI Holdings	0.21%	51,475,140,000	(36,521,308,800)	0.21%	51,475,140,000	(35,744,486,400)
Underground Space Investment Development Corporation	4.91%	23,085,000,000	(23,085,000,000)	4.91%	23,085,000,000	(23,085,000,000)
Phuong Dong Petroleum Tourism Joint Stock Company	9.80%	30,700,950,000	(30,700,950,000)	9.80%	30,700,950,000	(22,468,950,000)
Saigon Securities Investment Fund A2	10.00%	35,757,720,722	(35,757,720,722)	10.00%	51,107,720,722	(35,757,720,722)
Vietnam Investment Fund	0.00%	-	-	7.97%	7,275,187,937	(7,275,187,937)
Dai Viet Securities Joint Stock Company	7.20%	45,000,000,000	(45,000,000,000)	7.20%	45,000,000,000	(39,600,000,000)
Sai Gon - Dong Nai Beer Beverage Joint Stock Company	10.38%	3,954,000,000	(3,954,000,000)	10.38%	3,954,000,000	(3,954,000,000)
DIC Services and Trading Joint Stock Company	7.74%	14,992,108,200	(319,597,560)	7.74%	14,992,108,200	(849,646,800)
Vietnam - Binh Tay Alcohol Joint Stock Company	5.60%	300,000,000	(300,000,000)	5.60%	300,000,000	(300,000,000)
Dong Ha Tourism Joint Stock Company	3.02%	5,600,000,000	(1,810,837,795)	3.02%	5,600,000,000	(1,542,596,156)
Nha Trang Trading and Tourism Joint Stock Company	0.52%	1,161,147,000	-	0.52%	1,161,147,000	-
Saigon Beer Transportation Joint Stock Company	13.54%	26,588,267,394	-	13.54%	26,588,267,394	-
Sabeco HP Investment Company Limited	8.00%	24,426,586,800	(24,426,586,800)	8.00%	24,426,586,800	(24,426,586,800)
		<u>665,885,700,116</u>	<u>(338,141,461,677)</u>		<u>688,510,888,053</u>	<u>(366,405,088,682)</u>

6 SHORT-TERM RECEIVABLES

	31.12.2019 VNĐ	01.01.2019 VNĐ
Third parties	70,128,478,803	76,075,995,897
Related parties (Note 26)	87,526,093,850	168,043,170,163
TOTAL	157,654,572,653	244,119,166,060

7 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	31.12.2019 VNĐ	01.01.2019 VNĐ
Third parties	54,679,363,371	74,757,986,951
Related parties (Note 26)	-	-
	54,679,363,371	74,757,986,951

8 OTHER RECEIVABLES

	31.12.2019 VNĐ	01.01.2019 VNĐ
(a) Other short-term receivables		
Receivables from land use right capital contribution from a related party	277,230,733,543	277,230,733,543
Interest receivables from term deposits at banks	305,971,981,992	142,655,699,007
Dividend receivables	48,821,921,232	19,345,526,000
Deposits	288,025,529	223,025,685
Advances to employees	2,901,801,010	2,009,018,264
Interest receivables from bonds and loans	7,567,397,260	7,567,397,260
Other receivables from employees		1,217,229,461
Others	30,930,994,062	23,501,862,966
TOTAL	673,712,854,628	473,750,492,186
<i>In which:</i>		
Third parties	338,063,508,259	174,654,748,943
Related parties (Note 26)	335,649,346,369	299,095,743,243
	673,712,854,628	473,750,492,186
(b) Other long-term receivables		
Deposits	30,466,726,774	27,151,945,917
Others	8,028,765,000	8,028,765,000
TOTAL	38,495,491,774	35,180,710,917

9 INVENTORIES

	31.12.2019 VNĐ	01.01.2019 VNĐ
Goods in transit	206,339,542,512	102,764,346,138
Raw materials	517,894,000,688	517,645,998,858
Tools and supplies	285,028,888,383	203,077,547,298
Work in progress	232,611,199,538	207,713,866,901
Finished goods	927,667,122,588	1,002,862,048,378
TOTAL	2,169,540,753,708	2,034,063,807,573

SAIGON BEER - ALCOHOL - BEVERAGE CORPORATION
Notes to the consolidated financial statements (continued)

B09-DN/HN

10 FIXED ASSETS

(a) Tangible fixed assets

	<i>Buildings and structures</i>	<i>Machinery and Equipment</i>	<i>Motor vehicles</i>	<i>Office equipment</i>	<i>Others</i>	<i>Total</i>
Cost						
Beginning 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
Increases in the year:	224,740,114,888	538,677,307,982	13,520,783,601	7,402,653,430	180,510,000	784,521,369,901
<i>In which:</i>						
<i>New purchases</i>	293,116,368	71,350,214,712	8,264,446,026	7,510,653,430	180,510,000	87,598,940,536
<i>Transferred from construction in progress</i>	28,453,662,703	57,478,930,159	1,327,710,302	-	-	87,260,303,164
<i>Transferred from long-term prepaid expenses</i>	-	2,618,867,318	-	-	-	2,618,867,318
<i>Acquired through business combination</i>	195,988,236,941	407,088,902,490	3,928,627,273	-	-	607,005,766,704
<i>Reclassification</i>	5,098,876	102,901,124	-	(108,000,000)	-	-
<i>Other increases</i>	-	37,492,179	-	-	-	37,492,179
Decreases in the year	(11,323,489,186)	(75,805,733,896)	(3,921,726,081)	(689,492,727)	-	(91,740,441,890)
<i>In which:</i>						
<i>Transferred to investment properties</i>	(9,386,489,186)	-	-	-	-	(9,386,489,186)
<i>Sold, disposed</i>	(1,937,000,000)	(75,805,733,896)	(3,921,726,081)	(689,492,727)	-	(82,353,952,704)
Ending 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
Accumulated depreciation						
Beginning 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
Depreciation for the year	101,852,172,040	499,131,513,125	19,523,878,128	13,578,416,924	877,982,480	634,963,962,698
<i>Transferred from long-term prepaid expenses</i>	-	1,510,661,621	-	-	-	1,510,661,621
<i>Acquired through business combination</i>	3,609,330,484	9,194,194,871	147,081,692	-	-	12,950,607,047
<i>Reclassification</i>	-	22,238,710	-	(22,238,710)	-	-
<i>Sold, disposed</i>	(1,937,000,000)	(75,397,158,462)	(3,396,707,354)	(689,492,727)	-	(81,420,358,543)
<i>Transferred to investment properties</i>	(4,015,617,947)	-	-	-	-	(4,015,617,947)
Ending 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
Net carrying amount:						
Beginning 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
Ending 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

SAIGON BEER - ALCOHOL - BEVERAGE CORPORATION
Notes to the consolidated financial statements (continued)

Form B09-DN/HN

10 FIXED ASSETS (continued)

(b) Intangible fixed assets

	Land in rights	Softwares	Others	Total
Cost:				
Beginning balance	1,024,215,267,144	66,934,890,585	247,447,482	1,091,397,605,211
New purchase	-	40,000,000	-	40,000,000
Transferred from construction in progress	-	296,000,000	-	296,000,000
Ending balance	1,024,215,267,144	67,270,890,585	247,447,482	1,091,733,605,211
Accumulated amortisation:				
Beginning balance	76,820,881,479	62,142,247,750	194,281,842	139,157,411,071
Amortization for the year	6,807,352,985	3,933,024,669	37,919,389	10,778,297,043
Ending balance	83,628,234,464	66,075,272,419	232,201,231	149,935,708,114
Net carrying amount:				
Beginning balance	947,394,385,665	4,792,642,835	53,165,640	952,240,194,140
Ending balance	940,587,032,680	1,195,618,166	15,246,251	941,797,897,097

10 FIXED ASSETS (continued)
(b) Intangible fixed assets (continued)

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

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

<i>Location</i>	<i>Square (m²)</i>	<i>Revalued amount in connection with equitisation (VND)</i>
46 Ben Van Don, Ward 12, District 4, Ho Chi Minh City, Vietnam	3,872.50	55,241,212,500
187 Nguyen Chi Thanh, Ward 12, District 5, Ho Chi Minh City, Vietnam	17,406.10	418,634,111,100
474 Nguyen Chi Thanh, Ward 6, District 10, Ho Chi Minh City, Vietnam	7,729.00	247,637,160,000
18/3B Phan Huy Ich, Ward 15, Tan Binh District, Ho Chi Minh City, Vietnam	2,216.30	13,867,389,100
Total		<u>735,379,872,700</u>

SAIGON BEER - ALCOHOL - BEVERAGE CORPORATION
Notes to the consolidated financial statements (continued)

Form B09-DN/HN

10 FIXED ASSETS (continued)

(c) Investment properties

	Beginning balance	Increase	Transferred from Tangible fixed assets	Decrease	Ending balance
Cost	71,444,026,942	-	9,386,489,186	-	80,830,516,128
- Land use rights	27,812,438,744	-	-	-	27,812,438,744
- Buildings	8,719,766,623	-	9,386,489,186	-	18,106,255,809
- Investment properties held-for-price appreciation	34,911,821,575	-	-	-	34,911,821,575
Accumulated depreciation	16,876,189,707	1,505,554,441	4,015,617,947	-	22,397,362,095
- Land use rights	7,301,656,054	604,618,237	-	-	7,906,274,291
- Buildings	6,423,621,735	900,936,204	4,015,617,947	-	11,340,175,886
- Investment properties held-for-price appreciation	3,150,911,918	-	-	-	3,150,911,918
Net carrying amount	54,567,837,235	(1,505,554,441)	5,370,871,239	-	58,433,154,033
- Land use rights	20,510,782,690	(604,618,237)	-	-	19,906,164,453
- Buildings	2,296,144,888	(900,936,204)	5,370,871,239	-	6,766,079,923
- Investment properties held-for-price appreciation	31,760,909,657	-	-	-	31,760,909,657

11 PREPAID EXPENSES

(a) Short-term

	31.12.2019	01.01.2019
	VND	VND
Rental fee	17,831,096,101	26,653,581,192
Tools and instruments	2,976,228,969	11,208,665,233
Advertising expenses	61,446,931,219	40,229,620,142
Others	14,875,648,832	8,364,860,894
Total	97,129,905,121	86,456,727,461

(b) Long-term

	31.12.2019	01.01.2019
	VND	VND
- Returnable packaging	138,132,411,556	362,332,923,329
- Land rental expenses	29,619,424,099	30,270,072,499
- Land use rights	36,756,292,407	37,629,806,799
- Tools and instruments	32,092,214,503	19,867,926,592
- Warehouse and office rental expenses	13,397,859,770	7,136,857,898
- Repair costs and spare parts	24,984,848,473	32,565,235,266
- Property held for future investment	51,602,316,000	51,602,316,000
- Others	2,019,266,972	10,389,621,936
Total	328,604,633,780	551,794,760,319

12 SHORT-TERM TRADE ACCOUNTS PAYABLE

	31.12.2019	01.01.2019
	VND	VND
Third parties	1,896,509,114,626	1,366,374,184,773
Related parties (Note 26)	530,558,739,261	660,887,982,939
Total	2,427,067,853,887	2,027,262,167,712

13 SHORT-TERM ADVANCES FROM CUSTOMERS

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

	31.12.2019	01.01.2019
	VND	VND
Third parties	41,777,966,541	110,463,408,413
Related parties	809,406,101	-
Total	42,587,372,642	110,463,408,413

14 SHORT-TERM ACCRUED EXPENSES

	31.12.2019	01.01.2019
	VND	VND
Advertising and promotion expenses	325,832,316,250	204,884,672,148
Transportation expenses	3,338,741,362	192,363,334,018
Interest expenses	21,487,979,834	13,493,369,109
Others	82,511,944,274	62,427,685,075
Total	433,170,981,720	473,169,060,350

15 OTHER PAYABLES

(a) Short-term

	31.12.2019	01.01.2019
	VNĐ	VNĐ
Dividend payable to shareholders of the Company	45,680,554,923	47,642,016,752
Deposits received	179,289,889,446	186,444,336,213
Social contribution fund	81,338,260,645	32,617,238,575
Estimated land use rights payable to the State in connection with equitisation	735,379,872,700	735,379,872,700
Advance from liquidation process of Saigon Securities Investment Fund A2	-	15,350,000,000
Others	37,659,250,930	62,105,047,225
Total	<u>1,079,347,828,644</u>	<u>1,079,538,511,465</u>
<i>In which:</i>		
Third parties	1,076,153,380,295	1,078,910,730,516
Related parties (Note 26)	3,194,448,349	627,780,949
	<u>1,079,347,828,644</u>	<u>1,079,538,511,465</u>

(b) Long-term

	31.12.2019	01.01.2019
	VNĐ	VNĐ
Deposits received	2,471,000,000	1,547,300,000
Land tax payable to State	51,602,316,000	51,602,316,000
	<u>54,073,316,000</u>	<u>53,149,616,000</u>

SAIGON BEER - ALCOHOL - BEVERAGE CORPORATION
Notes to the consolidated financial statements (continued)

Form B09-DN/HN

16 OWNERS' CAPITAL

16.1 Number of shares

	31.12.2019 <i>(Ordinary shares)</i>	01.01.2019 <i>(Ordinary shares)</i>
Number of shares registered	641,281,186	641,281,186
Number of shares issued	641,281,186	641,281,186
Number of existing shares in circulation	641,281,186	641,281,186

SAIGON BEER - ALCOHOL - BEVERAGE CORPORATION
Notes to the consolidated financial statements (continued)

Form B09-DN/HH

16.2 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital	Owners' other capital	Treasury shares	Foreign exchange differences	Investment and development fund	Other funds	Undistributed earnings	Total
Previous year:								
Beginning balance	6,412,811,860,000	3,208,666,226	-	19,113,771,975	1,118,963,482,640	5,327,112,664	5,823,903,898,574	13,383,328,792,079
Treasury shares								-
Foreign currency differences				1,985,715,679				1,985,715,679
Profit for the year							4,177,432,235,379	4,177,432,235,379
Appropriation to funds					11,093,157,875		(11,093,157,875)	-
Dividends paid							(2,244,484,151,000)	(2,244,484,151,000)
Appropriation to bonus and welfare fund							(234,601,386,687)	(234,601,386,687)
Appropriation to social contribution fund							(37,424,839,159)	(37,424,839,159)
Other increases/ (decreases)					90,579,927		44,982,194	135,562,121
Ending balance	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
Current year:								
Beginning balance	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
Foreign currency differences				6,173,386,117				6,173,386,117
Profit for the year							5,053,363,919,165	5,053,363,919,165
Appropriation to funds					221,570,621		(221,570,621)	-
Dividends							(961,921,779,000)	(961,921,779,000)
Appropriation to bonus and welfare fund							(288,737,137,697)	(288,737,137,697)
Appropriation to social contribution fund							(50,512,685,007)	(50,512,685,007)
Other increases/ (decreases)					4,038,094	(5,327,112,664)	5,848,139,354	525,064,784
Ending balance	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

SAIGON BEER - ALCOHOL - BEVERAGE CORPORATION
Notes to the consolidated financial statements (continued)

Form B09-DN/HN

17 TAX AND OTHER PAYABLES TO THE STATE BUDGET

	<i>At as 1.1.2019</i>	<i>Acquired through business combination</i>	<i>Incurred during the period</i>	<i>Paid during the period</i>	<i>As at 31.12.2019</i>
Corporate income tax	282,342,822,879		1,347,171,652,994	1,398,559,753,310	230,954,722,563
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
Value added tax	110,864,740,236	3,315,483,534	1,811,205,085,578	1,845,111,989,622	80,273,319,726
Land tax	1,984,488,652		50,032,160,514	49,628,721,677	2,387,927,489
Personal income tax	33,431,691,285	39,673,612	106,620,128,614	114,383,487,662	25,708,005,849
Import-Export duties	(2,194,320)		17,615,137,035	17,615,024,715	(2,082,000)
Other taxes	2,559,039,305		21,144,777,855	22,531,101,827	1,172,715,333
TOTAL	1,087,867,634,553	37,630,087,328	11,028,042,489,173	11,320,195,309,667	833,344,901,387

During 2018, the Company received the Notification of the tax authority requesting provisional payments to the State budget in relation to the late payment penalty and late interest on special sales tax for the period from 2007 to 2015 that had been paid by the Company. However, the Company's position has always been clear and consistent since the State Audit issued audit conclusion in 2015: (i) the Company did not violate regulations on the declaration, calculation and payment of special sales tax, and (ii) the Company has always complied with the written guidance issued by the Ministry of Finance, General Department of Taxation and Ho Chi Minh City Tax Department over the past years on the same matter. To the date of this report, the Company is still waiting for their official responses.

18 SALES

	31.12.2019 VNĐ	31.12.2018 VNĐ
Sales of beer	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 spirits	55,724,630,554	53,052,895,250
Others	122,220,299,554	96,940,789,901
Gross sales	38,133,790,098,273	36,043,018,331,946
Sale deductions	(234,730,596,978)	(94,465,769,999)
Trade discounts	(234,614,876,293)	(93,431,343,743)
Sales returns	(73,389,095)	(1,034,426,256)
Sale discounts	(42,331,590)	
Net sales	37,899,059,501,295	35,948,552,561,947

19 COST OF SALES

	31.12.2019 VNĐ	31.12.2018 VNĐ
Beer	23,172,628,542,778	22,750,244,837,874
Raw materials	4,932,930,673,347	4,851,969,567,318
Beverages	172,072,628,372	199,352,815,051
Alcohol and Spirits	50,581,136,908	53,405,432,982
Others	20,217,827,875	9,440,736,326
Total	28,348,430,809,281	27,864,413,389,551

20 FINANCIAL INCOME

	31.12.2019 VNĐ	31.12.2018 VNĐ
Interest income from deposits at banks, lending	854,825,190,787	605,719,812,676
Dividend income	7,489,996,873	13,832,319,500
Foreign exchange gains	27,535,583,268	2,183,840,855
Others	1,734,367	8,614,410,393
Total	889,852,505,295	630,350,383,424

21 FINANCIAL EXPENSES

	31.12.2019 VNĐ	31.12.2018 VNĐ
Interest expenses	37,367,206,872	35,244,808,353
Foreign exchange losses	3,434,115,785	1,366,724,081
(Reversal of provision) provision for diminution in value of investments	52,208,263,803	37,925,796,664
Others	-	97,623,771
Total	93,009,586,460	74,634,952,869

22 SELLING EXPENSES

	31.12.2019 VNĐ	31.12.2018 VNĐ
Staff costs	783,525,063,648	705,146,263,182
Depreciation and amortisation expenses	25,633,103,240	28,670,423,382
Material costs - bottles and crates	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
Trade promotions and advertising expenses	1,478,600,968,196	1,124,799,098,859
Others	257,667,529,537	252,906,178,294
Total	3,003,290,717,435	2,731,090,859,491

23 GENERAL AND ADMINISTRATION EXPENSES

	31.12.2019 VNĐ	31.12.2018 VNĐ
Staff costs	456,926,050,808	477,628,023,824
Rental expenses	53,761,096,307	41,461,394,061
Material costs	9,116,474,254	10,726,758,461
Depreciation and amortisation expenses	32,897,497,524	34,584,660,041
Others	495,140,806,252	348,304,476,479
Total	1,047,841,925,145	912,705,312,866

24 OTHER INCOME

	31.12.2019 VNĐ	31.12.2018 VNĐ
Scrap sales and compensations for broken bottles	54,250,934,201	59,357,438,628
Gain from fixed assets disposals	3,906,357,730	2,039,039,484
Others	16,346,939,518	20,341,375,458
Total	74,504,231,449	81,737,853,570

25 OTHER EXPENSES

	31.12.2019 VNĐ	31.12.2018 VNĐ
Expenses for fixed assets disposals	187,134,996	1,538,996,941
Others	62,746,721,027	40,782,669,657
Total	62,933,856,023	42,321,666,598

26 RELATED PARTY TRANSACTIONS

Related party transactions

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

	31.12.2019 VND	01.01.2019 VND
Short-term trade accounts receivable		
<i>Associates</i>		
Saigon - Phutho Beer Joint Stock Company	8,367,162,123	7,688,953,934
Saigon Tay Do Beer - Beverage Joint Stock Company	6,307,906,113	12,553,413,185
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 Binh Tay Beer Group Joint Stock Company	30,014,447,972	26,202,728,309
Sai Gon - Mien Trung Beer Joint Stock Company	9,474,647,771	11,937,316,293
Saigon - Baclieu Beer Joint Stock Company	-	1,295,023,699
Sai Gon - Vinh Long Beer Joint Stock Company	7,636,502,161	7,503,558,108
Sai Gon - Kien Giang Beer Joint Stock Company	10,112,131,104	63,349,221,846
Sai Gon - Khanh Hoa Beer Joint Stock Company	5,481,242,048	14,862,841,933
Saigon - Bentre Beer Joint Stock Company	7,622,147,366	22,467,798,416
	87,526,093,850	168,043,170,163
Other short-term receivables		
Saigon - Phutho Beer Joint Stock Company	-	84,907,293
San Miguel Yamamura Phu Tho Packaging Company Limited	8,141,000,000	-
Saigon Binh Tay Beer Group Joint Stock Company	3,470,918,435	-
Sai Gon - Mien Trung Beer Joint Stock Company	36,311,825,665	19,587,812,354
Tan Thanh Investment Trading Company Limited	277,230,733,543	277,230,733,543
Saigon - Baclieu Beer Joint Stock Company	-	814,325,684
Sai Gon - Vinh Long Beer Joint Stock Company	6,950,307,806	1,194,336,210
Saigon - Kien Giang Beer Trading Joint Stock Company	1,592,202,248	-
Sai Gon - Khanh Hoa Beer Joint Stock Company	83,916,000	83,916,000
Saigon - Bentre Beer Joint Stock Company	1,868,442,672	99,712,159
	335,649,346,369	299,095,743,243
Short-term trade accounts payable		
<i>Associates</i>		
Truong Sa Food - Food Business Joint Stock Company	-	436,148,400
Saigon - Phutho Beer Joint Stock Company	24,851,400,970	34,832,174,850
Saigon Tay Do Beer - Beverage Joint Stock Company	8,441,778,004	28,504,068,582
Crown Beverage Cans Saigon Limited	235,967,453,301	217,001,205,735
Malaya - Vietnam Glass Limited	-	34,009,252,977
San Miguel Yamamura Phu Tho Packaging Company Limited	15,764,630,891	13,248,400,000
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
Saigon - Baclieu Beer Joint Stock Company	4,688,242,020	6,121,281,540
Sai Gon - Vinh Long Beer Joint Stock Company	21,125,716,480	42,224,298,050
Sai Gon - Kien Giang Beer Joint Stock Company	27,107,766,113	55,072,169,614
Sai Gon - Khanh Hoa Beer Joint Stock Company	5,565,963,898	43,265,809,950

26 RELATED PARTY TRANSACTIONS (continued)

Related party transactions (continued)

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

Saigon – Bentre Beer Joint Stock Company	18,409,920,276	36,922,865,100
--	----------------	----------------

Other related party

TBC - Ball Beverage Can Vietnam Limited	52,601,015,251	-
	<u>530,558,739,261</u>	<u>660,887,982,939</u>

Other payables

Associates

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
	<u>3,194,448,349</u>	<u>627,780,949</u>

27 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



Hoàng Thanh Vân
Preparer



Trần Nguyên Trung
Chief Accountant



Teo Hong Keng
Deputy General Director



Ngo Gim Siong Bennett
General Director

20 January 2020