

SAIGON BEER-ALCOHOL-BEVERAGE CORPORATION

**CONSOLIDATED FINANCIAL STATEMENTS
QUARTER 1 YEAR 2019**



CORPORATE INFORMATION

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

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

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

Board of Directors	Mr. Koh Poh Tiong	Chairman
	Mr. 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

CORPORATE INFORMATION (continued)

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

CONSOLIDATED BALANCE SHEET

As at 31 March 2019

VND

Code	ASSETS	Note	31/03/2019	01/01/2019
100	A. CURRENT ASSETS		15,515,537,762,586	14,690,168,205,219
110	I. Cash and cash equivalents	4	4,945,933,287,378	4,467,391,585,137
111	1. Cash		1,214,855,269,008	1,595,188,808,377
112	2. Cash equivalents		3,731,078,018,370	2,872,202,776,760
120	II. Short-term investments	5	7,496,406,448,542	7,544,188,420,764
123	1. Investments held-to-maturity		7,496,406,448,542	7,544,188,420,764
130	III. Short-term receivables		842,187,287,859	765,630,597,003
131	1. Short-term trade accounts receivable	6	179,317,513,226	244,119,166,060
132	2. Short-term prepayments to suppliers	7	80,615,956,582	74,757,986,951
136	3. Other short-term receivables	8	609,588,511,509	473,750,492,186
137	4. Provision for doubtful debts – short-term		(56,208,948,008)	(55,871,302,744)
139	5. Shortage of assets awaiting resolution		28,874,254,550	28,874,254,550
140	IV. Inventories		2,084,325,783,277	1,813,754,190,894
141	1. Inventories	9	2,302,136,081,674	2,034,063,807,573
149	2. Provision for decline in value of inventories		(217,810,298,397)	(220,309,616,679)
150	V. Other current assets		146,684,955,530	99,203,411,421
151	1. Short-term prepaid expenses	11	99,182,946,983	86,456,727,461
152	2. Value Added Tax to be reclaimed		44,381,941,428	7,564,621,909
153	3. Taxes and other payables to the State Budget		3,120,067,119	5,182,062,051

CONSOLIDATED BALANCE SHEET

As at 31 March 2019

VND

Code	ASSETS	Note	31/03/2019	01/01/2019
200	B. LONG-TERM ASSETS		7,524,013,932,117	7,676,574,586,994
210	I. Long-term receivables		6,208,015,568	5,860,731,012
211	1. Long-term account receivables		6,077,549,878	6,077,549,878
215	2. Long-term loan receivables		4,000,000,000	4,000,000,000
216	3. Other long-term receivables		35,683,910,917	35,180,710,917
219	4. Provision for doubtful long-term receivables		(39,553,445,227)	(39,397,529,783)
220	II. Fixed assets	10	4,433,109,455,861	4,567,091,079,194
221	1. Tangible fixed assets		3,483,631,662,078	3,614,850,885,054
222	Cost		9,455,562,632,149	9,497,449,925,191
223	Accumulated depreciation		(5,971,930,970,071)	(5,882,599,040,137)
227	2. Intangible fixed assets		949,477,793,783	952,240,194,140
228	Cost		1,091,397,605,211	1,091,397,605,211
229	Accumulated amortisation		(141,919,811,428)	(139,157,411,071)
230	III. Investment properties	10	54,276,158,507	54,567,837,235
231	1. Cost		71,444,026,942	71,444,026,942
232	2. Accumulated depreciation		(17,167,868,435)	(16,876,189,707)
240	IV. Long-term assets in progress		134,219,184,646	144,377,898,065
242	1. Construction in progress		134,219,184,646	144,377,898,065
250	V. Long-term investments	5	2,142,139,753,659	2,119,042,308,110
252	1. Investments in associates, joint ventures		1,811,255,499,899	1,800,203,395,934
253	2. Investments in other entities		681,235,700,116	688,510,888,053
254	3. Provision for long-term investments		(371,220,326,261)	(390,540,855,782)
255	4. Investments held-to-maturity		20,868,879,905	20,868,879,905
260	VI. Other long-term assets		754,061,363,876	785,634,733,378
261	1. Long-term prepaid expenses	11	471,444,880,305	551,794,760,319
262	2. Deferred income tax assets		238,779,449,500	184,533,845,767
263	3. Long-term supplies and spare parts		43,837,034,071	49,306,127,292
268	4. Other long-term assets			
270	TOTAL ASSETS		23,039,551,694,703	22,366,742,792,213

CONSOLIDATED BALANCE SHEET

As at 31 March 2019

VND

Code	RESOURCES	Note	31/03/2019	01/01/2019
300	C. LIABILITIES		5,777,983,581,418	6,254,837,224,044
310	I. Short-term liabilities		5,451,256,229,343	5,925,696,932,383
311	1. Short-term trade accounts payable	12	1,543,055,448,633	2,027,262,167,712
312	2. Short-term advances from customers	13	109,406,414,086	110,463,408,413
313	3. Tax and other payables to the State Budget		1,135,546,456,289	1,100,614,318,513
314	4. Payable to employees		248,869,059,978	308,694,031,650
315	5. Short-term accrued expenses	14	671,935,379,113	473,169,060,350
318	6. Short-term unearned revenue		1,262,115,159	1,739,369,694
319	7. Other short-term payables	15	1,041,779,227,976	1,079,538,511,465
320	8. Short-term borrowings		421,168,672,990	594,242,788,680
321	9. Provision for short-term payables		8,264,383,740	7,668,228,740
322	10. Bonus and welfare funds		269,969,071,379	222,305,047,166
330	II. Long-term liabilities		326,727,352,075	329,140,291,661
332	1. Long-term advances from customers		22,183,449	22,183,449
336	2. Long-term unearned revenue			
337	3. Other long-term payables		52,862,966,000	53,149,616,000
338	4. Long-term borrowings		12,183,022,047	14,618,022,047
341	5. Deferred income tax liabilities		31,483,891,699	31,483,891,699
342	6. Provision for long-term liabilities		146,177,158,750	145,868,448,336
343	7. Fund for science and technology development		83,998,130,130	83,998,130,130

CONSOLIDATED BALANCE SHEET


As at 31 March 2019

VND

Code	RESOURCES	Note	31/03/2019	01/01/2019
400	D. OWNERS' EQUITY		17,261,568,113,285	16,111,905,568,169
410	I. Capital and reserves	16	17,261,530,713,285	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		19,920,001,078	21,099,487,654
418	5. Investment and development funds		1,130,368,791,063	1,130,147,220,442
420	6. Other funds		5,327,112,664	5,327,112,664
421	7. Undistributed earnings		8,583,246,344,708	7,473,777,581,426
421a	- Undistributed earnings of the previous years		7,447,272,173,465	5,787,247,290,578
421b	- Post-tax profit of current year		1,135,974,171,243	1,686,530,290,848
429	8. Non-controlling interests		1,106,647,937,546	1,065,496,239,757
430	II. Budget sources and other funds		37,400,000	37,400,000
431	1. Budget sources		37,400,000	37,400,000
440	TOTAL RESOURCES		23,039,551,694,703	22,366,742,792,213



 Hoàng Thanh Vân
 Preparer

26th
 April 2019


 Trần Nguyễn Trung
 Chief Accountant


 Teo Hong Keng
 Deputy General Director




 Neo Jim Siong Bennett
 General Director

CONSOLIDATED INCOME STATEMENT

VND

Code	ITEMS	Note	Quarter 1		For the 03 month period ended 31 Mar	
			2019	2018	2019	2018
1	1. Sales	18	9,337,984,767,378	7,827,060,217,282	9,337,984,767,378	7,827,060,217,282
2	2. Less deductions	18	1,208,760,447	17,157,939,340	1,208,760,447	17,157,939,340
10	3. Net sales (10 = 01 - 02)	18	9,336,776,006,931	7,809,902,277,942	9,336,776,006,931	7,809,902,277,942
11	4. Cost of sales	19	7,145,543,584,727	5,865,908,105,398	7,145,543,584,727	5,865,908,105,398
20	5. Gross profit (20 = 10 - 11)	20	2,191,232,422,204	1,943,994,172,544	2,191,232,422,204	1,943,994,172,544
21	6. Financial income	21	172,258,343,686	137,735,877,257	172,258,343,686	137,735,877,257
22	7. Financial expenses	21	(3,773,973,299)	5,373,050,591	(3,773,973,299)	5,373,050,591
	- Including: Interest expenses		7,860,067,347	10,097,393,936	7,860,067,347	10,097,393,936
24	8. Profit sharing from investment in joint ventures and associates		75,686,042,224	89,748,644,393	75,686,042,224	89,748,644,393
25	9. Selling expenses	22	691,688,565,982	593,817,038,296	691,688,565,982	593,817,038,296
26	10. General and administration expenses	23	166,142,369,393	176,764,136,578	166,142,369,393	176,764,136,578
30	11. Net operating profit		1,585,119,846,038	1,395,524,468,729	1,585,119,846,038	1,395,524,468,729
31	12. Other income	24	7,402,638,487	16,968,545,414	7,402,638,487	16,968,545,414
32	13. Other expenses	25	8,451,904,331	3,709,799,626	8,451,904,331	3,709,799,626
40	14. Net other income/(expenses) (40 = 31 - 32)		(1,049,265,844)	13,258,745,788	(1,049,265,844)	13,258,745,788
50	15. Net accounting profit before tax (50 = 30 + 40)		1,584,070,580,194	1,408,783,214,517	1,584,070,580,194	1,408,783,214,517
51	16. Business income tax - current		348,382,972,646	211,585,044,961	348,382,972,646	211,585,044,961
52	17. Business income tax - deferred		(54,245,603,731)	41,464,249,306	(54,245,603,731)	41,464,249,306
60	18. Net profit after tax		1,289,933,211,279	1,155,733,920,250	1,289,933,211,279	1,155,733,920,250
61	19. Profit after tax attributable to the Company		1,220,719,093,709	1,113,529,896,722	1,220,719,093,709	1,113,529,896,722
62	20. Profit after tax attributable to non- controlling interests		69,214,117,570	42,204,023,528	69,214,117,570	42,204,023,528
70	21. Basic earnings per share (*)		1,789	1,633	1,789	1,633



Teo Hong Keng
Deputy General Director

Teo Hong Keng
General Director

Hoàng Thanh Vân
Preparer
26th April 2019

Trần Nguyễn Trung
Chief Accountant

CONSOLIDATED CASH FLOW STATEMENT

VND

Code	ITEMS	Note	For the 03 month period ended 31 Mar	
			2019	2018
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
1	Net accounting profit before tax		1,584,070,580,194	1,408,783,214,517
	Adjustments for:			
2	Depreciation and amortisation		159,084,466,890	157,057,681,235
3	Provisions/(reversal of provisions)		(20,421,421,681)	(955,835,474)
4	Unrealised foreign exchange gains		280,109,949	(19,861,231)
5	Profits from investing activities		(248,175,666,140)	(227,361,218,105)
6	Interest expenses		7,860,067,347	10,097,393,936
8	Operating profit before changes in working capital			
9	Decrease/(increase) in receivables		17,740,246,171	92,825,830,458
10	Decrease/(increase) in inventories		(262,603,180,880)	(204,864,308,566)
11	Decrease in payables		(554,282,601,707)	(644,640,841,459)
12	Increase in prepaid expenses		67,623,660,492	(13,566,315,030)
14	Interest paid		(7,972,824,921)	(10,177,337,196)
15	Business income tax paid		(325,082,377,855)	(412,160,962,854)
17	Other cash outflows from operating activities		(40,069,461,689)	(206,837,646,621)
20	Net cash flows from operating activities		378,051,596,170	(51,820,206,391)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets		(26,995,881,481)	(100,298,754,122)
22	Proceeds from disposals of fixed assets and other long-term assets		2,022,065,916	
23	Deposits at banks with maturity exceeding 3 months		(1,008,000,000,000)	(133,000,000,000)
24	Proceeds from lendings, deposits at banks with maturity exceeding 3 months		1,055,781,972,222	2,086,000,000,000
25	Investments in other entities			
26	Proceeds from divestment in other entities			
27	Dividends and interest received		103,304,376,622	155,917,513,228
30	Net cash flows from investing activities		126,112,533,279	2,008,618,759,106

CONSOLIDATED CASH FLOW STATEMENT

VND

Code	ITEMS	Note	For the 03 month period ended 31 Mar	
			2019	2018
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
32	Proceeds from reissue of treasury shares			
33	Proceeds from borrowings		836,278,712,579	868,116,921,691
34	Repayments of borrowings		(836,278,712,579)	(783,600,470,776)
35	Dividends paid		(25,902,537,157)	(1,436,481,121,975)
40	Net cash flows from financing activities		(25,902,537,157)	(1,351,964,671,060)
50	Net increase/(decrease) in cash and cash equivalents		478,261,592,292	604,833,881,655
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		280,109,949	26,452,765
70	Cash and cash equivalents at end of year		4,945,933,287,378	4,873,459,152,462



Hoàng Thanh Vân
Preparer

26th April 2019



Trần Nguyên Trung
Chief Accountant



Teo Hong Keng
Deputy General Director



Neo Gim Siong Bennett
General Director

2 BASIS OF PREPARATION

2.1 Accounting standards and system

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

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

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

2.2 Applied accounting documentation system

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

2.3 Fiscal year

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

2.4 Accounting currency

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

2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the period ended 31 March 2019.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continues to be consolidated until the date that such control ceases.

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

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

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

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents

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

3.2 Inventories

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

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

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

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

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

Provision for obsolete inventories

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

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

3.3 Receivables

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

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

3.4 Tangible fixed assets

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

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

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

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

3.5 Intangible fixed assets

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

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

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

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

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

Land use rights.

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

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

3.6 Depreciation and amortization

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

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

3.7 Construction in progress

Construction in progress represents tangible fixed assets under construction and is stated at cost. This includes costs of construction of plant, installation of equipment and other direct costs. Construction in progress is not depreciated until such time as the relevant assets are completed and put into operation.

3.8 Investment properties.

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

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

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

Buildings and structures

5 - 30 years

Land use rights

49 years

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

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

3.9 **Leased assets**

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

Where the Group is the lessee

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

Where the Group is the lessor

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

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

3.10 **Borrowing costs**

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

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

3.11 **Prepaid expense**

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

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

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

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

3.12 Business combinations and goodwill

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

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

3.13 Investment

Investment in associates

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

Under the equity method, the investment is carried in the consolidated balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associates. The consolidated income statement reflects the share of the post-acquisition results of operations of the associate.

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

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

Investment in jointly controlled entity

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

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

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

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

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

Held-to-maturity investments

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

Provision for investments:

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

3.14 Payables and accruals

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

3.15 Accrual for severance pay

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

3.16 Provisions:

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

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

3.17 Foreign currency transactions

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

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

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

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

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

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

3.18 Treasury shares

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

3.19 Earnings per share

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

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

3.20 Appropriation of net profits

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

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

Investment and development fund

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

Bonus and welfare fund

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

Dividend distribution

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

3.21 Revenue recognition

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

Sale of goods

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

Rendering of services

Revenue is recognised when the service has been rendered.

Interest

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

Dividends

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

3.22 Taxation

Current income tax

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

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

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

Deferred tax

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

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

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

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

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

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

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

Deferred tax (continued)

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

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

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

3.23 Segment information

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

4 CASH AND CASH EQUIVALENTS

	31.03.2019 VNĐ	01.01.2019 VNĐ
Cash on hand	8,569,772,876	3,813,388,314
Cash at bank	1,206,285,496,132	1,591,375,420,063
Cash equivalents (*)	3,731,078,018,370	2,872,202,776,760
TOTAL	<u>4,945,933,287,378</u>	<u>4,467,391,585,137</u>

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



5 INVESTMENTS**(a) Investments held-to-maturity****(i) Short-term**

	31.03.2019		01.01.2019	
	Cost VNĐ	Provision VNĐ	Cost VNĐ	Provision VNĐ
				Book value VNĐ
Term deposits (*)	7,496,406,448,542	-	7,544,188,420,764	-
	<u>7,496,406,448,542</u>	<u>-</u>	<u>7,544,188,420,764</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:

	31.03.2019		01.01.2019	
	Cost VNĐ	Provision 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	-	-	-	-
	<u>20,868,879,905</u>	<u>(20,868,879,905)</u>	<u>20,868,879,905</u>	<u>(20,868,879,905)</u>

(b) Investments in other entities

	31.03.2019		01.01.2019	
	Cost VNĐ	Provision VNĐ	Cost VNĐ	Provision VNĐ
Investments in joint ventures, associates (i)	1,811,255,499,899	(24,548,836,050)	1,800,203,395,934	(24,135,767,100)
Investments in other entities (ii)	681,235,700,116	(346,671,490,211)	688,510,888,053	(366,405,088,682)
	<u>2,492,491,200,015</u>	<u>(371,220,326,261)</u>	<u>2,488,714,283,987</u>	<u>(390,540,855,782)</u>

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INVESTMENTS (continued)

Investments in other entities (continued)

Investments in associates and joint ventures

Company name	Principal activities	31.03.2019				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%	10,727,077,141	-	26%	26%	10,727,077,141	-
Saigon Tay Do Beer - Beverage Joint Stock Company	Produce beer, alcohol and beverage	35%	28%	105,311,625,525	-	35%	28%	103,121,828,391	-
Saigon - Binh Tay Beer Group Joint Stock Company	Produce beer, alcohol and beverage	22%	22%	476,190,084,389	-	22%	21%	473,240,164,300	-
Saigon - Bacieu Beer Joint Stock Company	Produce beer, alcohol and beverage	20%	10%	39,883,570,180	-	20%	10%	39,177,284,776	-
Truong Sa Food - Food Business Joint Stock Company	Produce agricultural products and foods	39%	39%	5,906,894,175	-	39%	39%	5,899,777,115	-
Saigon - Phutho Beer Joint Stock Company	Produce beer, alcohol and beverage	34%	31%	79,322,590,136	-	34%	31%	76,506,756,665	-
Sai Gon - Mien Trung Beer Joint Stock Company	Produce beer, alcohol and beverage	32%	32%	128,171,162,768	-	32%	32%	151,198,862,177	-
Tan Thanh Investment Trading Company Limited	Construction and trade real estates	29%	29%	69,888,052,736	-	29%	29%	69,888,052,736	-
Sai Gon - Vinh Long Beer Joint Stock Company	Produce beer, alcohol and beverage	20%	20%	47,353,490,344	-	20%	20%	45,161,525,814	-
Sai Gon - Kien Giang Beer Joint Stock Company	Produce beer, alcohol and beverage	20%	20%	29,558,493,707	-	20%	20%	31,194,049,992	-
Me Linh Point Limited	Lease office building	25%	35%	103,088,142,539	-	25%	35%	123,970,386,177	-
Crown Beverage Cans Saigon Limited	Manufacture aluminium cans	30%	30%	322,025,804,075	-	30%	30%	287,070,899,745	-
Malaya - Vietnam Glass Limited	Manufacture glass products	30%	30%	221,938,810,322	-	30%	30%	216,067,689,657	-
San Miguel Yamamura Phu Tho Packaging Company Limited	Manufacture and trade metal packaging	35%	35%	62,539,009,060	-	35%	35%	61,605,169,453	-
Vietnam Spirits And Wine Ltd	Produce and trade alcohol and alcohol-related products	45%	45%	24,548,836,050	(24,548,836,050)	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%	44,882,195,540	-	26%	26%	42,000,603,692	-
Saigon - Benire Beer Joint Stock Company	Produce beer, alcohol and beverage	20%	20%	19,590,007,666	-	20%	20%	18,907,847,457	-
Saigon - Lamdong Beer Joint Stock Company	Produce beer, alcohol and beverage	20%	20%	20,000,000,000	-	20%	20%	20,000,000,000	-
				1,811,255,499,899	(24,548,836,050)			1,800,203,395,934	(24,135,767,100)

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5 INVESTMENTS (continued)

(b) Investments in other entities (continued)

(ii) Investments in other entities

	31.03.2019				01.01.2019			
	ownership and voting right %	Cost VNĐ	Provision VNĐ		ownership and voting right %	Cost VNĐ	Provision VNĐ	
Orient Commercial Joint Stock Bank	2.03%	216,579,320,000	(24,125,510,533)		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)	
Sabeco - Song Lam Packaging Joint Stock Company	8.20%	50,000,000,000	-		8.20%	50,000,000,000	-	
PVI Holding	0.21%	51,475,140,000	(33,414,019,200)		0.21%	51,475,140,000	(35,744,486,400)	
Underground Space Investment Development Corporation	5.29%	23,085,000,000	(23,085,000,000)		5.29%	23,085,000,000	(23,085,000,000)	
Phuong Dong Petroleum Tourism Joint Stock Company	9.80%	30,700,950,000	(23,350,950,000)		9.80%	30,700,950,000	(22,468,950,000)	
Saigon Securities Investment Fund A2	10.00%	51,107,720,722	(35,757,720,722)		10.00%	51,107,720,722	(35,757,720,722)	
Vietnam Investments Fund	0.00%	-	-		7.97%	7,275,187,937	(7,275,187,937)	
Dai Viet Securities Incorporation	7.20%	45,000,000,000	(39,600,000,000)		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	8.35%	14,992,108,200	(849,646,800)		8.35%	14,992,108,200	(849,646,800)	
Vietnam - Binh Tay Alcohol Joint Stock Company	6.00%	300,000,000	(300,000,000)		6.00%	300,000,000	(300,000,000)	
Dong Ha Tourism Joint Stock Company	3.64%	5,600,000,000	(1,542,596,156)		3.64%	5,600,000,000	(1,542,596,156)	
Nha Trang Trading and Tourism Joint Stock Company	1.89%	1,161,147,000	-		1.89%	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>681,235,700,116</u>	<u>(346,671,490,211)</u>			<u>688,510,888,053</u>	<u>(366,405,088,682)</u>	

6 SHORT-TERM RECEIVABLES

	31.03.2019	01.01.2019
	VNĐ	VNĐ
Third parties	47,958,713,713	76,058,046,480
Related parties (Note 26)	131,358,799,513	168,061,119,580
TOTAL	179,317,513,226	244,119,166,060

7 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	31.03.2019	01.01.2019
	VNĐ	VNĐ
Third parties	80,614,297,382	74,756,327,751
Related parties (Note 26)	1,659,200	1,659,200
	80,615,956,582	74,757,986,951

8 OTHER RECEIVABLES

	31.03.2019	01.01.2019
	VNĐ	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	236,294,987,310	142,655,699,007
Dividend receivables	55,634,300,951	19,345,526,000
Deposits	1,647,600,504	223,025,685
Advances to employees	5,724,960,856	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	1,217,229,461
Others	24,271,301,624	23,501,862,966
TOTAL	609,588,511,509	473,750,492,186
<i>In which:</i>		
Third parties	275,117,295,021	174,643,892,189
Related parties (Note 26)	334,471,216,488	299,106,599,997
	609,588,511,509	473,750,492,186
(b) Other long-term receivables		
Deposits	27,655,145,917	27,151,945,917
Others	8,028,765,000	8,028,765,000
TOTAL	35,683,910,917	35,180,710,917

9 INVENTORIES

	31.03.2019	01.01.2019
	VND	VND
Goods in transit	131,992,175,813	102,764,346,138
Raw materials	476,433,142,344	517,645,998,858
Tools and supplies	222,855,462,631	203,077,547,298
Work in progress	206,448,399,488	207,713,866,901
Finished goods	1,264,406,901,398	1,002,862,048,378
TOTAL	2,302,136,081,674	2,034,063,807,573

10 FIXED ASSETS**(a) Tangible fixed assets**

	<i>Buildings and plant</i>	<i>Machinery</i>	<i>Others</i>	<i>Total</i>
Cost				
Beginning balance	1,865,206,665,931	7,237,140,026,670	395,103,232,590	9,497,449,925,191
Increases in the year:	758,893,637	22,325,573,647	1,726,697,545	24,811,164,829
<i>In which:</i>				-
<i>New purchases</i>	277,366,364	4,417,525,636	1,834,697,545	6,529,589,545
<i>Transferred from construction in progress</i>	481,527,273	17,800,048,011		18,281,575,284
<i>Other increases</i>				-
<i>Reclassification</i>		108,000,000	(108,000,000)	-
Decreases in the year	(1,937,000,000)	(64,723,116,962)	(38,340,909)	(66,698,457,871)
<i>In which:</i>				-
<i>Reclassification</i>			-	-
<i>Sold, disposed</i>	(1,937,000,000)	(64,723,116,962)	(38,340,909)	(66,698,457,871)
<i>Other decreases</i>				-
Ending balance	1,864,028,559,568	7,194,742,483,355	396,791,589,226	9,455,562,632,149
Accumulated depreciation				
Beginning balance	881,383,212,295	4,719,337,707,022	281,878,120,820	5,882,599,040,137
Depreciation for the year				-
<i>Reclassification</i>	24,982,981,971	122,421,104,108	8,626,301,726	156,030,387,805
Decrease in the year		22,238,710	(22,238,710)	-
<i>In which:</i>				-
<i>Sold, disposed</i>	(1,937,000,000)	(64,723,116,962)	(38,340,909)	(66,698,457,871)
<i>Reclassification</i>				-
<i>Other decreases</i>				-
Ending balance	904,429,194,266	4,777,057,932,878	290,443,842,927	5,971,930,970,071
Net carrying amount:				
Beginning balance	983,823,453,636	2,517,802,319,648	113,225,111,770	3,614,850,885,054
Ending balance	959,599,365,302	2,417,684,550,477	106,347,746,299	3,483,631,662,078

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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
<i>New purchase</i>	-	-	-	-
<i>Transferred from construction in progress</i>	-	-	-	-
Ending balance	1,024,215,267,144	66,934,890,585	247,447,482	1,091,397,605,211
Accumulated amortisation:				
Beginning balance	76,820,881,479	62,142,247,750	194,281,842	139,157,411,071
Amortization for the year	1,701,838,245	1,050,514,833	10,047,279	2,762,400,357
Ending balance	78,522,719,724	63,192,762,583	204,329,121	141,919,811,428
Net carrying amount:				
Beginning balance	947,394,385,665	4,792,642,835	53,165,640	952,240,194,140
Ending balance	945,692,547,420	3,742,128,002	43,118,361	949,477,793,783

10 FIXED ASSETS (continued)**(b) Tangible fixed assets (continued)**

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

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

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

SAIGON BEER - ALCOHOL - BEVERAGE CORPORATION

10 FIXED ASSETS (continued)

(c) Investment properties

	Beginning balance	Increase	Decrease	Ending balance
Cost	71,444,026,942	-	-	71,444,026,942
- Land use rights	27,812,438,744	-	-	27,812,438,744
- Buildings	8,719,766,623	-	-	8,719,766,623
- Investment properties held-for-price appreciation	34,911,821,575	-	-	34,911,821,575
Accumulated depreciation	16,876,189,707	291,678,728	-	17,167,868,435
- Land use rights	7,301,656,054	151,154,558	-	7,452,810,612
- Buildings	6,423,621,735	140,524,170	-	6,564,145,905
- Investment properties held-for-price appreciation	3,150,911,918	-	-	3,150,911,918
Net carrying amount	54,567,837,235	(291,678,728)	-	54,276,158,507
- Land use rights	20,510,782,690	(151,154,558)	-	20,359,628,132
- Buildings	2,296,144,888	(140,524,170)	-	2,155,620,718
- Investment properties held-for-price appreciation	31,760,909,657	-	-	31,760,909,657

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

	31.03.2019	01.01.2019
	VND	VND
Prepaid rent	39,663,836,869	26,653,581,192
Tools and supplies	6,992,159,250	11,208,665,233
Advertising expense	42,432,679,803	40,229,620,142
Others	10,094,271,061	8,364,860,894
Total	99,182,946,983	86,456,727,461

(b) Long-term

	31.03.2019	01.01.2019
	VND	VND
- Returnable packaging	290,670,021,706	362,332,923,329
- Land rental expenses	30,113,207,188	30,270,072,499
- Land use rights	37,411,428,201	37,629,806,799
- Tools and instrument	28,567,230,921	19,867,926,592
- Warehouse and office rental expenses	9,087,760,967	7,136,857,898
- Repairs cost and spare part	15,588,204,963	32,565,235,266
- Property held for future investment	51,602,316,000	51,602,316,000
- Others	8,404,710,359	10,389,621,936
Total	471,444,880,305	551,794,760,319

12 SHORT-TERM TRADE ACCOUNTS PAYABLE

	31.03.2019	01.01.2019
	VND	VND
Third parties	1,034,577,118,227	1,342,759,406,191
Related parties (Note 26)	508,478,330,406	684,502,761,521
Total	1,543,055,448,633	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.

	31.03.2019	01.01.2019
	VND	VND
Third parties	109,361,723,303	110,463,408,413
Related parties	44,690,783	-
Total	109,406,414,086	110,463,408,413

14 SHORT-TERM ACCRUED EXPENSES

	31.03.2019 VNĐ	01.01.2019 VNĐ
Accrued interest payable	13,356,997,160	13,493,369,109
Accrued - A&P cost	396,460,463,110	204,884,672,148
Accrued - salary, wages and other employee costs	19,673,687,456	5,808,506,479
Accrued - Repair and maintenance	130,718,345	126,642,968
Accouns payable - construction in progress	5,997,218,847	8,220,161,853
Accrued - Transportation	156,487,837,543	192,363,334,018
Accrued - Tax and other charges	18,553,909,095	188,805,922
Accrued - Loading cost	4,927,715,796	1,776,205,219
Accrued - Fee of using bottle	8,478,726,788	-
Accrued - Cost of breaking packaging	2,458,737,000	5,914,398,742
Others	45,409,367,973	40,392,963,892
Total	<u>671,935,379,113</u>	<u>473,169,060,350</u>

15 OTHER PAYABLES**(a) Short-term**

	31.03.2019 VNĐ	01.01.2019 VNĐ
Dividend payable to shareholders of the Company	41,879,048,009	47,642,016,752
Deposits received	181,462,139,657	186,444,336,213
Social contribution fund	42,734,877,746	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	15,350,000,000
Others	24,973,289,864	62,105,047,225
Total	<u>1,041,779,227,976</u>	<u>1,079,538,511,465</u>

In which:

Third parties	1,040,956,195,097	1,078,715,478,586
Related parties (Note 26)	823,032,879	823,032,879
	<u>1,041,779,227,976</u>	<u>1,079,538,511,465</u>

(b) Long-term

	31.03.2019 VNĐ	01.01.2019 VNĐ
Deposits received	1,260,650,000	1,547,300,000
Land tax payable to State	51,602,316,000	51,602,316,000
	<u>52,862,966,000</u>	<u>53,149,616,000</u>

SAIGON BEER - ALCOHOL - BEVERAGE CORPORATION

16 OWNERS' CAPITAL

16.1 Number of shares

	31.03.2019 (Ordinary shares)	01.01.2019 (Ordinary shares)
Number of shares registered	641,281,186	641,281,186
Number of shares issued	641,281,186	641,281,186
Number of existing shares in circulation	641,281,186	641,281,186

SAIGON BEER - ALCOHOL - BEVERAGE CORPORATION

Form B09-DN/HN

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								
Appropriation to funds								
Dividends paid					11,093,157,875			
Appropriation to bonus and welfare fund								
Appropriation to social contribution fund								
Used funds								
Other increases/ (decreases)								
Changes in proportion of non-controlling interests								
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
Treasury shares								
Foreign currency differences				(1,179,486,576)				(1,179,486,576)
Profit for the year								
Appropriation to funds								
Dividends paid					221,570,621			
Appropriation to bonus and welfare fund								
Appropriation to social contribution fund								
Other increases/ (decreases)								
Ending balance	6,412,811,860,000	3,208,666,226	-	19,920,001,078	1,130,368,791,063	5,327,112,664	8,583,246,344,708	16,154,882,775,739

17 TAX AND OTHER PAYABLES TO THE STATE BUDGET

	At as 1.1.2019	Incurred during the period	Paid during the period	As at 31.03.2019
Corporate income tax	282,342,822,879	348,382,972,646	325,082,377,855	305,643,417,670
Special sales tax	656,687,046,516	1,827,530,353,940	1,829,971,520,393	654,245,880,063
Value added tax	118,429,734,689	401,913,282,513	409,962,369,786	110,380,647,416
Land tax	-	12,010,646,929	9,226,389,657	2,784,257,272
Personal income tax	33,431,691,285	22,133,092,319	40,574,443,316	14,990,340,288
Import-Export duties	-	5,924,036,068	5,928,292,089	(4,256,021)
Other taxes	4,540,961,093	3,294,281,005	3,290,119,951	4,161,054
TOTAL	1,095,432,256,462	2,621,188,665,420	2,624,035,513,047	1,088,044,447,742

On 28 December 2018, the Company received decisions from Ho Chi Minh Tax Authority regarding to the enforcement and implementation of the tax administrative decisions by seizing the Company's cash from the Company's bank accounts. This enforcement is related to an amount that the Tax Department of Ho Chi Minh City considers as monetary penalties and overdue payment for administrative violations on Special Sales Tax. However, SABECO's position has always been clear and consistent since the State Audit issued audit conclusion in 2015: (i) SABECO did not violate regulations on the declaration, calculation and payment of Special Sales Tax, and (ii) SABECO has always complied with the written guidance issued by the Ministry of Finance, General Department of Taxation and Tax Department of Ho Chi Minh City over the past years on the same matter. Subsequently on 2 January 2019, SABECO also received decisions from Ho Chi Minh Tax Authority to suspend the above decisions on the enforcement. SABECO has written to the relevant authorities to resolve the above matters.

18 SALES

	31.03.2019	31.03.2018
	VNĐ	VNĐ
Sales of beer	7,905,456,456,030	6,610,664,273,248
Sales of raw materials	1,329,391,750,729	1,104,759,095,586
Sales of beverages	66,741,792,795	73,691,994,874
Sales of alcohol	7,733,798,331	10,844,010,659
Sales of spirits	2,885,143,452	5,085,768,765
Others	25,775,826,041	22,015,074,150
Gross sales	9,337,984,767,378	7,827,060,217,282
Sale deductions	(1,208,760,447)	(17,157,939,340)
Trade discounts	(1,199,975,202)	(17,152,719,340)
Sale discounts	(8,785,245)	-
Sales returns	-	(5,220,000)
Net sales	9,336,776,006,931	7,809,902,277,942

19 COST OF SALES

	31.03.2019	31.03.2018
	VNĐ	VNĐ
Beer	5,767,415,501,614	4,770,217,724,855
Raw materials	1,321,371,029,823	1,030,261,873,411
Beverages	43,539,460,213	50,550,197,363
Alcohol	7,247,330,631	9,221,597,161
Spirits	2,704,273,813	4,132,549,868
Others	3,265,988,633	1,524,162,741
Total	7,145,543,584,727	5,865,908,105,399

20 FINANCIAL INCOME

	31.03.2019	31.03.2018
	VNĐ	VNĐ
Interest income from deposits at banks, lending	168,086,714,825	130,568,724,907
Dividend income	2,500,000,000	7,000,000,000
Foreign exchange gains	1,671,628,861	148,758,090
Others	-	18,394,260
Total	172,258,343,686	137,735,877,257

21 FINANCIAL EXPENSES

	31.03.2019 VND	31.03.2018 VND
Interest expenses	7,860,067,347	10,097,393,936
Foreign exchange losses	411,300,938	363,369,345
(Reversal of provision) provision for diminution in value of investments	(12,045,341,584)	(5,088,569,940)
Others	-	857,250
Total	<u>(3,773,973,299)</u>	<u>5,373,050,591</u>

22 SELLING EXPENSES

	31.03.2019 VND	31.03.2018 VND
Staff costs	163,684,185,125	157,048,183,895
Depreciation and amortisation expenses	6,697,481,604	5,798,999,739
Material costs - bottles and crates	78,783,793,217	102,955,339,262
Rental expenses	39,065,473,042	33,995,089,636
Transportation expenses	6,072,439,774	5,096,711,839
Trade promotions and advertising expenses	344,938,302,090	223,348,820,559
Others	52,446,891,130	65,573,893,366
Total	<u>691,688,565,982</u>	<u>593,817,038,296</u>

23 GENERAL AND ADMINISTRATION EXPENSES

	31.03.2019 VND	31.03.2018 VND
Staff costs	100,673,946,823	99,756,709,264
Rental expenses	12,807,880,849	9,520,842,900
Material costs	1,695,680,944	2,454,863,612
Depreciation and amortisation expenses	8,426,526,237	8,649,904,407
Others	42,538,334,540	56,381,816,395
Total	<u>166,142,369,393</u>	<u>176,764,136,578</u>

24 OTHER INCOME

	31.03.2019 VND	31.03.2018 VND
Scrap sales and compensations for broken bottles	2,228,239,811	14,308,917,001
Gain from fixed assets disposals	1,902,909,091	99,227,272
Others	3,271,489,585	2,560,401,141
Total	7,402,638,487	16,968,545,414

25 OTHER EXPENSES

	31.03.2019 VND	31.03.2018 VND
Expenses for fixed assets disposals	757,196	58,604,860
Others	8,451,147,135	3,651,194,766
Total	8,451,904,331	3,709,799,626

26 RELATED PARTY TRANSACTIONS

Related party transactions

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

	31.03.2019 VND	01.01.2019 VND
Short-term trade accounts receivable		
<i>Associates</i>		
Saigon - Phutho Beer Joint Stock Company	6,160,723,112	7,688,953,934
Saigon Tay Do Beer - Beverage Joint Stock Company	13,083,817,503	12,553,413,185
Malaya - Vietnam Glass Limited	-	19,875,240
San Miguel Yamamura Phu Tho Packaging Company Limited	235,065,600	162,439,200
Saigon - Binh Tay Beer Group Joint Stock Company	24,524,908,088	26,202,728,309
Sai Gon - Mien Trung Beer Joint Stock Company	15,280,364,663	11,937,316,293
Saigon - Baclieu Beer Joint Stock Company	-	1,295,023,699
Sai Gon - Vinh Long Beer Joint Stock Company	10,513,069,345	7,503,558,108
Sai Gon - Kien Giang Beer Joint Stock Company	41,436,707,876	63,349,221,846
Sai Gon - Khanh Hoa Beer Joint Stock Company	11,018,659,836	14,862,841,933
Saigon - Bentre Beer Joint Stock Company	9,087,534,073	22,467,798,416
<i>Other related party</i>		
Saigon Beer Transportation Joint Stock Company	17,949,417	17,949,417
	131,358,799,513	168,061,119,580

Other short-term receivables

Saigon - Phutho Beer Joint Stock Company	-	84,907,293
Sai Gon - Mien Trung Beer Joint Stock Company	-	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	366,113,463	1,194,336,210
Sai Gon - Khanh Hoa Beer Joint Stock Company	83,916,000	83,916,000
Saigon - Bentre Beer Joint Stock Company	-	99,712,159
<i>Other related party</i>		
Saigon Beer Transportation Joint Stock Company	96,150,552	10,856,754
	334,471,216,488	299,106,599,997

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	17,224,611,030	34,832,174,850
Saigon Tay Do Beer - Beverage Joint Stock Company	15,081,548,900	28,504,068,582
Crown Beverage Cans Saigon Limited	243,729,925,394	217,001,205,735
Malaya - Vietnam Glass Limited	-	34,009,252,977
San Miguel Yamamura Phu Tho Packaging Company Limited	15,223,021,440	13,248,400,000
Saigon - Binh Tay Beer Group Joint Stock Company	62,709,967,360	80,479,565,925
Sai Gon - Mien Trung Beer Joint Stock Company	45,264,144,420	68,770,742,216
Saigon - Baclieu Beer Joint Stock Company	3,468,593,744	6,121,281,540
Sai Gon - Vinh Long Beer Joint Stock Company	19,435,946,779	42,224,298,050
Sai Gon - Kien Giang Beer Joint Stock Company	27,199,966,860	55,072,169,614
Sai Gon - Khanh Hoa Beer Joint Stock Company	28,410,727,400	43,265,809,950
Saigon - Bentre Beer Joint Stock Company	30,682,585,340	36,922,865,100

Short-term trade accounts payable (continued)*Other related party*

Saigon Beer Transportation Joint Stock Company

47,291,739	23,614,778,582
<u>508,478,330,406</u>	<u>684,502,761,521</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

287,780,949 287,780,949

Other related party

Saigon Beer Transportation Joint Stock Company

195,251,930	195,251,930
<u>823,032,879</u>	<u>823,032,879</u>

27 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS




Hoàng Thanh Vân
Preparer

26th
April 2019



Trần Nguyên Trung
Chief Accountant



Teo Hong Keng
Deputy General Director



Neo Gim Siong Bennett
General Director

