



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

Consolidated Interim Financial Statements  
for the six-month period ended 30 June 2020

## Saigon Beer - Alcohol - Beverage Corporation Corporate Information

### Enterprise Registration Certificate No.

0300583659

29 February 2012

The Company's Enterprise Registration Certificate ("ERC") has been amended several times, of which the most recent one is ERC No. 0300583659 dated 18 May 2020. The Enterprise Registration Certificate and its updates were issued by the Ho Chi Minh City Department of Planning and Investment.

### Board of Directors

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

### Board of Management

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

### Audit Committee

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

### Legal Representative

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

### Registered Office

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

### Auditor

KPMG Limited  
Vietnam

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

The Board of Management of Saigon Beer - Alcohol - Beverage Corporation (“the Company”) presents this statement and the accompanying consolidated interim financial statements of the Company and its subsidiaries (collectively “the Group”) for the six-month period ended 30 June 2020.

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

- (a) the consolidated interim financial statements set out on pages 5 to 67 give a true and fair view of the consolidated financial position of the Group as at 30 June 2020, and of its consolidated results of operations and its consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Group will not be able to pay its debts as and when they fall due.

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



On behalf of the Board of Management

Neo Gim Siong Bennett  
General Director

Ho Chi Minh City, 28 August 2020



KPMG Limited Branch  
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## **INTERIM FINANCIAL STATEMENTS REVIEW REPORT**

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

We have reviewed the accompanying consolidated interim financial statements of Saigon Beer - Alcohol - Beverage Corporation (“the Company”) and its subsidiaries (collectively “the Group”), which comprise the consolidated balance sheet as at 30 June 2020, the consolidated statements of income and cash flows for the six-month period then ended and the explanatory notes thereto which were authorised for issue by the Company’s Board of Management on 28 August 2020, as set out on pages 5 to 67.

### **Management’s Responsibility**

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

### **Auditor’s Responsibility**

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

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



## Auditor's Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not give a true and fair view, in all material respects, of the consolidated financial position of Saigon Beer - Alcohol - Beverage Corporation and its subsidiaries as at 30 June 2020 and of its consolidated results of operations and its consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting.

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

Vietnam

Review Report No.: 20-01-00362-20-2



Hà Vũ Đình

Practicing Auditor Registration  
Certificate No. 0414-2018-007-1  
*Deputy General Director*

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

Ho Chi Minh City, 28 August 2020

**Saigon Beer - Alcohol - Beverage Corporation and its subsidiaries**  
**Consolidated balance sheet as at 30 June 2020**

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

	Code	Note	30/6/2020 VND	1/1/2020 VND
<b>ASSETS</b>				
<b>Current assets</b> <b>(100 = 110 + 120 + 130 + 140 + 150)</b>	<b>100</b>		<b>18,413,850,495,012</b>	<b>19,164,602,511,633</b>
<b>Cash and cash equivalents</b>	<b>110</b>	<b>7</b>	<b>4,864,813,951,649</b>	<b>4,115,884,646,637</b>
Cash	111		1,521,757,352,970	953,478,997,565
Cash equivalents	112		3,343,056,598,679	3,162,405,649,072
<b>Short-term financial investments</b>	<b>120</b>		<b>11,165,486,789,096</b>	<b>12,393,226,750,273</b>
Held-to-maturity investments	123	8(a)	11,165,486,789,096	12,393,226,750,273
<b>Accounts receivable – short-term</b>	<b>130</b>		<b>696,475,952,856</b>	<b>568,608,377,917</b>
Accounts receivable from customers	131	9	305,257,999,833	157,654,572,653
Prepayments to suppliers	132		42,027,030,769	54,679,363,371
Other short-term receivables	136	10(a)	695,380,726,202	702,587,109,178
Allowance for doubtful short-term debts	137	11(a)	(346,189,803,948)	(346,312,667,285)
<b>Inventories</b>	<b>140</b>	<b>12(a)</b>	<b>1,563,239,928,847</b>	<b>1,967,137,719,907</b>
Inventories	141		1,750,219,687,545	2,169,540,753,708
Allowance for inventories	149		(186,979,758,698)	(202,403,033,801)
<b>Other current assets</b>	<b>150</b>		<b>123,833,872,564</b>	<b>119,745,016,899</b>
Short-term prepaid expenses	151	13(a)	106,390,368,015	97,129,905,121
Deductible value added tax	152		14,429,016,759	18,203,862,026
Taxes receivable from State Treasury	153	20(b)	3,014,487,790	4,411,249,752

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

**Saigon Beer - Alcohol - Beverage Corporation and its subsidiaries**  
**Consolidated balance sheet as at 30 June 2020 (continued)**

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

	Code	Note	30/6/2020 VND	1/1/2020 VND
<b>Long-term assets</b>				
<b>(200 = 210 + 220 + 230 + 240 + 250 + 260)</b>	<b>200</b>		<b>7,745,498,181,277</b>	<b>7,797,873,582,412</b>
<b>Accounts receivable – long-term</b>	<b>210</b>		<b>6,506,578,029</b>	<b>9,110,080,970</b>
Accounts receivable from customers				
– long-term	211		6,005,003,018	6,005,003,018
Loans receivable – long-term	215		4,000,000,000	4,000,000,000
Other long-term receivables	216	10(b)	35,891,988,834	38,495,491,775
Allowance for doubtful long-term debts	219	11(b)	(39,390,413,823)	(39,390,413,823)
<b>Fixed assets</b>	<b>220</b>		<b>4,915,522,815,422</b>	<b>4,685,440,455,287</b>
Tangible fixed assets	221	14	3,974,094,934,428	3,743,642,558,190
<i>Cost</i>	222		10,707,915,276,656	10,190,230,853,202
<i>Accumulated depreciation</i>	223		(6,733,820,342,228)	(6,446,588,295,012)
Intangible fixed assets	227	15	941,427,880,994	941,797,897,097
<i>Cost</i>	228		1,095,667,032,236	1,091,733,605,211
<i>Accumulated amortisation</i>	229		(154,239,151,242)	(149,935,708,114)
<b>Investment properties</b>	<b>230</b>	<b>16</b>	<b>66,509,360,053</b>	<b>58,433,154,033</b>
<i>Cost</i>	231		92,668,621,947	80,830,516,128
<i>Accumulated depreciation</i>	232		(26,159,261,894)	(22,397,362,095)
<b>Long-term work in progress</b>	<b>240</b>		<b>52,831,988,294</b>	<b>307,773,703,264</b>
Construction in progress	242	17	52,831,988,294	307,773,703,264
<b>Long-term financial investments</b>	<b>250</b>		<b>2,203,520,608,908</b>	<b>2,162,738,822,723</b>
Investments in associates and jointly controlled entities	252	8(c)	1,922,676,923,135	1,878,458,174,350
Equity investments in other entities	253	8(c)	665,885,700,116	665,885,700,116
Allowance for diminution in the value of long-term financial investments	254	8(c)	(435,910,894,248)	(435,473,931,648)
Held-to-maturity investments	255	8(b)	50,868,879,905	53,868,879,905
<b>Other long-term assets</b>	<b>260</b>		<b>500,606,830,571</b>	<b>574,377,366,135</b>
Long-term prepaid expenses	261	13(b)	296,388,205,207	328,604,633,780
Deferred tax assets	262	18	179,718,463,139	214,736,310,715
Long-term tools, supplies and spare parts	263	12(b)	24,500,162,225	31,036,421,640
<b>TOTAL ASSETS (270 = 100 + 200)</b>	<b>270</b>		<b>26,159,348,676,289</b>	<b>26,962,476,094,045</b>

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

**Saigon Beer - Alcohol - Beverage Corporation and its subsidiaries**  
**Consolidated balance sheet as at 30 June 2020 (continued)**

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

	Code	Note	30/6/2020 VND	1/1/2020 VND
<b>RESOURCES</b>				
<b>LIABILITIES (300 = 310 + 330)</b>	<b>300</b>		<b>6,417,635,456,293</b>	<b>6,886,229,037,681</b>
<b>Current liabilities</b>	<b>310</b>		<b>5,573,385,094,445</b>	<b>6,087,830,053,039</b>
Accounts payable to suppliers	311	19(a)	1,754,556,155,533	2,427,067,853,887
Advances from customers	312		101,091,796,404	42,587,372,642
Taxes payable to State Treasury	313	20(a)	1,129,027,109,772	855,960,013,165
Payables to employees	314		338,473,846,404	389,618,575,865
Accrued expenses	315	21	588,847,011,988	433,170,981,720
Unearned revenue – short-term	318		880,260,289	930,242,260
Other payables – short-term	319	22(a)	977,080,900,715	1,079,347,828,644
Short-term borrowings	320	23(a)	445,912,909,719	560,511,063,296
Provisions – short-term	321		554,312,916	3,710,918,283
Bonus and welfare fund	322	24	236,960,790,705	294,925,203,277
<b>Long-term liabilities</b>	<b>330</b>		<b>844,250,361,848</b>	<b>798,398,984,642</b>
Long-term accounts payable to suppliers	331	19(b)	88,793,875,350	100,000,000
Long-term advances from customers	332		22,183,449	22,183,449
Other payables – long-term	337	22(b)	54,010,016,000	54,073,316,000
Long-term borrowings	338	23(b)	459,456,327,274	494,244,987,274
Deferred tax liabilities	341	18	32,968,608,497	30,543,620,073
Provisions – long-term	342	25	127,298,621,349	135,416,747,716
Science and technology development fund	343		81,700,729,929	83,998,130,130

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

**Saigon Beer - Alcohol - Beverage Corporation and its subsidiaries**  
**Consolidated balance sheet as at 30 June 2020 (continued)**

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

	Code	Note	30/6/2020 VND	1/1/2020 VND
<b>EQUITY (400 = 410)</b>	<b>400</b>		<b>19,741,713,219,996</b>	<b>20,076,247,056,364</b>
<b>Owners' equity</b>	<b>410</b>	<b>26</b>	<b>19,741,713,219,996</b>	<b>20,076,247,056,364</b>
Share capital	411	27	6,412,811,860,000	6,412,811,860,000
- Ordinary shares with voting rights	411a		6,412,811,860,000	6,412,811,860,000
Other capital	414		3,208,666,226	3,208,666,226
Foreign exchange differences	417		28,280,595,227	27,272,873,771
Investment and development fund	418	28	1,122,834,056,347	1,130,372,829,157
Retained profits	421		10,876,152,357,319	11,231,596,467,620
- Retained profits brought forward	421a		9,070,042,671,241	6,485,261,875,965
- Retained profit for the current period	421b		1,806,109,686,078	4,746,334,591,655
Non-controlling interest	429		1,298,425,684,877	1,270,984,359,590
<b>TOTAL RESOURCES</b> <b>(440 = 300 + 400)</b>	<b>440</b>		<b>26,159,348,676,289</b>	<b>26,962,476,094,045</b>

28 August 2020

<p>Prepared by:</p>  <p>Hoang Thanh Van Accountant</p>	 <p>Tran Nguyen Trung Chief Accountant</p>	<p>Approved by:</p>  <p>Teo Hong Keng Deputy General Director</p>	 <p>Neo Gim Siong Bennett General Director</p>
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*The accompanying notes are an integral part of these consolidated interim financial statements*

**Saigon Beer - Alcohol - Beverage Corporation and its subsidiaries**  
**Consolidated statement of income the six-month period ended 30 June 2020**

**Form B 02a – DN/HN**

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

	Code	Note	Six-month period ended	
			30/6/2020 VND	30/6/2019 VND
<b>Revenue from sales of goods and provision of services</b>	<b>01</b>	<b>31</b>	<b>12,123,717,948,827</b>	<b>18,517,362,525,225</b>
<b>Revenue deductions</b>	<b>02</b>	<b>31</b>	<b>79,874,282,171</b>	<b>92,820,389,440</b>
<b>Net revenue (10 = 01 - 02)</b>	<b>10</b>	<b>31</b>	<b>12,043,843,666,656</b>	<b>18,424,542,135,785</b>
<b>Cost of goods sold and services provided</b>	<b>11</b>	<b>32</b>	<b>8,483,488,629,536</b>	<b>13,819,747,312,156</b>
<b>Gross profit (20 = 10 - 11)</b>	<b>20</b>		<b>3,560,355,037,120</b>	<b>4,604,794,823,629</b>
Financial income	21	33	495,775,011,957	371,038,237,486
Financial expenses	22	34	39,184,991,629	9,026,775,201
<i>In which: Interest expense</i>	23		<i>34,545,965,865</i>	<i>13,830,994,903</i>
Share of profits in associates and jointly controlled entities	24	8(c)	98,467,817,737	167,054,719,793
Selling expenses	25	35	1,354,713,913,074	1,335,854,738,552
General and administration expenses	26	36	352,992,418,054	349,426,186,759
<b>Net operating profit {30 = 20 + (21 - 22) + 24 - (25 + 26)}</b>	<b>30</b>		<b>2,407,706,544,057</b>	<b>3,448,580,080,396</b>
Other income	31		14,898,404,929	19,838,132,087
Other expenses	32		4,731,407,046	12,768,622,608
<b>Results of other activities (40 = 31 - 32)</b>	<b>40</b>		<b>10,166,997,883</b>	<b>7,069,509,479</b>
<b>Accounting profit before tax (50 = 30 + 40)</b>	<b>50</b>		<b>2,417,873,541,940</b>	<b>3,455,649,589,875</b>
<b>Income tax expense – current</b>	<b>51</b>	<b>38</b>	<b>447,757,034,053</b>	<b>635,585,479,716</b>
<b>Income tax expense – deferred</b>	<b>52</b>	<b>38</b>	<b>37,442,836,000</b>	<b>65,165,621</b>
<b>Net profit after tax (60 = 50 - 51 - 52) (carried forward to next page)</b>	<b>60</b>		<b>1,932,673,671,887</b>	<b>2,819,998,944,538</b>

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

**Saigon Beer - Alcohol - Beverage Corporation and its subsidiaries**  
**Consolidated statement of income for the six-month period ended 30 June 2020**  
**(continued)**

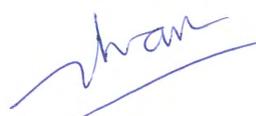
**Form B 02a – DN/HN**

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

	Code	Note	Six-month period ended	
			30/6/2020 VND	30/6/2019 VND
<b>Net profit after tax (60 = 50 - 51 - 52) (brought forward from previous page)</b>	<b>60</b>		<b>1,932,673,671,887</b>	<b>2,819,998,944,538</b>
<b>Attributable to:</b>				
Equity holders of the Company	61		1,864,690,552,970	2,658,458,475,046
Non-controlling interest	62		67,983,118,917	161,540,469,492
<b>Earnings per share</b>				
Basic earnings per share	70	39	2,819	3,971

28 August 2020

Prepared by:



Hoang Thanh Van  
Accountant



Tran Nguyen Trung  
Chief Accountant

Approved by:



Teo Hong Keng  
Deputy General Director



Neo Gim Siong Bennett  
General Director

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

**Saigon Beer - Alcohol - Beverage Corporation and its subsidiaries**  
**Consolidated statement of cash flows for the six-month period ended 30 June 2020**  
**(Indirect method)**

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

	Code	Note	Six-month period ended	
			30/6/2020 VND	30/6/2019 VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Accounting profit before tax</b>	<b>01</b>		<b>2,417,873,541,940</b>	<b>3,455,649,589,875</b>
<b>Adjustments for</b>				
Depreciation and amortisation	02		295,052,635,671	318,423,774,642
Allowances and provisions	03		(4,098,519,996)	(5,483,198,504)
Exchange (gains)/losses arising from revaluation of monetary items denominated in foreign currencies	04		(151,486,242)	214,283,030
Profits from investing activities	05		(463,351,612,927)	(366,615,421,200)
Shared profits in associates and jointly controlled entities	05		(98,467,817,737)	(167,054,719,793)
Interest expense	06		34,545,965,865	13,830,994,903
<b>Operating profit before changes in working capital</b>	<b>08</b>		<b>2,181,402,706,574</b>	<b>3,248,965,302,953</b>
Change in receivables	09		(161,849,232,003)	89,714,538,544
Change in inventories	10		413,657,119,166	271,396,333,351
Change in payables and other liabilities	11		(284,453,378,961)	(487,774,595,102)
Change in prepaid expenses	12		23,027,665,679	153,751,548,421
			<b>2,171,784,880,455</b>	<b>3,276,053,128,167</b>
Interest paid	14		(35,627,002,965)	(13,989,983,782)
Corporate income tax paid	15		(471,922,362,613)	(638,009,022,392)
Other payments for operating activities	17		(89,955,745,467)	(249,751,255,295)
<b>Net cash flows from operating activities</b>	<b>20</b>		<b>1,574,279,769,410</b>	<b>2,374,302,866,698</b>

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

**Saigon Beer - Alcohol - Beverage Corporation and its subsidiaries**  
**Consolidated statement of cash flows for the six-month period ended 30 June 2020**  
**(Indirect method – continued)**

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

	Code	Note	Six-month period ended	
			30/6/2020 VND	30/6/2019 VND
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for additions to fixed assets	21		(162,493,363,028)	(52,736,548,482)
Proceeds from disposals of fixed assets	22		672,000,000	2,093,200,000
Placements of term deposits at banks	23		(6,140,095,041,096)	(5,176,057,177,678)
Collections of term deposits at banks	24		7,370,835,002,273	3,673,006,397,122
Receipts of interests and dividends	27		545,598,258,442	387,200,605,497
<b>Net cash flows from investing activities</b>	<b>30</b>		<b>1,614,516,856,591</b>	<b>(1,166,493,523,541)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from borrowings	33		1,194,925,740,511	1,538,397,108,138
Payments to settle loan principals	34		(1,344,312,554,088)	(1,801,105,207,567)
Payments of dividends	36		(2,290,337,652,007)	(108,777,468,402)
<b>Net cash flows from financing activities</b>	<b>40</b>		<b>(2,439,724,465,584)</b>	<b>(371,485,567,831)</b>
<b>Net cash flows during the period</b> <b>(50 = 20 + 30 + 40)</b>	<b>50</b>		<b>749,072,160,417</b>	<b>836,323,775,326</b>
<b>Cash and cash equivalents at the</b> <b>beginning of the period</b>	<b>60</b>		<b>4,115,884,646,637</b>	<b>4,467,391,585,137</b>
<b>Effect of exchange rate fluctuations on</b> <b>cash and cash equivalents</b>	<b>61</b>		<b>(142,855,405)</b>	<b>8,662,766</b>
<b>Cash and cash equivalents at the end</b> <b>of the period (70 = 50 + 60 + 61)</b>	<b>70</b>	<b>7</b>	<b>4,864,813,951,649</b>	<b>5,303,724,023,229</b>

28 August 2020

Prepared by:



Hoang Thanh Van  
Accountant



Tran Nguyen Trung  
Chief Accountant

Approved by:



Teo Hong Keng  
Deputy General Director



Neo Gim Siong Bennett  
General Director

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

**Saigon Beer - Alcohol - Beverage Corporation and its subsidiaries**  
**Notes to the consolidated interim financial statements for the six-month period ended**  
**30 June 2020**

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

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

## **1. Reporting entity**

### **(a) Ownership structure**

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

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

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

The consolidated interim financial statements of the Company for the six-month period ended 30 June 2020 comprise the Company and its subsidiaries (together referred to as “the Group”) and the Group’s interest in associates and jointly controlled entities.

### **(b) Principal activities**

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

### **(c) Normal operating cycle**

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

### **(d) Group structure**

As at 30 June 2020, the Group had 26 subsidiaries and 18 associates and jointly controlled entities (1/1/2020: 26 subsidiaries and 18 associates and jointly controlled entities) as follows:

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No	Company name	Principal activities	30/6/2020		1/1/2020	
			% of equity interest	% of voting rights	% of equity interest	% of voting rights
<b>I</b>	<b>Subsidiaries</b>					
1	Western - Sai Gon Beer Joint Stock Company	Producing and trading beer	51%	51%	51%	51%
2	Chuong Duong Beverages Joint Stock Company	Producing and trading beverages, canned food and accessories	62.06%	62.06%	62.06%	62.06%
3	Sai Gon - Quang Ngai Beer Joint Stock Company	Producing and trading beer	66.56%	66.56%	66.56%	66.56%
4	Binh Tay Liquor Joint Stock Company	Producing and trading alcohol	93.32%	93.47%	93.32%	93.47%
5	Sai Gon - Dong Xuan Beer Alcohol Joint Stock Company	Producing and trading beer and soft drinks	55.90%	56.24%	55.90%	56.24%
6	Saigon - Nghetinh Beer Joint Stock Company	Producing and trading beer, alcohol and beverages	54.73%	54.73%	54.73%	54.73%
7	Saigon - Songlam Beer Joint Stock Company	Producing and trading beer and beverages; importing and exporting related materials	68.78%	68.78%	68.78%	68.78%
8	Sai Gon - Ha Noi Beer Corporation	Producing and trading beer and beverages; importing and exporting related materials	52.11%	52.11%	52.11%	52.11%
9	Sai Gon Beer Trading Company Limited	Trading beer, alcohol and beverages	100%	100%	100%	100%
10	Northern Sai Gon Beer Trading Joint Stock Company	Trading beer, alcohol and beverages; providing transportation and warehousing services	94.72%	94.72%	94.72%	94.72%
11	Sai Gon Beer Bac Trung Bo Trading Joint Stock Company	Trading beer, alcohol and beverages; providing transportation and warehousing services	95.07%	95.07%	95.07%	95.07%
12	Saigon Beer Center Trading Joint Stock Company	Wholesale of beer, alcohol drinks; wholesale of non-alcohol drinks, wholesale of other chemicals, alcohol; trading packaging; providing cargo transportation by car	94.42%	94.42%	94.42%	94.42%
13	Bia Saigon Mien Trung Trading Joint Stock Company	Trading beer, alcohol and beverages; providing warehousing and cargo transportation by car services	91.24%	91.24%	91.24%	91.24%

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No	Company name	Principal activities	30/6/2020		1/1/2020	
			% of equity interest	% of voting rights	% of equity interest	% of voting rights
14	Sai Gon Beer Tay Nguyen Trading Joint Stock Company	Trading beer, alcohol and beverages; providing warehousing and transportation services	90%	90%	90%	90%
15	Saigon Beer Nam Trung Bo Trading Joint Stock Company	Trading beer, alcohol and beverages; providing warehousing and cargo transportation services	90.14%	90.14%	90.14%	90.14%
16	Sai Gon Beer Eastern Trading Joint Stock Company	Trading beer, alcohol and beverages; providing cargo transportation by road and waterway services	90.68%	90.68%	90.68%	90.68%
17	Saigon Song Tien Beer Trading Joint Stock Company	Trading beer, alcohol and beverages; providing warehousing cargo transportation by road services	90%	90%	90%	90%
18	Saigon Song Hau Beer Trading Joint Stock Company	Trading beer, alcohol and beverages; providing cargo transportation by road and waterway services	90%	90%	90%	90%
19	Sa Be Co Mechanical Co., Ltd	Manufacturing equipment used in food manufacturing, installing and maintaining machinery system and equipment	100%	100%	100%	100%
20	Saigon Soc Trang Beer One Member Limited Company	Producing and trading beer, yeasty malt, mineral water, bottled purified water	51%	100%	51%	100%
21	Sai Gon Beer Northeast Trading Joint Stock Company	Trading beer, alcohol and beverages; providing warehousing and cargo transportation services	90.45%	90.45%	90.45%	90.45%
22	Sai Gon - Ha Tinh Beer One Member Company Limited	Producing and trading beer, yeasty malt, mineral water, bottled purified water	100%	100%	100%	100%
23	Sai Gon Beer Packaging Joint Stock Company	Producing and trading tin lid rings and metal packaging, packaging for food and beverage industry	76.81%	76.81%	76.81%	76.81%
24	Saigon Beer Company Limited	Wholesale of beer, alcohol and beverages	100%	100%	100%	100%
25	Saigon Beer Group Company Limited	Wholesale of beer, alcohol and beverages	100%	100%	100%	100%
26	Saigon - Lamdong Beer Joint Stock Company	Producing and trading beer, alcohol and beverages	52.91%	52.91%	52.91%	52.91%

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

**Notes to the consolidated interim financial statements for the six-month period ended 30 June 2020 (continued)**

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No	Company name	Principal activities	30/6/2020		1/1/2020	
			% of equity interest	% of voting rights	% of equity interest	% of voting rights
<b>II Jointly controlled entities</b>						
1	Me Linh Point Limited (*)	Providing office building leasing and management services	40%	25%	35%	25%
2	Crown Beverage Cans Saigon Limited	Manufacturing aluminium cans	30%	30%	30%	30%
3	Malaya - Vietnam Glass Limited	Manufacturing glass products	30%	30%	30%	30%
4	San Miguel Yamamura Phu Tho Packaging Company Limited	Manufacturing and trading metal packaging	35%	35%	35%	35%
5	Vietnam Spirits and Wine Ltd	Producing and trading alcohol and alcohol-related products	45%	45%	45%	45%
<b>III Associates</b>						
6	Thanh Nam Consultant Investment - Engineering and Technology Transfer Joint Stock Company	Providing consulting construction and designing services	28.57%	28.57%	28.57%	28.57%
7	Truong Sa Food - Food Business Joint Stock Company	Producing agricultural products and foods	38.62%	38.98%	38.62%	38.98%
8	Saigon - Phutho Beer Joint Stock Company	Producing and trading beer, alcohol and beverages	30.84%	33.85%	30.84%	33.85%
9	Sai Gon - Mien Trung Beer Joint Stock Company	Producing and trading beer, alcohol, beverage and spare parts	32.40%	32.41%	32.40%	32.41%
10	Tan Thanh Investment Trading Company Limited	Construction and real estates	29%	29%	29%	29%
11	Mechanical and Industrial Construction Joint Stock Company	Manufacturing, installing machinery, bridges and roads and industrial construction products	26%	26%	26%	26%
12	Sai Gon - Vinh Long Beer Joint Stock Company	Producing and trading beer, alcohol and beverages	20%	20%	20%	20%
13	Sai Gon - Kien Giang Beer Joint Stock Company	Producing and trading beer, alcohol, beverage and spare parts	20%	20%	20%	20%
14	Sai Gon - Khanh Hoa Beer Joint Stock Company	Producing and trading beer, alcohol, beverage and spare parts	26%	26%	26%	26%

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No	Company name	Principal activities	30/6/2020		1/1/2020	
			% of equity interest	% of voting rights	% of equity interest	% of voting rights
15	Saigon - Bentre Beer Joint Stock Company	Producing and trading beer, alcohol and beverages	20%	20%	20%	20%
16	Saigon Binh Tay Beer Group Joint Stock Company	Producing, processing and trading food, beverage, beer and alcohol drinks	21.80%	22.18%	21.80%	22.18%
17	Saigon Tay Do Beer - Beverage Joint Stock Company	Producing and trading beer, alcohol, beverage, soya milk and fruit juice	27.62%	34.92%	27.62%	34.92%
18	Saigon - Baclieu Beer Joint Stock Company	Producing and trading beer, alcohol and beverages	10.2%	20%	10.2%	20%

(\*) The ownership of the Group in the joint venture with Me Linh Point Limited was stated in the joint venture agreement dated 24 November 1994 between Chuong Duong Beverages Joint Stock Company (“Chuong Duong”), a subsidiary of the Company, and the counter party Centrepont Properties Ltd., a company established in Singapore. At the equitisation of Chuong Duong in 2014, the ownership of this joint venture agreement was transferred from Chuong Duong to the Company following the approval of the Ministry of Industry (now the Ministry of Industry and Trade). According to the joint venture agreement, profit allocated to each party in the joint venture follows a schedule stated in this agreement. For the six-month period ended 30 June 2020, the ratios are 40% and 60% (six-month period ended 30 June 2019: 35% and 65%) for the Group and the counter party, respectively.

As at 30 June 2020, the Group had 8,001 employees (1/1/2020: 8,017 employees).

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**2. Basis of preparation**

**(a) Statement of compliance**

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

**(b) Basis of measurement**

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

**(c) Annual accounting period**

The annual accounting period of the Group is from 1 January to 31 December. The consolidated interim financial statements are prepared for the six-month period ended 30 June 2020.

**(d) Accounting and presentation currency**

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

**3. Summary of significant accounting policies**

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

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

**(a) Basis of consolidation**

**(i) Subsidiaries**

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

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

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

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

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

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

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

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

**(b) *Foreign currency***

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

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

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

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

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

Assets and liabilities of associate which denominated in currency other than VND are translated to VND at exchange rates at the end of the accounting period. Income and expenses of this associate are translated to VND at exchange rates at the dates of transactions.

Foreign currency differences arising from the translation of financial statements of associate which denominated in currency other than VND are recognised in the balance sheet under the caption “Foreign exchange differences” in equity.

**(c) **Cash and cash equivalents****

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

**(d) **Investments****

**(i) *Held-to-maturity investments***

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

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

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

**(e) **Accounts receivable****

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

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**(f) Inventories**

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

The Group applies the perpetual method of accounting for inventories.

**(g) Tangible fixed assets**

**(i) Cost**

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition for its intended use. Expenditure incurred after tangible fixed assets have been put into operation, such as repair, maintenance and overhaul cost, is charged to the consolidated statement of income in the 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

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**(h) Intangible fixed assets**

**(i) Land use rights**

Land use rights comprise:

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

Land use rights with indefinite term are stated at cost and not amortised. Land use rights with definite term are stated at cost less accumulated amortisation. The initial cost of land use rights comprises the purchase price and any direct attributable costs incurred in conjunction with securing the land use rights. Land use rights with definite term are amortised on a straight-line basis over the term of the land use rights ranging from 32 to 49 years.

**(ii) Software**

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

**(i) Investment properties**

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

*Cost*

Investment property held to earn rental is stated at cost less accumulated depreciation. The initial cost of an investment property held to earn rental comprises its purchase price, cost of land use rights and any directly attributable expenditure of bringing the property to the condition necessary for it to be capable of operating in the manner intended by the Board of Management. Expenditure incurred after the investment property held to earn rental has been put into operation, such as repair 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          | 46 years     |
| ▪ buildings and structures | 5 – 45 years |

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**(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) *Returnable packaging***

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

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

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

**(iii) *Tools and instruments***

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

**(l) *Trade and other payables***

Trade and other payables are stated at their cost.

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

**(o) Taxation**

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

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

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

**(ii) Services rendered**

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

**(iii) Rental income**

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

**(iv) Interest income**

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

**(v) Dividend income**

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

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**(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 did not have potentially dilutive shares and regulations on presentation of diluted earnings per share are not applied.

**(t) Segment reporting**

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

**(u) Related parties**

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

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#### **4. Seasonality of operations**

The Group's principal business activities are:

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

Management is of the opinion that these segments are not subject to significant seasonal fluctuations.

#### **5. Impacts of Covid-19 and new regulations**

The outbreak of the 2019 Novel Coronavirus (“Covid-19”) pandemic from March 2020 in Vietnam and subsequent measures imposed by the Vietnam Government have had an adverse impact on production and sales of the Group. Decree 100/2019/ND-CP which is effective since 1 January 2020 has also affected the beer and alcohol businesses. The Group's management has adapted their business strategy and applied cost saving measures to reduce the financial impacts of these events. Though Vietnam has allowed all businesses to be reopened, international travel has remained primarily closed. The Group's management is continuing to monitor the situation of the Covid-19 pandemic and apply appropriate measures.

#### **6. Segment reporting**

##### **(a) Business segments**

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

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

During the period, other business activities accounted for an insignificant proportion of total revenue and operating results of the Group and the Group's assets and liabilities as at reporting dates were mainly related to beer manufacturing activities. Accordingly, the financial information presented in the consolidated balance sheet as at 30 June 2020 and 1 January 2020 were mainly related to the Group's sales of beers activities. Note 31 and Note 32 disclosed breakdown of revenue and cost of sales per each category of products, which provided sufficient information as to performance of each segment as identified above.

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

The Group's geographical segments are distinguished based on the locations of customers, being the local or foreign customers, in which, export segments only accounted for an insignificant proportion of total revenue and did not require a separate report. Accordingly, the financial information presented mainly reflected the business activities in the territory of Vietnam.

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**7. Cash and cash equivalents**

	<b>30/6/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
Cash on hand	4,679,898,263	1,999,169,826
Cash in banks	1,517,077,454,707	951,479,827,739
Cash equivalents (*)	3,343,056,598,679	3,162,405,649,072
	4,864,813,951,649	4,115,884,646,637

- (\*) Cash equivalents represented term deposits at banks with original terms to maturity of three months or less. Cash equivalents are denominated in VND and earned interest at rates ranging from 4.0% to 4.8% per annum (1/1/2020: 4.3% to 5.5% per annum).

**8. Investments**

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

Held-to-maturity investments – short-term represented term deposits at banks with terms to maturity of more than 3 months from their transaction dates but less than 12 months from the reporting date. Term deposits are denominated in VND and earned interest at rates ranging from 5.4% to 8.2% per annum (1/1/2020: 6.5% to 8.2% per annum).

**(b) Held-to-maturity investments – long-term**

	<b>30/6/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
Term deposits (i)	30,000,000,000	33,000,000,000
Bonds (ii)	20,868,879,905	20,868,879,905
	50,868,879,905	53,868,879,905

- (i) This represented term deposits at banks with terms to maturity of more than 12 months from the reporting date. Term deposits are denominated in VND and earned interest at 8.3% per annum (1/1/2020: 7.6% to 8.3% per annum).
- (ii) This represented the Group's investment in bonds issued by Shipbuilding Industry Corporation. Allowance was fully made for this investment.

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

	30/6/2020			1/1/2020		
	Equity accounted/ Cost VND	Allowance VND	Carrying amount VND	Equity accounted/ Cost VND	Allowance VND	Carrying amount VND
Investments in associates and jointly controlled entities (i)	1,922,676,923,135	(97,332,469,971)	1,825,344,453,164	1,878,458,174,350	(97,332,469,971)	1,781,125,704,379
Equity investments in other entities (ii)	665,885,700,116	(338,578,424,277)	327,307,275,839	665,885,700,116	(338,141,461,677)	327,744,238,439
	2,588,562,623,251	(435,910,894,248)	2,152,651,729,003	2,544,343,874,466	(435,473,931,648)	2,108,869,942,818

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

Company name	30/6/2020			1/1/2020		
	Equity accounted VND	Fair value VND	Allowance VND	Equity accounted VND	Fair value VND	Allowance VND
Truong Sa Food - Food Business Joint Stock Company	4,877,957,381	(*)	-	5,349,040,203	(*)	-
Thanh Nam Consultant Investment - Engineering and Technology Transfer Joint Stock Company	329,653,546	(*)	-	329,653,546	(*)	-
Saigon - Phutho Beer Joint Stock Company	79,950,136,574	72,998,550,000	-	79,280,455,575	103,789,126,800	-
Mechanical and Industrial Construction Joint Stock Company	6,634,611,156	(*)	-	11,239,321,481	(*)	-
Saigon Tay Do Beer - Beverage Joint Stock Company	101,661,391,357	(*)	-	112,110,621,745	(*)	-
Me Linh Point Limited	119,289,076,016	(*)	-	129,777,418,614	(*)	-
Crown Beverage Cans Saigon Limited	352,488,490,837	(*)	-	300,165,809,593	(*)	-
Malaya - Vietnam Glass Limited	269,502,515,772	(*)	-	261,432,271,091	(*)	-
San Miguel Yamamura Phu Tho Packaging Company Limited	59,707,539,072	(*)	-	58,224,106,724	(*)	-
Vietnam Spirits and Wine Ltd	26,502,914,250	(*)	(26,502,914,250)	26,502,914,250	(*)	(26,502,914,250)
Saigon Binh Tay Beer Group Joint Stock Company	490,159,542,128	(*)	-	478,371,013,670	(*)	-
Sai Gon - Mien Trung Beer Joint Stock Company	159,363,148,421	302,757,481,900	-	149,579,209,268	381,106,862,200	-
Tan Thanh Investment Trading Company Limited	70,829,555,721	(*)	(70,829,555,721)	70,829,555,721	(*)	(70,829,555,721)
Saigon - Baclieu Beer Joint Stock Company	36,809,669,144	32,432,400,000	-	39,413,251,891	31,554,189,333	-
Sai Gon - Vinh Long Beer Joint Stock Company	51,474,168,479	(*)	-	49,365,264,038	(*)	-
Sai Gon - Kien Giang Beer Joint Stock Company	25,629,517,101	(*)	-	32,474,770,492	(*)	-
Sai Gon - Khanh Hoa Beer Joint Stock Company	45,486,234,215	(*)	-	48,931,173,926	(*)	-
Saigon - Bentre Beer Joint Stock Company	21,980,801,965	(*)	-	25,082,322,522	(*)	-
	<u>1,922,676,923,135</u>		<u>(97,332,469,971)</u>	<u>1,878,458,174,350</u>		<u>(97,332,469,971)</u>

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

	<b>Six-month period ended</b>	
	<b>30/6/2020</b>	<b>30/6/2019</b>
	<b>VND</b>	<b>VND</b>
Opening balance	1,878,458,174,350	1,800,203,395,934
Share of profits during the period	98,467,817,737	167,054,719,793
Dividends income during the period	(55,256,790,408)	(235,885,062,159)
Foreign exchange differences	1,007,721,456	4,892,963,746
Closing balance	1,922,676,923,135	1,736,266,017,314

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

Company name	30/6/2020			1/1/2020		
	Cost VND	Fair value VND	Allowance VND	Cost VND	Fair value VND	Allowance VND
Orient Commercial Joint Stock Bank	216,579,320,000	278,897,664,205	-	216,579,320,000	234,115,429,133	-
Dong A Commercial Joint Stock Bank	136,265,460,000	(*)	(136,265,460,000)	136,265,460,000	(*)	(136,265,460,000)
Saigon Packaging Group Joint Stock Company	50,000,000,000	(*)	-	50,000,000,000	(*)	-
PVI Holdings	51,475,140,000	14,516,868,600	(36,958,271,400)	51,475,140,000	14,953,831,200	(36,521,308,800)
Underground Space Investment Development Corporation	23,085,000,000	(*)	(23,085,000,000)	23,085,000,000	(*)	(23,085,000,000)
Phuong Dong Petroleum Tourism Joint Stock Company	30,700,950,000	10,437,000,000	(30,700,950,000)	30,700,950,000	7,056,000,000	(30,700,950,000)
Saigon Securities Investment Fund A2	35,757,720,722	(*)	(35,757,720,722)	35,757,720,722	(*)	(35,757,720,722)
Saigon Beer Transportation Joint Stock Company	26,588,267,394	(*)	-	26,588,267,394	(*)	-
Vietnam - Binh Tay Alcohol Joint Stock Company	300,000,000	(*)	(300,000,000)	300,000,000	(*)	(300,000,000)
Nha Trang Trade Tourism Joint Stock Company	1,161,147,000	(*)	-	1,161,147,000	(*)	-
Dai Viet Securities Incorporation	45,000,000,000	(*)	(45,000,000,000)	45,000,000,000	(*)	(45,000,000,000)
Sabeco HP Investment Company Limited	24,426,586,800	(*)	(24,426,586,800)	24,426,586,800	(*)	(24,426,586,800)
Sai Gon - Dong Nai Beer Joint Stock Company	3,954,000,000	(*)	(3,954,000,000)	3,954,000,000	(*)	(3,954,000,000)
Saigon Dong Ha Tourist Joint Stock Company	5,600,000,000	(*)	(1,810,837,795)	5,600,000,000	(*)	(1,810,837,795)
DIC Tourist and Trade Joint Stock Company	14,992,108,200	(*)	(319,597,560)	14,992,108,200	(*)	(319,597,560)
	665,885,700,116		(338,578,424,277)	665,885,700,116		(338,141,461,677)

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

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

	<b>Six-month period ended</b>	
	<b>30/6/2020</b>	<b>30/6/2019</b>
	<b>VND</b>	<b>VND</b>
Opening balance	665,885,700,116	688,510,888,053
Decrease through offsetting with other payables	-	(15,350,000,000)
Written off during the period	-	(7,275,187,937)
Closing balance	665,885,700,116	665,885,700,116

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

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

	<b>Six-month period ended</b>	
	<b>30/6/2020</b>	<b>30/6/2019</b>
	<b>VND</b>	<b>VND</b>
Opening balance	435,473,931,648	390,540,855,782
Allowance made during the period	436,962,600	5,446,686,750
Allowance reversed during the period	-	(11,989,493,600)
Allowance utilised during the period	-	(7,275,187,937)
Closing balance	435,910,894,248	376,722,860,995

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**9. Accounts receivable from customers**

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

	<b>30/6/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
Sai Gon - Phu Ly Beer Company Limited	35,042,942,882	7,974,522,927
Sai Gon - Mien Trung Beer Joint Stock Company	30,429,511,376	8,673,647,771
Saigon Binh Tay Beer Group Joint Stock Company	28,736,000,202	30,014,447,972
Other customers	211,049,545,373	110,991,953,983
	<hr/>	
	305,257,999,833	157,654,572,653
	<hr/> <hr/>	

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

	<b>30/6/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
<i>Associates and jointly controlled entities</i>		
Sai Gon - Mien Trung Beer Joint Stock Company	30,429,511,376	8,673,647,771
Saigon Binh Tay Beer Group Joint Stock Company	28,736,000,202	30,014,447,972
Saigon - Phutho Beer Joint Stock Company	27,327,157,193	8,367,162,123
Saigon - Bentre Beer Joint Stock Company	21,964,333,070	7,622,147,366
Sai Gon - Khanh Hoa Beer Joint Stock Company	20,312,137,833	5,481,242,048
Sai Gon - Kien Giang Beer Joint Stock Company	20,252,741,373	10,112,131,104
Sai Gon - Vinh Long Beer Joint Stock Company	17,375,381,755	7,636,502,161
Saigon Tay Do Beer - Beverage Joint Stock Company	11,735,072,089	6,307,906,113
Saigon - Baclieu Beer Joint Stock Company	5,940,618,940	-
Malaya - Vietnam Glass Limited	1,912,358,025	2,134,763,192
San Miguel Yamamura Phu Tho Packaging Company Limited	407,299,200	375,144,000
	<hr/> <hr/>	

**Saigon Beer - Alcohol - Beverage Corporation and its subsidiaries**  
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**10. Other receivables**

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

	<b>30/6/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
Receivables due to difference between value of capital contribution in kind and agreed capital contribution in an associate	277,230,733,543	277,230,733,543
Interest income receivables	317,241,960,990	313,539,765,595
Dividends receivables	17,884,307,000	48,821,921,232
Other short-term receivables	83,023,724,669	62,994,688,808
	<hr/>	<hr/>
	695,380,726,202	702,587,109,178
	<hr/>	<hr/>

*Other short-term receivables from related parties*

	<b>30/6/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
<i>Associates and jointly controlled entities</i>		
Tan Thanh Investment Trading Company Limited	277,230,733,543	277,230,733,543
San Miguel Yamamura Phu Tho Packaging Company Limited	8,141,000,000	8,141,000,000
Saigon Tay Do Beer - Beverage Joint Stock Company	6,983,307,000	-
Saigon Binh Tay Beer Group Joint Stock Company	4,866,363,636	3,470,918,435
Sai Gon - Khanh Hoa Beer Joint Stock Company	83,916,000	83,916,000
Sai Gon - Mien Trung Beer Joint Stock Company	-	36,311,825,665
Sai Gon - Vinh Long Beer Joint Stock Company	-	6,950,307,806
Saigon - Bentre Beer Joint Stock Company	-	1,868,442,672
Sai Gon - Kien Giang Beer Joint Stock Company	-	1,592,202,248
	<hr/>	<hr/>

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

	<b>30/6/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
Long-term deposits	27,863,223,834	30,466,726,775
Other long-term receivables	8,028,765,000	8,028,765,000
	<hr/>	<hr/>
	35,891,988,834	38,495,491,775
	<hr/>	<hr/>

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**11. Allowance for doubtful debts**

**(a) Short-term**

	Overdue days	30/6/2020			Recoverable amount VND	Overdue days	1/1/2020		
		Cost VND	Allowance VND				Cost VND	Allowance VND	Recoverable amount VND
Other short-term receivables	Over 2 years	329,371,173,672	(329,371,173,672)	-	Over 2 years	329,371,173,672	(329,371,173,672)	-	
Prepayments to suppliers	Over 2 years	11,675,583,954	(11,675,439,217)	144,737	Over 2 years	11,688,783,954	(11,675,439,217)	13,344,737	
Accounts receivable from customers	Over 2 years	5,332,580,323	(5,143,191,059)	189,389,264	Over 2 years	5,355,275,946	(5,266,054,396)	89,221,550	
		<u>346,379,337,949</u>	<u>(346,189,803,948)</u>	<u>189,534,001</u>		<u>346,415,233,572</u>	<u>(346,312,667,285)</u>	<u>102,566,287</u>	

**(b) Long-term**

	Overdue days	30/6/2020			Recoverable amount VND	Overdue days	1/1/2020		
		Cost VND	Allowance VND				Cost VND	Allowance VND	Recoverable amount VND
Held-to-maturity investments – long-term	Over 2 years	20,868,879,905	(20,868,879,905)	-	Over 2 years	20,868,879,905	(20,868,879,905)	-	
Accounts receivable from customers – long-term	Over 2 years	6,005,003,018	(6,005,003,018)	-	Over 2 years	6,005,003,018	(6,005,003,018)	-	
Loans receivable – long-term	Over 2 years	4,000,000,000	(4,000,000,000)	-	Over 2 years	4,000,000,000	(4,000,000,000)	-	
Other long-term receivables	Over 2 years	8,516,530,900	(8,516,530,900)	-	Over 2 years	8,516,530,900	(8,516,530,900)	-	
		<u>39,390,413,823</u>	<u>(39,390,413,823)</u>	<u>-</u>		<u>39,390,413,823</u>	<u>(39,390,413,823)</u>	<u>-</u>	

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

	<b>Six-month period ended</b>	
	<b>30/6/2020</b>	<b>30/6/2019</b>
	<b>VND</b>	<b>VND</b>
Opening balance	385,703,081,108	95,268,832,527
Allowance made during the period	827,536,663	654,656,003
Allowance reversed during the period	(950,400,000)	(329,209,304)
	<hr/>	<hr/>
Closing balance	385,580,217,771	95,594,279,226
	<hr/>	<hr/>

## 12. Inventories

### (a) Inventories

	<b>30/6/2020</b>		<b>1/1/2020</b>	
	<b>Cost VND</b>	<b>Allowance VND</b>	<b>Cost VND</b>	<b>Allowance VND</b>
Goods in transit	44,816,694,232	-	206,339,542,512	-
Raw materials	511,689,886,745	(45,334,013,070)	517,894,000,688	(56,730,202,872)
Tools and supplies	242,628,604,071	(126,068,427,017)	285,028,888,383	(123,647,246,994)
Work in progress	206,031,718,430	(1,939,778,598)	232,611,199,538	(1,939,778,598)
Finished goods	734,103,541,631	(13,637,540,013)	927,663,136,778	(20,085,805,337)
Merchandise inventories	10,949,242,436	-	3,985,809	-
	<hr/>	<hr/>	<hr/>	<hr/>
	1,750,219,687,545	(186,979,758,698)	2,169,540,753,708	(202,403,033,801)
	<hr/>	<hr/>	<hr/>	<hr/>

Included in inventories as at 30 June 2020 was VND186,980 million (1/1/2020: VND202,403 million) of obsolete or slow-moving inventories that are difficult to sell.

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

	<b>Six-month period ended</b>	
	<b>30/6/2020</b>	<b>30/6/2019</b>
	<b>VND</b>	<b>VND</b>
Opening balance	202,403,033,801	220,309,616,679
Allowance made during the period	12,183,102,923	5,144,799,709
Allowance reversed during the period	(17,893,586,666)	(6,876,544,343)
Allowance utilised during the period	(9,712,791,360)	-
Transfer to allowance for long-term tools, supplies and spare parts	-	(200,164,449)
Closing balance	186,979,758,698	218,377,707,596

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

	<b>30/6/2020</b>		<b>1/1/2020</b>	
	<b>Cost</b>	<b>Allowance</b>	<b>Cost</b>	<b>Allowance</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
Long-term tools, supplies and spare parts	56,947,256,617	(32,447,094,392)	60,182,188,934	(29,145,767,294)

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

	<b>Six-month period ended</b>	
	<b>30/6/2020</b>	<b>30/6/2019</b>
	<b>VND</b>	<b>VND</b>
Opening balance	29,145,767,294	13,296,219,944
Allowance made during the period	5,794,381,085	3,230,259,465
Allowance reversed during the period	(2,493,053,987)	(1,214,931,383)
Transfer from allowance for inventories	-	200,164,449
Closing balance	32,447,094,392	15,511,712,475

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**13. Prepaid expenses**

**(a) Short-term prepaid expenses**

	<b>30/6/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
Advertising expenses	64,602,742,957	61,446,931,219
Rental expenses	20,449,886,032	17,831,096,101
Tools and instruments	2,508,186,920	2,976,228,969
Others	18,829,552,106	14,875,648,832
	<hr/>	<hr/>
	106,390,368,015	97,129,905,121
	<hr/>	<hr/>

**(b) Long-term prepaid expenses**

	<b>30/6/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
Returnable packaging	111,144,587,362	138,132,411,556
Prepaid land costs	65,223,683,647	66,375,716,506
Property held for future investment (*)	51,602,316,000	51,602,316,000
Tools and instruments	31,982,828,408	32,092,214,503
Others	36,434,789,790	40,401,975,215
	<hr/>	<hr/>
	296,388,205,207	328,604,633,780
	<hr/>	<hr/>

(\*) Property held for future investment represented the value of land use rights awaiting transfer (Note 22(b)).

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

	<b>Six-month period ended</b>	
	<b>30/6/2020</b>	<b>30/6/2019</b>
	<b>VND</b>	<b>VND</b>
Opening balance	328,604,633,780	551,794,760,319
Additions during the period	51,883,615,754	46,749,276,558
Transfer from/(to) tangible fixed assets	71,700,000	(1,108,205,697)
Amortisation for the period	(84,171,744,327)	(196,596,810,736)
	<hr/>	<hr/>
Closing balance	296,388,205,207	400,839,020,444
	<hr/>	<hr/>



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**14. Tangible fixed assets**

	<b>Buildings and structures VND</b>	<b>Machinery and equipment VND</b>	<b>Motor vehicles VND</b>	<b>Office equipment VND</b>	<b>Others VND</b>	<b>Total VND</b>
<b>Cost</b>						
Opening balance	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
Additions	-	10,949,403,291	-	10,015,710,162	-	20,965,113,453
Transfer from construction in progress	20,436,376,688	487,448,700,347	-	2,623,232,944	-	510,508,309,979
Transfer to investment properties (Note 16(a))	(11,838,105,819)	-	-	-	-	(11,838,105,819)
Transfer to long-term prepaid expenses	-	-	-	-	(71,700,000)	(71,700,000)
Reclassification	-	-	(1,895,030,928)	1,895,030,928	-	-
Disposals	-	(810,574,039)	(1,068,620,120)	-	-	(1,879,194,159)
Closing balance	2,087,221,562,502	8,197,599,130,355	251,670,721,107	162,174,016,018	9,249,846,674	10,707,915,276,656
<b>Accumulated depreciation</b>						
Opening 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
Charge for the period	48,605,914,715	226,670,846,960	8,409,278,533	7,112,364,920	398,828,681	291,197,233,809
Transfer to investment properties (Note 16(a))	(2,243,400,565)	-	-	-	-	(2,243,400,565)
Reclassification	-	-	(1,869,845,742)	1,869,845,742	-	-
Disposals	-	(653,165,908)	(1,068,620,120)	-	-	(1,721,786,028)
Closing balance	1,027,254,611,022	5,379,816,837,939	197,460,729,872	123,018,511,605	6,269,651,790	6,733,820,342,228
<b>Net book value</b>						
Opening 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
Closing balance	1,059,966,951,480	2,817,782,292,416	54,209,991,235	39,155,504,413	2,980,194,884	3,974,094,934,428

Included in tangible fixed assets as at 30 June 2020 were assets costing VND2,899,987 million (1/1/2020: VND2,346,481 million) which were fully depreciated, but which are still in active use.

The net book value of tangible fixed assets retired from active use and held for disposal was to VND71,122 million as at 30 June 2020 (1/1/2020: VND58,590 million).

Historical cost of tangible fixed assets that the Group leased to its associates to earn rental income as at 30 June 2020 was VND61,027 million (1/1/2020: VND61,027 million).

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**15. Intangible fixed assets**

	<b>Land use rights (*) VND</b>	<b>Software VND</b>	<b>Others VND</b>	<b>Total VND</b>
<b>Cost</b>				
Opening balance	1,024,215,267,144	67,270,890,585	247,447,482	1,091,733,605,211
Additions		2,904,845,000	-	2,904,845,000
Transfer from construction in progress	-	1,061,941,589	-	1,061,941,589
Reclassification	-	143,447,482	(143,447,482)	-
Disposals	(33,359,564)	-	-	(33,359,564)
<b>Closing balance</b>	<b>1,024,181,907,580</b>	<b>71,381,124,656</b>	<b>104,000,000</b>	<b>1,095,667,032,236</b>
<b>Accumulated amortisation</b>				
Opening balance	83,628,234,464	66,075,272,419	232,201,231	149,935,708,114
Charge for the period	3,403,362,367	897,785,337	6,476,124	4,307,623,828
Reclassification	-	143,447,482	(143,447,482)	-
Disposals	(4,180,700)	-	-	(4,180,700)
<b>Closing balance</b>	<b>87,027,416,131</b>	<b>67,116,505,238</b>	<b>95,229,873</b>	<b>154,239,151,242</b>
<b>Net book value</b>				
Opening balance	940,587,032,680	1,195,618,166	15,246,251	941,797,897,097
Closing balance	937,154,491,449	4,264,619,418	8,770,127	941,427,880,994

Included in intangible fixed assets as at 30 June 2020 were assets costing VND64,172 million (1/1/2020: VND64,172 million) which were fully amortised, but which are still in active use.

The net book value of intangible fixed assets retired from active use and held for disposal was VND304 million as at 30 June 2020 (1/1/2020: VND304 million).

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- (\*) Land use rights as at 30 June 2020 included the value of land use rights of VND735,380 million that the Group has additionally recorded on the equitisation date following the Minutes of Corporate Valuation dated 31 December 2007 and the Equitisation Finalisation Minute, which was performed by representative of the Ministry of Industry and Trade and the Ministry of Finance on 30 April 2008, who issued the report on 6 March 2010. The Group has recorded the increase in value of land use rights in “Intangible fixed assets” with a corresponding payable to State Treasury in “Other short-term payables” account (Note 22(a)).

The Ministry of Industry and Trade has allowed the Group to manage and use these land use rights following the plan of the People’s Committee of Ho Chi Minh City. At the date of these consolidated interim financial statements, the Group is in the process of preparing the land rental contracts with the People’s Committee of Ho Chi Minh City. Currently, those land lots are used for principal activities of the Group. They are temporary land use rights with restrictions on ownership and are not permitted for sale, sublease or mortgage.

Details of land use rights recorded at the estimated increased value on 6 March 2010 were as follows:

No	Location	Square meters	Revalued amount in connection with equitisation VND
1	46 Ben Van Don Street, Ward 12, District 4, Ho Chi Minh City, Vietnam	3,872.5	55,241,212,500
2	187 Nguyen Chi Thanh Street, Ward 12, District 5, Ho Chi Minh City, Vietnam	17,406.1	418,634,111,100
3	474 Nguyen Chi Thanh Street, Ward 6, District 10, Ho Chi Minh City, Vietnam	7,729.0	247,637,160,000
4	18/3B Phan Huy Ich Street, Ward 15, Tan Binh District, Ho Chi Minh City, Vietnam	2,216.3	13,867,389,100
			735,379,872,700

The Group has not amortised the above land use rights because their costs and useful lives have not been measured reliably at the balance sheet date. During the period, the Group has also recognised the land rental expenses to the consolidated statement of income an amount of VND18,379 million (six-month period ended 30 June 2019: VND11,544 million) following the tax payment notices from local tax authorities.

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**16. Investment properties**

	<b>30/6/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
Investment property held to earn rental (a)	34,748,450,396	26,672,244,376
Investment property held for capital appreciation (b)	31,760,909,657	31,760,909,657
	66,509,360,053	58,433,154,033
	66,509,360,053	58,433,154,033

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

	<b>Land use</b>	<b>Buildings and</b>	<b>Total</b>
	<b>rights</b>	<b>structures</b>	<b>VND</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>
<b>Cost</b>			
Opening balance	27,812,438,744	18,106,255,809	45,918,694,553
Transfer from tangible fixed assets (Note 14)	-	11,838,105,819	11,838,105,819
	27,812,438,744	29,944,361,628	57,756,800,372
<b>Accumulated depreciation</b>			
Opening balance	7,906,274,291	11,340,175,886	19,246,450,177
Charge for the period	302,309,129	1,216,190,105	1,518,499,234
Transfer from tangible fixed assets (Note 14)	-	2,243,400,565	2,243,400,565
	8,208,583,420	14,799,766,556	23,008,349,976
<b>Net book value</b>			
Opening balance	19,906,164,453	6,766,079,923	26,672,244,376
Closing balance	19,603,855,324	15,144,595,072	34,748,450,396
	19,603,855,324	15,144,595,072	34,748,450,396

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

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

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

**17. Construction in progress**

	<b>Six-month period ended</b>	
	<b>30/6/2020</b>	<b>30/6/2019</b>
	<b>VND</b>	<b>VND</b>
Opening balance	307,773,703,264	144,377,898,065
Additions during the period	257,442,448,644	56,053,141,203
Transfer to tangible fixed assets	(510,508,309,979)	(27,318,950,696)
Transfer to intangible fixed assets	(1,061,941,589)	-
Transfer to inventories	(813,912,046)	-
Closing balance	52,831,988,294	173,112,088,572

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Major constructions in progress were as follows:

	<b>30/6/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
Wastewater treatment systems	11,401,026,354	4,142,426,410
Beer filtration and separation systems	-	100,342,589,681
Upgrade warehouse and brewery at Nguyen Chi Thanh Brewery	-	88,942,805,924
Buildings and structures	-	78,407,669,034
Other projects	41,430,961,940	35,938,212,215
	<hr/>	<hr/>
	52,831,988,294	307,773,703,264
	<hr/>	<hr/>

**18. Deferred tax assets and deferred tax liabilities**

	<b>Tax rate</b>	<b>30/6/2020</b>	<b>1/1/2020</b>
		<b>VND</b>	<b>VND</b>
Deferred tax assets recognised on:			
▪ Allowance for diminution in the value of long-term financial investments	20%	59,808,041,640	62,078,974,035
▪ Accrued expenses and provisions	20%	36,601,093,687	65,769,374,820
▪ Unrealised profits	20%	42,035,241,340	45,504,272,571
▪ Allowance for inventories and long-term tools, suppliers and spare parts	20%	38,651,694,853	36,470,545,384
▪ Allowance for doubtful debts	20%	2,323,811,667	4,345,263,905
▪ Others	20%	298,579,952	567,880,000
		<hr/>	<hr/>
Total deferred tax assets		179,718,463,139	214,736,310,715
		<hr/>	<hr/>
Deferred tax liabilities recognised on:			
▪ Allowance for diminution in the value of long-term financial investments	20%	28,161,725,285	25,196,385,655
▪ Tools and instruments	20%	5,888,403,628	6,480,311,474
▪ Provision and allowance	20%	(1,081,520,416)	(1,133,077,056)
		<hr/>	<hr/>
Total deferred tax liabilities		32,968,608,497	30,543,620,073
		<hr/>	<hr/>

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**19. Accounts payable to suppliers**

**(a) Account payable to suppliers – short-term**

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

	<b>Cost/Amount within payment capacity</b>	
	<b>30/6/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
Hanacans Joint Stock Company	195,307,791,336	255,937,951,196
Crown Beverage Cans Saigon Limited	180,809,569,023	235,967,453,301
Other suppliers	1,378,438,795,174	1,935,162,449,390
	1,754,556,155,533	2,427,067,853,887

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

	<b>Cost/Amount within payment capacity</b>	
	<b>30/6/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
<i>Associates and jointly controlled entities</i>		
Crown Beverage Cans Saigon Limited	180,809,569,023	235,967,453,301
Saigon Binh Tay Beer Group Joint Stock Company	74,688,512,400	63,993,357,149
Sai Gon - Mien Trung Beer Joint Stock Company	27,933,154,439	52,041,494,908
Saigon - Bentre Beer Joint Stock Company	27,335,652,080	18,409,920,276
Saigon - Phutho Beer Joint Stock Company	23,406,841,920	24,851,400,970
Sai Gon - Kien Giang Beer Joint Stock Company	16,890,111,040	27,107,766,113
San Miguel Yamamura Phu Tho Packaging Company Limited	12,305,973,900	15,764,630,891
Saigon Tay Do Beer - Beverage Joint Stock Company	11,499,807,913	8,441,778,004
Sai Gon - Khanh Hoa Beer Joint Stock Company	9,516,276,000	5,565,963,898
Sai Gon - Vinh Long Beer Joint Stock Company	7,724,833,600	21,125,716,480
Saigon - Baclieu Beer Joint Stock Company	5,506,518,600	4,688,242,020
Malaya - Vietnam Glass Limited	604,904,890	-
<i>Other related party</i>		
TBC-Ball Beverage Can Vietnam Co., Ltd	83,262,174,966	52,601,015,251

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**(b) Accounts payable to suppliers – long-term**

*Accounts payable to suppliers detailed by significant suppliers*

	<b>Cost/Amount within</b>	
	<b>payment capacity</b>	
	<b>30/6/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
Krones AG (*)	88,693,875,350	-
Others	100,000,000	100,000,000
	88,793,875,350	100,000,000

(\*) The long-term accounts payable to Krones AG will be repaid on 18 September 2022.

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**20. Taxes payable to/receivable from State Treasury**

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

	<b>1/1/2020 VND</b>	<b>Incurred VND</b>	<b>Paid VND</b>	<b>Net-off VND</b>	<b>Reclassified to taxes receivable VND</b>	<b>30/6/2020 VND</b>
Special sales tax	492,850,292,427	3,152,308,390,098	(2,914,240,115,226)	-	-	730,918,567,299
Corporate income tax	232,943,964,427	447,757,034,053	(471,922,362,613)	(982,325,779)	611,005,769	208,407,315,857
Value added tax	100,284,136,319	5,646,365,672,374	(662,513,672,007)	(4,921,774,378,911)	-	162,361,757,775
Personal income tax	26,171,569,215	27,017,667,811	(40,911,658,154)	(26,232,048)	657,415,688	12,908,762,512
Import-export tax	-	5,430,731,128	(5,430,731,128)	-	-	-
Other taxes	3,710,050,777	75,328,379,586	(64,758,053,009)	(65,747,292)	216,076,267	14,430,706,329
	<b>855,960,013,165</b>	<b>9,354,207,875,050</b>	<b>(4,159,776,592,137)</b>	<b>(4,922,848,684,030)</b>	<b>1,484,497,724</b>	<b>1,129,027,109,772</b>

In 2018, the Group received the Notification of the tax authority requesting provisional payments to the State budget in relation to the late payment penalty and late interest on special sales tax for the period from 2007 to 2015 that had been paid by the Group. In April 2020, the Group received official responses from the relevant authorities informing that matters were resolved.

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

	1/1/2020 VND	Net-off VND	Reclassified from taxes payable VND	30/6/2020 VND
Value added tax	1,806,954,567	(1,806,954,567)	-	-
Corporate income tax	1,989,241,864	(982,325,779)	611,005,769	1,617,921,854
Personal income tax	463,563,366	(26,232,048)	657,415,688	1,094,747,006
Other taxes	151,489,955	(65,747,292)	216,076,267	301,818,930
	4,411,249,752	(2,881,259,686)	1,484,497,724	3,014,487,790

**21. Accrued expenses**

	30/6/2020 VND	1/1/2020 VND
Advertising and promotion expenses	454,255,966,299	325,832,316,250
Interest expenses	20,406,942,734	21,487,979,834
Transportation expenses	3,491,500,145	3,338,741,362
Others	110,692,602,810	82,511,944,274
	588,847,011,988	433,170,981,720

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**22. Other payables**

**(a) Other payables – short-term**

	<b>30/6/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
Estimated land use rights payable to the State in connection with equitisation (*)	735,379,872,700	735,379,872,700
Short-term deposits received	147,888,940,972	179,289,889,446
Dividends payable	39,179,553,916	45,680,554,923
Other payables	54,632,533,127	118,997,511,575
	<hr/>	<hr/>
	977,080,900,715	1,079,347,828,644
	<hr/>	<hr/>

(\*) Estimated land use rights payable to the State in connection with equitisation was recorded in accordance with Equitisation Finalisation Minute issued by representative of Ministry of Industry and Trade and Ministry of Finance dated 6 March 2010 (Note 15).

***Other payables – short-term to related parties***

	<b>30/6/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
<b><i>Associates and jointly controlled entities</i></b>		
Saigon Binh Tay Beer Group Joint Stock Company	2,854,448,349	2,854,448,349
Sai Gon - Mien Trung Beer Joint Stock Company	562,650,000	-
Thanh Nam Consultant Investment - Engineering and Technology Transfer Joint Stock Company	340,000,000	340,000,000
<b><i>Other related parties</i></b>		
Super Brands Company Pte. Ltd	304,650,459	6,246,344,005
Fraser and Neave, Limited	232,887,356	2,425,671,710
Fraser & Neave (Singapore) Pte. Limited	2,000,000	874,455,121
	<hr/>	<hr/>

**(b) Other payables – long-term**

	<b>30/6/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
Land tax payable to the State (Note 13(b))	51,602,316,000	51,602,316,000
Long-term deposits received	2,407,700,000	2,471,000,000
	<hr/>	<hr/>
	54,010,016,000	54,073,316,000
	<hr/>	<hr/>

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**23. Borrowings**

**(a) Short-term borrowings**

	1/1/2020 Carrying amount/ Amount within repayment capacity VND	Movements during the period		30/6/2020 Carrying amount/ Amount within repayment capacity VND
		Increase VND	Decrease VND	
Short-term borrowings	504,913,273,296	1,194,925,740,511	(1,305,503,424,088)	394,335,589,719
Current portion of long-term borrowings (Note 23(b))	55,597,790,000	34,788,660,000	(38,809,130,000)	51,577,320,000
	560,511,063,296	1,229,714,400,511	(1,344,312,554,088)	445,912,909,719

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

	Currency	30/6/2020 VND	1/1/2020 VND
▪ Vietnam Joint Stock Commercial Bank for Industry and Trade – Branch 4	VND	166,598,146,094	118,766,311,328
▪ Vietnam Joint Stock Commercial Bank for Industry and Trade – Branch 4	VND	46,045,785,549	100,000,000,000
▪ Vietnam Joint Stock Commercial Bank for Industry and Trade – Branch 4	VND	16,178,886,904	144,973,056,278
▪ Vietnam Joint Stock Commercial Bank for Industry and Trade – Quang Ngai Branch	VND	90,900,000,000	91,500,000,000
▪ Vietnam Joint Stock Commercial Bank for Industry and Trade – Quang Minh Branch	VND	30,630,601,494	39,373,905,690
▪ Vietnam Joint Stock Commercial Bank for Industry and Trade – Nam Thang Long Branch	VND	-	10,300,000,000
▪ Bank for Investment and Development of Vietnam	VND	26,994,743,741	-
▪ Shinhan Bank Vietnam Limited	VND	9,551,793,937	-
▪ Vietnam Export Import Commercial Joint Stock Bank – Quang Ngai Branch	USD	7,435,632,000	-
		394,335,589,719	504,913,273,296

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The short-term VND denominated borrowings bore interest at rates ranging from 4.2% to 5.6% per annum (1/1/2020: from 5.3% to 6.5% per annum) and short-term USD denominated borrowings bore interest rate of 3.5% per annum (1/1/2020: from 3.3% to 4.0% per annum). The short-term borrowings are secured by inventories, tangible fixed assets and investment properties.

**(b) Long-term borrowings**

	<b>30/6/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
Long-term borrowings	511,033,647,274	549,842,777,274
Repayable within twelve months (Note 23(a))	(51,577,320,000)	(55,597,790,000)
	<hr/>	<hr/>
Repayable after twelve months	459,456,327,274	494,244,987,274
	<hr/>	<hr/>

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

			<b>30/6/2020</b>	<b>1/1/2020</b>
	<b>Year of</b>		<b>VND</b>	<b>VND</b>
	<b>Currency</b>	<b>maturity</b>		
▪ Vietnam Joint Stock Commercial Bank for Industry and Trade - Branch 4	VND	2027	489,069,877,274	525,069,877,274
▪ Vietnam Joint Stock Commercial Bank for Industry and Trade - Quang Minh Branch	VND	2022	17,815,770,000	19,795,300,000
▪ Shinhan Bank Vietnam Ltd - Ha Noi Branch	VND	2022	4,148,000,000	4,977,600,000
			<hr/>	<hr/>
			511,033,647,274	549,842,777,274
			<hr/>	<hr/>

The long-term borrowings bore interest at rates ranging from 7.80% to 8.44% per annum (1/1/2020: 7.80% to 8.44% per annum) and are secured by tangible fixed assets, assets to be formed in the future and investment properties.

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## 24. Bonus and welfare fund

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

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

	<b>Six-month period ended</b>	
	<b>30/6/2020</b>	<b>30/6/2019</b>
	<b>VND</b>	<b>VND</b>
Opening balance	294,925,203,277	222,305,047,166
Appropriation during the period (Note 26)	63,839,022,336	139,571,219,425
Adjustment to bonus and welfare fund (Note 26)	(41,118,958,561)	32,858,350,618
Utilisation during the period	(80,684,476,347)	(243,298,663,860)
	<hr/>	<hr/>
Closing balance	236,960,790,705	151,435,953,349
	<hr/>	<hr/>

## 25. Provisions – long-term

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

	<b>Six-month period ended</b>	
	<b>30/6/2020</b>	<b>30/6/2019</b>
	<b>VND</b>	<b>VND</b>
Opening balance	135,416,747,716	145,868,448,336
Provision made during the period	981,142,753	346,474,376
Transfer from provisions - short-term	172,000,000	-
Provision utilised during the period	(9,271,269,120)	(6,452,591,435)
Provision reversed during the period	-	(191,272,177)
	<hr/>	<hr/>
Closing balance	127,298,621,349	139,571,059,100
	<hr/>	<hr/>

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26. Changes in owners' equity

	Share capital VND	Other capital VND	Foreign exchange differences VND	Investment and development fund VND	Other equity funds VND	Retained profits VND	Total equity attributable to owners of the Company VND	Non-controlling interest VND	Total VND
<b>Balance as at 1 January 2019</b>	6,412,811,860,000	3,208,666,226	21,099,487,654	1,130,147,220,442	5,327,112,664	7,473,777,581,426	15,046,371,928,412	1,065,496,239,757	16,111,868,168,169
Net profit for the period	-	-	-	-	-	2,658,458,475,046	2,658,458,475,046	161,540,469,492	2,819,998,944,538
Appropriation to bonus and welfare fund (Note 24)	-	-	-	-	-	(123,681,504,903)	(123,681,504,903)	(15,889,714,522)	(139,571,219,425)
Adjustment to bonus and welfare fund (Note 24)	-	-	-	-	-	(30,004,529,945)	(30,004,529,945)	(2,853,820,673)	(32,858,350,618)
Appropriation to investment and development fund	-	-	-	221,570,621	-	(221,570,621)	-	-	-
Dividends (Note 29)	-	-	-	-	-	-	-	(146,297,150,789)	(146,297,150,789)
Foreign exchange differences	-	-	4,892,963,746	-	-	-	4,892,963,746	-	4,892,963,746
Appropriation social activities fund	-	-	-	-	-	(23,106,121,934)	(23,106,121,934)	(556,666,928)	(23,662,788,862)
Adjustment to social activities fund	-	-	-	-	-	(2,116,745,426)	(2,116,745,426)	176,278,554	(1,940,466,872)
Others	-	-	-	4,038,094	-	2,269,531	6,307,625	(18,307,625)	(12,000,000)
<b>Balance as at 30 June 2019</b>	6,412,811,860,000	3,208,666,226	25,992,451,400	1,130,372,829,157	5,327,112,664	9,953,107,853,174	17,530,820,772,621	1,061,597,327,266	18,592,418,099,887

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	Share capital VND	Other capital VND	Foreign exchange differences VND	Investment and development fund VND	Other equity funds VND	Retained profits VND	Total equity attributable to owners of the Company VND	Non-controlling interest VND	Total VND
<b>Balance as at 1 July 2019</b>	6,412,811,860,000	3,208,666,226	25,992,451,400	1,130,372,829,157	5,327,112,664	9,953,107,853,174	17,530,820,772,621	1,061,597,327,266	18,592,418,099,887
Net profit for period	-	-	-	-	-	2,394,905,444,119	2,394,905,444,119	155,243,319,885	2,550,148,764,004
Appropriation to bonus and welfare fund	-	-	-	-	-	(135,051,102,849)	(135,051,102,849)	(15,387,786,790)	(150,438,889,639)
Dividends	-	-	-	-	-	(961,921,779,000)	(961,921,779,000)	(26,785,092,490)	(988,706,871,490)
Foreign exchange differences	-	-	1,280,422,371	-	-	-	1,280,422,371	-	1,280,422,371
Appropriation to social activities fund	-	-	-	-	-	(25,289,817,647)	(25,289,817,647)	(630,616,786)	(25,920,434,433)
Transfer from other equity funds to retained profits	-	-	-	-	(5,327,112,664)	5,327,112,664	-	-	-
Acquisition of a subsidiary	-	-	-	-	-	-	-	97,131,363,467	97,131,363,467
Change in proportion of non-controlling interests	-	-	-	-	-	99,219,823	99,219,823	(99,219,823)	-
Others	-	-	-	-	-	419,537,336	419,537,336	(84,935,139)	334,602,197
<b>Balance as at 31 December 2019</b>	6,412,811,860,000	3,208,666,226	27,272,873,771	1,130,372,829,157	-	11,231,596,467,620	18,805,262,696,774	1,270,984,359,590	20,076,247,056,364

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	Share capital VND	Other capital VND	Foreign exchange differences VND	Investment and development fund VND	Other equity funds VND	Retained profits VND	Total equity attributable to owners of the Company VND	Non-controlling interest vND	Total VND
<b>Balance as at 1 January 2020</b>	6,412,811,860,000	3,208,666,226	27,272,873,771	1,130,372,829,157	-	11,231,596,467,620	18,805,262,696,774	1,270,984,359,590	20,076,247,056,364
Net profit for the period	-	-	-	-	-	1,864,690,552,970	1,864,690,552,970	67,983,118,917	1,932,673,671,887
Appropriation to bonus and welfare fund (Note 24)	-	-	-	-	-	(57,140,632,749)	(57,140,632,749)	(6,698,389,587)	(63,839,022,336)
Adjustment to bonus and welfare fund (Note 24)	-	-	-	-	-	35,156,246,941	35,156,246,941	5,962,711,620	41,118,958,561
Adjustment to investment and development fund	-	-	-	(7,538,772,810)	-	7,538,772,810	-	-	-
Dividends (Note 29)	-	-	-	-	-	(2,244,484,151,000)	(2,244,484,151,000)	(39,352,500,000)	(2,283,836,651,000)
Foreign exchange differences	-	-	1,007,721,456	-	-	-	1,007,721,456	-	1,007,721,456
Appropriation to social activities fund	-	-	-	-	-	(1,440,234,143)	(1,440,234,143)	(266,589,041)	(1,706,823,184)
Adjustment to social activities fund	-	-	-	-	-	40,235,334,870	40,235,334,870	(187,026,622)	40,048,308,248
<b>Balance as at 30 June 2020</b>	<b>6,412,811,860,000</b>	<b>3,208,666,226</b>	<b>28,280,595,227</b>	<b>1,122,834,056,347</b>	<b>-</b>	<b>10,876,152,357,319</b>	<b>18,443,287,535,119</b>	<b>1,298,425,684,877</b>	<b>19,741,713,219,996</b>

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## 27. Share capital

The Company's authorised and issued share capital are:

	<b>30/6/2020 and 1/1/2020</b>	
	<b>Number of shares</b>	<b>VND</b>
<b>Authorised and issued share capital</b>		
Ordinary shares	641,281,186	6,412,811,860,000
<hr/>		
<b>Shares in circulation</b>		
Ordinary shares	641,281,186	6,412,811,860,000
<hr/>		

All ordinary shares have a par value of VND10,000. Each share is entitled to one vote at shareholders' meetings of the Company. Shareholders are entitled to receive dividends as declared from time to time. All ordinary shares are ranked equally with regard to the Group's residual assets. In respect of shares bought back by the Group, all rights are suspended until those shares are reissued.

There was no movement in share capital during the six-month periods ended 30 June 2020 and 30 June 2019.

## 28. Investment and development fund

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

## 29. Dividends

The Resolution of the Board of Directors of the Company on 21 January 2020 resolved to declare dividends to shareholders amounting to VND2,244,484 million (equivalent to VND3,500 per share) from retained profits of 2019 (six-month period ended 30 June 2019: Nil).

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**30. Off balance sheet items**

**(a) Leases**

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

	<b>30/6/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
Within one year	202,588,595,531	185,533,784,273
Within two to five years	611,249,151,080	626,011,774,676
More than five years	552,630,275,357	488,152,938,344
	<u>1,366,468,021,968</u>	<u>1,299,698,497,293</u>

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

	<b>Unit</b>	<b>30/6/2020</b>	<b>1/1/2020</b>
Beers	box/crate	2,085,079	3,960,378
Beverages	box/crate	114,763	1,040
Plastic crates	piece	3,721	-
		<u>2,203,563</u>	<u>3,961,418</u>

**(c) Foreign currencies**

	<b>30/6/2020</b>		<b>1/1/2020</b>	
	<b>Original currency</b>	<b>VND equivalent</b>	<b>Original currency</b>	<b>VND equivalent</b>
USD	2,974,680	68,775,459,689	788,013	18,205,699,512
EUR	3,171	81,377,614	7,613	196,014,284
		<u>68,856,837,303</u>		<u>18,401,713,796</u>

**(d) Capital expenditure commitments**

At the reporting date, the Group had the following outstanding capital commitments approved but not provided for in the consolidated balance sheet:

	<b>30/6/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
Approved and contracted	101,156,535,925	185,144,507,293
	<u>101,156,535,925</u>	<u>185,144,507,293</u>

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**31. Revenue from sales of goods and provision of services**

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

Net revenue comprised:

	<b>Six-month period ended</b>	
	<b>30/6/2020</b>	<b>30/6/2019</b>
	<b>VND</b>	<b>VND</b>
Total revenue		
▪ Sales of beers	10,776,202,371,054	16,040,369,886,615
▪ Sales of raw materials	1,181,778,031,379	2,265,571,279,074
▪ Sales of beverages	75,418,922,138	130,840,848,054
▪ Sales of alcohol and wine	45,377,866,599	25,346,763,173
▪ Others	44,940,757,657	55,233,748,309
	12,123,717,948,827	18,517,362,525,225
Less revenue deductions		
▪ Sales discounts	78,880,580,351	92,811,604,195
▪ Sales returns	993,701,820	8,785,245
	79,874,282,171	92,820,389,440
Net revenue	12,043,843,666,656	18,424,542,135,785

**32. Cost of goods sold and services provided**

	<b>Six-month period ended</b>	
	<b>30/6/2020</b>	<b>30/6/2019</b>
	<b>VND</b>	<b>VND</b>
Total cost of goods sold and services provided		
▪ Beers sold	7,250,623,969,104	11,444,589,654,048
▪ Raw materials sold	1,137,898,086,242	2,253,896,928,612
▪ Beverages sold	55,392,795,002	90,640,273,693
▪ Alcohol and wine sold	36,634,054,889	21,914,229,462
▪ (Reversal of allowance)/allowance for inventories and long-term tools, suppliers and spare parts	(2,409,156,645)	283,583,448
▪ Others	5,348,880,944	8,422,642,893
	8,483,488,629,536	13,819,747,312,156

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**33. Financial income**

	<b>Six-month period ended</b>	
	<b>30/6/2020</b>	<b>30/6/2019</b>
	<b>VND</b>	<b>VND</b>
Interest income from term deposits at banks	462,866,199,922	358,003,252,327
Foreign exchange gains	32,907,913,655	6,515,841,465
Dividends income	-	6,518,968,873
Other financial income	898,380	174,821
	<hr/>	<hr/>
	495,775,011,957	371,038,237,486
	<hr/>	<hr/>

**34. Financial expenses**

	<b>Six-month period ended</b>	
	<b>30/6/2020</b>	<b>30/6/2019</b>
	<b>VND</b>	<b>VND</b>
Interest expense	34,545,965,865	13,830,994,903
Foreign exchange losses	4,202,063,164	1,738,587,148
Allowance/(reversal of allowance) for diminution in the value of long-term financial investments	436,962,600	(6,542,806,850)
	<hr/>	<hr/>
	39,184,991,629	9,026,775,201
	<hr/>	<hr/>

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**35. Selling expenses**

	<b>Six-month period ended</b>	
	<b>30/6/2020</b>	<b>30/6/2019</b>
	<b>VND</b>	<b>VND</b>
Advertising and promotion expenses	765,925,708,768	603,337,956,496
Staff costs	313,200,681,218	354,853,696,670
Returnable packaging expense	66,988,247,029	159,326,700,243
Rental expenses	70,793,387,676	75,288,386,181
Transportation expenses	15,610,033,148	12,975,472,613
Depreciation and amortisation	11,733,418,789	13,299,545,323
Others	110,462,436,446	116,772,981,026
	1,354,713,913,074	1,335,854,738,552

**36. General and administration expenses**

	<b>Six-month period ended</b>	
	<b>30/6/2020</b>	<b>30/6/2019</b>
	<b>VND</b>	<b>VND</b>
Staff costs	190,862,163,454	212,469,067,248
Depreciation and amortisation	13,797,855,504	16,788,662,384
Rental expenses	74,241,781,770	28,103,221,052
Others	74,090,617,326	92,065,236,075
	352,992,418,054	349,426,186,759

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

	<b>Six-month period ended</b>	
	<b>30/6/2020</b>	<b>30/6/2019</b>
	<b>VND</b>	<b>VND</b>
Raw material costs included in production cost	2,297,769,623,310	2,711,284,106,259
Labour costs and staff costs	673,778,239,216	808,340,168,615
Depreciation and amortisation	295,052,635,671	318,423,774,642
Outside services	1,433,345,792,956	1,647,071,771,848
Other expenses	267,708,251,710	499,223,443,033

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**38. Corporate income tax**

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

	<b>Six-month period ended</b>	
	<b>30/6/2020</b>	<b>30/6/2019</b>
	<b>VND</b>	<b>VND</b>
<b>Current tax expense</b>		
Current period	445,118,875,888	606,062,292,167
Under provision in prior years	2,638,158,165	29,523,187,549
	<hr/> 447,757,034,053	<hr/> 635,585,479,716
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	37,442,836,000	65,165,621
	<hr/> 485,199,870,053	<hr/> 635,650,645,337

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

	<b>Six-month period ended</b>	
	<b>30/6/2020</b>	<b>30/6/2019</b>
	<b>VND</b>	<b>VND</b>
Accounting profit before tax	2,417,873,541,940	3,455,649,589,875
Tax at the Company's tax rate	483,574,708,388	691,129,917,975
Effect of different tax rates in subsidiaries	(5,149,851,836)	(9,775,642,140)
Tax incentives	(5,020,264,657)	(9,434,185,678)
Tax exempt income	(19,693,563,547)	(34,714,737,733)
Non-deductible expenses	1,423,813,449	1,159,527,091
Changes in unrecognised deferred taxes	27,023,413,759	(29,962,939,557)
Tax losses utilised	(296,462,626)	(1,243,833,570)
Under provision in prior years	2,638,158,165	29,523,187,549
Others	699,918,958	(1,030,648,600)
	<hr/> 485,199,870,053	<hr/> 635,650,645,337

**(c) Applicable tax rates**

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

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**39. Basic earnings per share**

The calculation of basic earnings per share for the six-month period ended 30 June 2020 was based on the profit attributable to ordinary shareholders after deducting the amounts appropriated to bonus and welfare fund and a weighted average number of ordinary shares, calculated as follows:

*(i) Net profit attributable to ordinary shareholders*

	<b>Six-month period ended</b>	
	<b>30/6/2020</b>	<b>30/6/2019</b>
	<b>VND</b>	<b>VND</b>
		<b>(Restated)</b>
Net profit for the period	1,864,690,552,970	2,658,458,475,046
Appropriation to bonus and welfare fund	(57,140,632,749)	(111,788,180,406)
Net profit attributable to ordinary shareholders	1,807,549,920,221	2,546,670,294,640

The appropriation of bonus and welfare fund for the six-month period ended 30 June 2020 was estimated based on the budgeted amount that approved by shareholders at Annual General Meeting of Shareholders.

The appropriation of bonus and welfare fund for the six-month period ended 30 June 2019 was restated based on the actual appropriation which was approved by shareholders at Annual General Meeting. Accordingly, basic earnings per share for the six-month period ended 30 June 2019 have been recalculated based on the adjusted amount appropriated to bonus and welfare fund (as previously reported: VND3,953 per share).

*(ii) Weighted average number of ordinary shares*

There was no movement in the number of shares for the six-month periods ended 30 June 2020 and 30 June 2019. The weighted average number of ordinary shares used to calculate basic earnings per share for two presented periods are 641,281,186 shares.

**Saigon Beer - Alcohol - Beverage Corporation and its subsidiaries**  
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**40. Significant transactions with related parties**

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

	<b>Transaction value</b>	
	<b>Six-month period ended</b>	<b>Six-month period ended</b>
	<b>30/6/2020</b>	<b>30/6/2019</b>
	<b>VND</b>	<b>VND</b>
<b><i>The intermediate parent company</i></b>		
<b>BeerCo Limited</b>		
Payments on behalf of the Group	-	322,876,070
<b><i>The parent company</i></b>		
<b>Vietnam Beverage Company Limited</b>		
Dividend paid	1,202,749,054,500	-
<b><i>Associates and jointly controlled entities</i></b>		
<b>Sai Gon - Khanh Hoa Beer Joint Stock Company</b>		
Sales of raw materials	92,779,862,954	191,983,136,497
Provision of services	100,000,000	679,600,000
Purchases of merchandise goods	276,380,982,780	550,896,231,690
Dividends	2,600,000,000	3,900,000,000
Purchases of others	5,460,000	-
<b>Sai Gon - Kien Giang Beer Joint Stock Company</b>		
Sales of raw materials	118,588,144,537	218,178,287,689
Provision of services	100,000,000	649,600,000
Purchases of merchandise goods	372,236,984,460	709,584,043,991
Dividends	2,300,000,000	4,600,000,000
Other transactions	17,061,000	-
<b>Sai Gon - Mien Trung Beer Joint Stock Company</b>		
Sales of raw materials	149,936,954,943	327,167,190,702
Provision of services	320,000,000	1,117,280,000
Purchases of merchandise goods	593,450,975,590	1,101,568,091,300
Purchases of others	1,341,225,061	-
Warehouse rental expenses	-	175,660,000
Dividends	-	19,345,177,380
<b>Saigon - Phutho Beer Joint Stock Company</b>		
Sales of raw materials	76,261,390,292	174,358,403,021
Provision of services	120,000,000	497,200,000
Sales of goods	-	176,811,818
Purchases of merchandise goods	231,260,748,600	476,111,180,320
Dividends	-	8,463,600,000

**Saigon Beer - Alcohol - Beverage Corporation and its subsidiaries**  
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	<b>Transaction value</b>	
	<b>Six-month period ended</b>	
	<b>30/6/2020</b>	<b>30/6/2019</b>
	<b>VND</b>	<b>VND</b>
<b>Sai Gon - Vinh Long Beer Joint Stock Company</b>		
Sales of goods	29,060,000	9,547,300
Sales of raw materials	113,261,336,170	200,260,674,846
Provision of services	1,721,268,098	799,600,000
Purchases of merchandise goods	386,152,257,720	670,343,010,816
Cost of leasehold property	-	61,026,543,585
Dividends	-	4,500,000,000
Other transactions	-	1,600,858,098
<b>Saigon - Bentre Beer Joint Stock Company</b>		
Sales of raw materials	104,926,738,715	169,784,335,627
Sales of tools and supplies	-	3,388,571,824
Provision of services	201,232,010	799,600,000
Purchases of merchandise goods	361,021,039,600	585,970,019,480
Dividends	4,000,000,000	-
<b>Saigon Binh Tay Beer Group Joint Stock Company</b>		
Sales of raw materials	168,874,746,833	314,076,961,148
Provision of services	2,306,363,636	300,000,000
Purchases of merchandise goods	548,999,018,560	1,031,773,178,350
Dividends	-	16,892,450,732
Dividends paid	900,018,000	5,266,721,400
Other transactions	69,288,720	2,120,003,958
<b>Crown Beverage Cans Saigon Limited</b>		
Purchases of raw materials	619,731,297,146	877,828,217,637
Other transactions	-	51,993,600
Dividends	-	128,123,009,996
<b>San Miguel Yamamura Phu Tho Packaging Company Limited</b>		
Sales of raw materials	957,264,000	-
Sales of goods	-	798,420,000
Sales of scraps	236,645,638	-
Purchases of raw materials	44,838,448,000	57,043,964,718
<b>Me Linh Point Limited</b>		
Dividends	29,987,776,415	29,213,424,951
Provision of services	870,000,000	-
<b>Truong Sa Food - Food Business Joint Stock Company</b>		
Purchases of merchandise goods	-	2,527,349,800

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	<b>Transaction value</b>	
	<b>Six-month period ended</b>	
	<b>30/6/2020</b>	<b>30/6/2019</b>
	<b>VND</b>	<b>VND</b>
<b>Saigon Tay Do Beer - Beverage Joint Stock Company</b>		
Sales of raw materials	83,045,394,061	161,192,464,742
Sales of goods	54,614,250	139,402,520
Provision of services	134,400,000	536,000,000
Purchases of merchandise goods	316,252,046,910	509,710,645,615
Dividends	5,878,307,000	9,078,299,100
Purchases of others	488,988,163	-
<b>Saigon - Baclieu Beer Joint Stock Company</b>		
Sales of raw materials	27,850,125,230	41,598,845,308
Sales of goods	-	248,423,370
Provision of services	164,338,784	-
Purchases of merchandise goods	169,552,940,640	246,944,849,584
Dividends	2,402,400,000	3,603,600,000
<b>Malaya - Vietnam Glass Limited</b>		
Sales of scraps	3,611,570,935	-
Purchases of merchandise goods	-	5,811,015,162
Purchases of raw materials	6,698,127,168	-
<b>Other related parties</b>		
<b>TBC-Ball Beverage Can Vietnam Co., Ltd</b>		
Purchases of raw materials	280,784,138,538	106,951,121,968
<b>InterBev (Singapore) Limited</b>		
Sales of goods	202,180,750	-
Other transactions	214,472,290	-
<b>Best Spirits Company Limited</b>		
Sales of merchandise and finished goods	-	228,111,930
<b>MM Mega Market (Vietnam) Company Limited</b>		
Purchases of merchandise goods	470,888,073	384,928,597
<b>Super Brands Company Pte. Ltd.</b>		
Payments on behalf of the Group	1,729,552,487	-
<b>Fraser and Neave, Limited</b>		
Payments on behalf of the Group	2,614,076,710	-
<b>Key management personnel</b>		
Salary, bonus and remuneration	18,700,907,345	15,580,453,858

**Saigon Beer - Alcohol - Beverage Corporation and its subsidiaries**  
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**41. Non-cash investing activities**

	<b>30/6/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
Purchases of fixed assets and construction in progress but not yet paid	182,351,296,037	77,931,721,548

**42. Corresponding figures**

Except for the restatement of EPS as disclosed in Note 39, the corresponding figures as at 1 January 2020 were brought forward from the Company’s consolidation financial statements as at and for the year ended 31 December 2019. The corresponding figures for the six-month period ended 30 June 2019 were brought forward from the Company’s consolidation interim financial statements as at and for the six-month period ended 30 June 2019.

28 August 2020

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