

REPORT OF BOARD OF MANAGEMENT
For 2017 performance and 2018 business plan

I. Assessment of 2017 Performance:

In 2017, global beer industry, was in the trend of decline, Vietnam beer market had been still able to maintain its steady growth. Vietnam economy is growing fast with increasing GDP, high urbanization speed and young generation accounts for 60% of total population. These support future growth for the Vietnam beer industry. Currently, Vietnam is listed in top 10 beer manufacturing countries, ranked 1st in Asean and 3rd in Asia in terms of beer consumption, with an average of 43 litres per capita per year. With a promising 5% growth per year, Vietnam would be an attractive market for all players in the beer industry.

In 2017, alongside the changes in excise tax policy, Saigon Beer – Alcohol – Beverages Corporation (SABECO) had to fiercely compete against other competitors, especially global brands with extensive market experience and strong financial resources. To counter these challenges, the Board of Management followed the direction and business plan of the Board of Directors, made timely and flexible changes in the products, sales and marketing strategies, to ensure Company's performance is in line with the original plan in terms of sales volume, revenue, profit as well as market share.

As a leader in Vietnam beer sales volume, SABECO has achieved remarkable results in 2017 and has exported products to over 30 countries. The BOM would like to report the key results of 2017 as follows:

Financial Position:

The Company maintained its financial performance in 2017 with good growth, compared to 2016 in terms of sales volume, revenue and profit. Other indicators such as working capital, receivables, payables, and capital structure, were closely monitored and effectively managed.

| Categories | Unit | 2016 | 2017 | % growth rate |
|------------------|----------------|--------|--------|---------------|
| Total Volume | Million Litres | 1,647 | 1,791 | 8.7% |
| Total Revenue | Billion VND | 31,662 | 35,218 | 11.2% |
| Profit After Tax | Billion VND | 4,517 | 4,949 | 9.6% |

Evaluation of Key Operating Activities:

▪ **Marketing and Selling Activities:**

- Invested in marketing activities and branding campaign to strengthen Company's image, in line with long-term strategic plans particularly in positioning of each brands.
- Assessed and analysed each market segment to deploy appropriate marketing programs in line with long-term strategic plans supported by regional trading companies.
- Satisfied customer's requirements and needs in each market segment.



- Monitored and guided the sales support programs to increase effectiveness and ensure consistency throughout the system for achievement of targeted sales volume.
 - Focused on key distributors and distribution channels to meet market demand, taking into consideration the pricing strategies and market competitiveness.
- **Research & Development (R&D) Activities:**
- Invested in R&D activities and applied innovative technologies to diversify product portfolio, to improve product quality and reduced manufacturing costs to affirm Company's leading position in Vietnam beer industry and meet changing customer preferences.
- **Production Activities:**
- Maintained highest standard for product quality by improving procurement process of raw materials and production process.
 - Ensured production resources are operating at optimum capacity and efficiency.
 - Projects to expand production capacity were carried out on schedule to ensure market demand is met. The regulations and procedures in preparing and executing the projects were streamlined to increase efficiency and speed of implementation.
 - Focused on intensive application of technologies and constantly updated with new production technologies in asset management and technical practices.
 - Ensured health, environmental and sustainable requirements are met for all operational processes and procedures.
 - Closely monitored price movement of raw materials and ensure timely purchasing of production materials to ensure production costs are optimized.
 - Ensured adequate raw materials were distributed to the breweries as per production plan.
- **Human Resources Activities:**
- Restructured Company's structure to increase effectiveness of business management.
 - Reviewed the duties of each department within the Company and subsidiaries, standardized job descriptions for ease of competency assessment and developed action plans based on assessment results.
 - Upgraded IT system to ensure the safe archive and security of information of the Company, support in business management and operation of the Company's system.
- **Other Activities:**
- Implemented policies to ensure benefits and welfare of employees were well taken care of.
 - Put in place policies and procedures on environment protection, food hygiene, labor safety, fire and explosion prevention.
 - Actively implemented social responsibilities through charities, community support and other social events.
- **Subsidiaries, Associates and Joint Ventures' Activities:**
- As at 31st December 2017, SABECO has 3 wholly-owned companies, 19 subsidiaries with over 51% of ownership and 19 associates and joint ventures.
 - With the growth in sales volume in 2017, most of SABECO's subsidiaries and associates in core business activities (beer manufacturing and trading) and supporting industries



(packaging, transportation, mechanical) had recorded positive results in comparison to 2016, thereby increased the effectiveness of SABECO's capital investment.

- In addition, other associates and joint ventures in non-core businesses (e.g. banking, insurance, real estate, etc.) also contributed to the growth in profit in 2017. Overall, profit from associates and joint ventures in 2017 had significantly increased by 30% as compared to 2016.
- With the aim in improving operating performance focusing in core business activities, SABECO endeavored to divest the loss-making investments in non-core businesses in order to optimize the returns for shareholders.

II. 2018 business plan:

2018 marked a significant milestone in the history of SABECO as the sale of majority equity stake to Vietnam Beverage Co. Ltd. was completed. With new members of the BOD and BOM joining the Company, coupled with the long-lasting tradition of Saigon Beer brand will lead the Company to a next phase of development and transformation. Thus, 2018 is a pivotal year for the Company to continue generating business momentum and pursuing targeted performance.

The following are the potential opportunities and threats of SABECO in 2018:

▪ Opportunities:

- Stable market demand with a 5% growth per year.
- Robust growth in non-urban areas and in mainstream product segment.
- Stable population growth with young population accounts for 62% of total population and growing economy, rising middle income consumers and urbanization are key contributing factors to Vietnam beer industry.

▪ Threats:

- Intense competition among beer companies within Vietnam market.
- Increase raw material prices due to seasonal weather changes have significant impact over beer industry performance.
- Limited products availability in the premium segment to meet the preference of young population with growing income.
- Increase of excise tax by 5% from 1st January 2018.

After taking into consideration the opportunities and threats, the Company would like to implement the following plans:

- Continue to review Company's system, structure and functional departments to meet business needs.
- Review branding strategy.
- Design appropriate marketing programs for each brand in line with product positioning for each market segment.
- Promote PR activities and events to reinforce brand awareness among consumers.
- Invest in new technologies, improve manufacturing procedure in production to meet market demand, improve product quality, reduce costs and meet environment regulatory requirements.
- Complete and adhere to the quality control procedure following the ISO 17025 standards, implement new analysis method to improve quality.
- Supply adequate raw materials and packaging to breweries as per production plan.



- Update and monitor approved supplier list, monitor and analyze raw materials to plan for purchasing schedule within the year.
- Improve recruitment and training activities to enhance competencies of employees.
- Meet regulatory requirements in environment protection, food hygiene, labor safety, fire and explosion prevention.
- Coordinate and participate in events and programs for corporate social responsibility.

We respectfully propose to 2018 General Meeting of Shareholders the BOM report for approval.

Sincerely,

Recipients:

- SABECO shareholders;
- BOD, BOS;
- Archived, Deputy General Director – Mr. Bennett Neo, Mr. Teo Hong Keng

On behalf of SABECO's BOM

General Director



Nguyễn Thành Nam



SAIGON BEER – ALCOHOL – BEVERAGE CORPORATION

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**



SAIGON BEER – ALCOHOL – BEVERAGE CORPORATION

CORPORATE INFORMATION

Business registration certificate

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

Enterprise registration certificate

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

The Business registration certificate was amended to the Enterprise registration certificate under joint stock company form on 29 February 2012. The sixth amended Enterprise registration certificate was issued on 1 September 2017.

Board of Management

| | |
|----------------------|---------------------------------|
| Mr. Vo Thanh Ha | Chairman |
| Mr. Bui Ngoc Hanh | Member |
| Mr. Nguyen Bich Dat | Member |
| Mr. Nguyen Thanh Nam | Member (from 16 February 2017) |
| Mr. Vu Quang Hai | Member (until 16 February 2017) |
| Mr. Le Hong Xanh | Member (until 8 August 2017) |

Board of Directors

| | |
|----------------------|---|
| Mr. Nguyen Thanh Nam | General Director (from 12 June 2017) Deputy General Director (until 12 June 2017) Sai Gon – Cu Chi Factory's Director (until 22 September 2017) |
| Mr. Le Hong Xanh | Managing Director (until 12 June 2017) Deputy General Director (until 1 July 2017) |
| Mr. Nguyen Minh An | Deputy General Director |
| Mr. Nguyen Huu Loc | Sai Gon – Cu Chi Factory's Director (From 22 September 2017) |
| Mr. Lam Du An | Deputy General Director (until 12 October 2017) Sai Gon – Nguyen Chi Thanh Factory's Director |

Board of Supervisors

| | |
|----------------------|---|
| Mr. Nguyen Van Minh | Head of the Board (from 9 August 2017) |
| Mr. Dong Viet Trung | Head of the Board (until 8 August 2017) |
| Mr. Nguyen Van Minh | Member (from 16 February 2017 to 8 August 2017) |
| Mr. Ly Minh Hoang | Member (from 8 August 2017) |
| Mr. Hoang Giang Binh | Member (until 18 April 2017) |
| Mr. Chung Tri Dung | Member (until 16 February 2017) |

Legal representative

| | |
|----------------------|--------------------------------------|
| Mr. Vo Thanh Ha | Chairman |
| Mr. Nguyen Thanh Nam | General Director (from 12 June 2017) |

Registered office

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

Contact address

5th Floor, Vincom Commercial Centre, 72 Le Thanh Ton and 45A Ly Tu Trong, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam

SAIGON BEER – ALCOHOL – BEVERAGE CORPORATION

CORPORATE INFORMATION (continued)

Representative office The representative office of Saigon Beer – Alcohol – Beverage Corporation in Hanoi City: 6th Floor, No.97, Tran Hung Dao Street, Cua Nam Ward, Hoan Kiem District, Hanoi City, Vietnam

Branches Sai Gon – Cu Chi Beer Factory
Lot C1, D3 Street, Northwest Cu Chi Industrial Zone, Cu Chi Town,
Cu Chi District, Ho Chi Minh City, Vietnam

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

Auditor PwC (Vietnam) Limited

SAIGON BEER – ALCOHOL – BEVERAGE CORPORATION

STATEMENT OF THE RESPONSIBILITY OF THE BOARD OF DIRECTORS IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors of Saigon Beer – Alcohol - Beverage Corporation (“the Company”) is responsible for preparing the consolidated financial statements of the Company and its subsidiaries (together, “the Group”) which give a true and fair view of the financial position of the Group as at 31 December 2017, and of the results of operation and cash flows for the year then ended. In preparing these consolidated financial statements, the Board of Directors is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the consolidated financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Board of Directors is responsible for ensuring that proper accounting records are maintained, which disclose, with reasonable accuracy at any time, the financial position of the Group and which enable the consolidated financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the consolidated financial statements. We are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

We hereby approve the accompanying consolidated financial statements as set out on pages 6 to 68 which give a true and fair view of the financial position of the Group as at 31 December 2017 and of the results of its operations and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements.

On behalf of the Board of Directors



Nguyen Thanh Nam
General Director

Ho Chi Minh City, SR Vietnam
2 April 2018



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SAIGON BEER – ALCOHOL – BEVERAGE CORPORATION

We have audited the accompanying consolidated financial statements of Saigon Beer – Alcohol – Beverage Corporation (“the Company”) and its subsidiaries (together, “the Group”) which were prepared on 31 December 2017 and approved by the Board of Directors on 2 April 2018. These consolidated financial statements include the consolidated balance sheet as at 31 December 2017, the consolidated income statement and consolidated cash flow statement for the year then ended and notes to these consolidated financial statements, as set out on pages 6 to 68.

The Board of Directors’ Responsibility

The Board of Directors is responsible for the preparation and the true and fair presentation of the consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements and for such internal control which the Board of Directors determines necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

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

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

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



Auditor's Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2017, its financial performance and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of consolidated financial statements.

Other Matters

The consolidated financial statements of the Group for the year ended 31 December 2016 were audited by another auditor, who expressed an unmodified opinion on those statements on 7 March 2017. The Board of Directors decided to restate the consolidated financial statements for the year ended 31 December 2016 as disclosed in Note 44.

The independent auditor's report is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English copies, the Vietnamese copy shall take precedence.

For and on behalf of PwC (Vietnam) Limited



Quach Thanh Chau
Audit Practising Licence No: 0875-2018-006-1
Authorised signatory

Luong Thi Anh Tuyet
Audit Practising Licence No: 3048-2017-006-1

Report reference number: HCM7186
Ho Chi Minh City, 2 April 2018

As indicated in Note 2.1 to the consolidated financial statements, the accompanying consolidated financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than SR Vietnam, and furthermore their utilisation is not designed for those who are not informed about SR Vietnam's accounting principles, procedures and practices.

CONSOLIDATED BALANCE SHEET

| Code | ASSETS | Note | As at 31 December | |
|------------|---|--------|---------------------------|--|
| | | | 2017 VND | 2016 VND (Restated – Note 44) |
| 100 | CURRENT ASSETS | | 13,686,327,476,651 | 10,722,470,187,475 |
| | | 3 | | |
| 110 | Cash and cash equivalents | | 4,268,598,818,042 | 3,444,825,444,503 |
| 111 | Cash | | 1,631,824,576,797 | 1,067,588,147,827 |
| 112 | Cash equivalents | | 2,636,774,241,245 | 2,377,237,296,676 |
| 120 | Short-term investments | 4(a) | 6,558,801,231,269 | 3,174,321,174,216 |
| 123 | Investments held-to-maturity | | 6,558,801,231,269 | 3,174,321,174,216 |
| 130 | Short-term receivables | | 715,326,353,415 | 1,090,484,124,645 |
| 131 | Short-term trade accounts receivable | 5 | 171,320,969,298 | 551,218,730,609 |
| 132 | Short-term prepayments to suppliers | 6 | 108,549,780,497 | 166,784,656,218 |
| 136 | Other short-term receivables | 7(a) | 468,739,410,975 | 402,155,031,238 |
| 137 | Provision for doubtful debts – short-term | 8(a) | (53,455,692,637) | (49,846,178,702) |
| 139 | Shortage of assets awaiting resolution | 9 | 20,171,885,282 | 20,171,885,282 |
| 140 | Inventories | 10(a) | 2,003,535,067,335 | 2,134,361,489,832 |
| 141 | Inventories | | 2,116,546,352,025 | 2,171,045,269,254 |
| 149 | Provision for decline in value of inventories | | (113,011,284,690) | (36,683,779,422) |
| 150 | Other current assets | | 140,066,006,590 | 878,477,954,279 |
| 151 | Short-term prepaid expenses | 11(a) | 24,912,851,252 | 67,695,049,694 |
| 152 | Value Added Tax to be reclaimed | 19 | 112,192,286,560 | 133,125,768,230 |
| 153 | Taxes and other payables to the State Budget | 12, 19 | 2,960,868,778 | 677,657,136,355 |


CONSOLIDATED BALANCE SHEET
(continued)

| Code | ASSETS (continued) | Note | As at 31 December | |
|------------|---|-------|---------------------------|--|
| | | | 2017 VND | 2016 VND (Restated – Note 44) |
| 200 | LONG-TERM ASSETS | | 8,327,361,633,259 | 8,472,277,522,027 |
| 210 | Long-term receivables | | 20,093,775,062 | 17,479,816,391 |
| 211 | Long-term account receivables | | 4,761,134,371 | 5,317,157,150 |
| 215 | Long-term lending | | 4,000,000,000 | 4,000,000,000 |
| 216 | Other long-term receivables | 7(b) | 49,118,570,411 | 46,503,666,490 |
| 219 | Provision for doubtful debts – long-term | 8(b) | (37,785,929,720) | (38,341,007,249) |
| 220 | Fixed assets | | 5,008,100,480,672 | 5,473,890,167,787 |
| 221 | Tangible fixed assets | 13(a) | 4,044,747,362,200 | 4,488,854,249,443 |
| 222 | Cost | | 9,343,836,360,323 | 9,186,604,019,960 |
| 223 | Accumulated depreciation | | (5,299,088,998,123) | (4,697,749,770,517) |
| 227 | Intangible fixed assets | 13(b) | 963,353,118,472 | 985,035,918,344 |
| 228 | Cost | | 1,088,315,805,211 | 1,098,990,100,615 |
| 229 | Accumulated amortisation | | (124,962,686,739) | (113,954,182,271) |
| 230 | Investment properties | 14 | 67,657,774,573 | 56,987,547,102 |
| 231 | Cost | | 83,725,457,765 | 71,374,464,942 |
| 232 | Accumulated depreciation | | (16,067,683,192) | (14,386,917,840) |
| 240 | Long-term assets in progress | | 111,505,655,106 | 76,866,965,060 |
| 242 | Construction in progress | 15 | 111,505,655,106 | 76,866,965,060 |
| 250 | Long-term investments | | 2,152,327,824,131 | 1,959,509,760,655 |
| 252 | Investments in associates, joint ventures | 4(b) | 1,747,121,088,747 | 1,602,030,153,562 |
| 253 | Investments in other entities | 4(b) | 736,652,914,597 | 763,251,332,167 |
| 254 | Provision for long-term investments | 4(b) | (352,315,059,118) | (426,640,604,979) |
| 255 | Investments held-to-maturity | 4(a) | 20,868,879,905 | 20,868,879,905 |
| 260 | Other long-term assets | | 967,676,123,715 | 887,543,265,032 |
| 261 | Long-term prepaid expenses | 11(b) | 816,991,436,755 | 756,355,605,445 |
| 262 | Deferred income tax assets | 16 | 136,822,415,511 | 121,304,649,369 |
| 263 | Long-term supplies and spare parts | 10(b) | 13,862,271,449 | 9,883,010,218 |
| 270 | TOTAL ASSETS | | 22,013,689,109,910 | 19,194,747,709,502 |

The notes on pages 11 to 68 are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET
(continued)

| Code | RESOURCES | Note | As at 31 December | |
|------------|--|--------|---------------------------|--|
| | | | 2017 VND | 2016 VND (Restated – Note 44) |
| 300 | LIABILITIES | | 7,593,162,674,962 | 6,898,812,937,830 |
| 310 | Short-term liabilities | | 7,401,584,603,555 | 6,613,016,425,796 |
| 311 | Short-term trade accounts payable | 17 | 2,020,399,662,484 | 2,016,162,043,577 |
| 312 | Short-term advances from customers | 18 | 89,250,848,970 | 490,295,652,849 |
| 313 | Tax and other payables to the State Budget | 19 | 1,209,757,064,447 | 971,134,583,923 |
| 314 | Payable to employees | | 222,226,205,331 | 264,807,999,201 |
| 315 | Short-term accrued expenses | 20 | 196,525,953,248 | 226,577,837,383 |
| 318 | Short-term unearned revenue | | 606,060,605 | 800,000,000 |
| 319 | Other short-term payables | 21(a) | 2,630,180,684,051 | 1,270,403,801,122 |
| 320 | Short-term borrowings | 22(a) | 722,903,981,780 | 1,042,309,667,870 |
| 321 | Provision for long-term liabilities | | 12,991,411,679 | - |
| 322 | Bonus and welfare funds | 23 | 296,742,730,960 | 330,524,839,871 |
| 330 | Long-term liabilities | | 191,578,071,407 | 285,796,512,034 |
| 332 | Long-term advances from customers | | 22,183,449 | 22,183,449 |
| 337 | Other long-term payables | 21(b) | 53,632,516,000 | 52,776,316,000 |
| 338 | Long-term borrowings | 22(b) | 1,941,629,834 | 164,412,285,558 |
| 341 | Deferred income tax liabilities | 16 | 17,217,198,238 | 13,747,487,771 |
| 342 | Provision for long-term liabilities | | 64,493,890,463 | 567,585,833 |
| 343 | Fund for science and technology development | | 54,270,653,423 | 54,270,653,423 |
| 400 | OWNERS' EQUITY | | 14,420,526,434,948 | 12,295,934,771,672 |
| 410 | Capital and reserves | | 14,420,489,034,948 | 12,295,897,371,672 |
| 411 | Owners' capital | 24, 25 | 6,412,811,860,000 | 6,412,811,860,000 |
| 411a | - Ordinary shares with voting rights | | 6,412,811,860,000 | 6,412,811,860,000 |
| 414 | Owners' other capital | 25 | 3,208,666,226 | 3,208,666,226 |
| 415 | Treasury shares | 25 | - | (23,450,000,000) |
| 417 | Foreign exchange differences | 25 | 19,113,771,975 | 17,006,600,079 |
| 418 | Investment and development funds | 25 | 1,118,963,482,640 | 1,118,398,295,310 |
| 420 | Other funds | 25 | 5,327,112,664 | 6,040,737,039 |
| 421 | Undistributed earnings | 25 | 5,823,903,898,574 | 3,713,726,741,137 |
| 421a | - Undistributed earnings of the previous years | | 2,946,086,838,409 | 1,675,604,484,894 |
| 421b | - Post-tax profit of current year | | 2,877,817,060,165 | 2,038,122,256,243 |
| 429 | Non-controlling interests | 25, 26 | 1,037,160,242,869 | 1,048,154,471,881 |
| 430 | Budget sources and other funds | | 37,400,000 | 37,400,000 |
| 431 | Budget sources | | 37,400,000 | 37,400,000 |
| 440 | TOTAL RESOURCES | | 22,013,689,109,910 | 19,194,747,709,502 |


 Hoang Thanh Van
 Preparer



 Nguyen Tien Dung
 Chief Accountant


 Nguyen Thanh Nam
 General Director
 2 April 2018

The notes on pages 11 to 68 are an integral part of these consolidated financial statements.

CONSOLIDATED INCOME STATEMENT

| Code | Note | For the year ended 31 December | |
|------|--|--------------------------------|--|
| | | 2017 VND | 2016 VND (Restated – Note 44) |
| 01 | Sales | 34,438,171,048,592 | 30,602,446,316,556 |
| 02 | Less deductions | (244,780,494,353) | (135,752,579,713) |
| 10 | Net sales | 30 34,193,390,554,239 | 30,466,693,736,843 |
| 11 | Cost of sales | 31 (25,327,872,489,662) | (22,299,654,609,655) |
| 20 | Gross profit | 8,865,518,064,577 | 8,167,039,127,188 |
| 21 | Financial income | 32 506,107,630,554 | 751,041,069,989 |
| 22 | Financial expenses | 33 25,805,674,678 | (68,664,200,785) |
| 23 | - Including: Interest expenses | (42,111,534,689) | (82,182,081,908) |
| 24 | Profit sharing from investment in joint ventures and associates | 411,873,934,391 | 305,649,678,623 |
| 25 | Selling expenses | 34 (2,811,111,874,500) | (2,671,906,350,771) |
| 26 | General and administration expenses | 35 (935,974,797,536) | (780,911,026,732) |
| 30 | Net operating profit | 6,062,218,632,164 | 5,702,248,297,512 |
| 31 | Other income | 106,139,463,217 | 138,614,329,944 |
| 32 | Other expenses | (91,266,440,247) | (113,519,220,050) |
| 40 | Net other income | 36 14,873,022,970 | 25,095,109,894 |
| 50 | Net accounting profit before tax | 6,077,091,655,134 | 5,727,343,407,406 |
| 51 | Business income tax - current | 38 (1,140,540,458,945) | (411,415,406,799) |
| 52 | Business income tax - deferred | 16, 38 12,048,055,675 | (798,584,559,967) |
| 60 | Net profit after tax | 4,948,599,251,864 | 4,517,343,440,640 |
| | In which: | | |
| 61 | Profit after tax attributable to the Company | 4,711,485,204,581 | 4,338,773,356,882 |
| 62 | Profit after tax attributable to non - controlling interests | 237,114,047,283 | 178,570,083,758 |
| 70 | Earnings per share | 29 6,915 | 6,194 |
| 71 | Diluted earnings per share | 29 6,915 | 6,194 |


Hoang Thanh Van
Preparer


Nguyen Tien Dung
Chief Accountant


Nguyen Thanh Nam
General Director
2 April 2018



COSOLIDATED CASH FLOW STATEMENT
(Indirect method)

| | | For the year ended 31 December | |
|---|--|--------------------------------|----------------------------|
| | | 2017 | 2016 |
| | | VND | VND |
| Code | Notes | | (Restated – Note 44) |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| 01 | Net accounting profit before tax | 6,077,091,655,134 | 5,727,343,407,406 |
| | Adjustments for: | | |
| 02 | Depreciation and amortisation | 625,353,451,649 | 632,464,161,880 |
| 03 | Provisions/(reversal of provisions) | 81,974,112,122 | (7,126,993,043) |
| 04 | Unrealised foreign exchange losses | 105,642,811 | 1,407,026 |
| 05 | Profits from investing activities | (920,687,812,365) | (1,053,307,864,078) |
| 06 | Interest expenses | 42,111,534,689 | 82,182,081,908 |
| 08 | Operating profit before changes in working capital | 5,905,948,584,040 | 5,381,556,201,099 |
| 09 | Decrease/(increase) in receivables | 187,690,969,602 | (106,137,506,487) |
| 10 | Decrease/(increase) in inventories | 50,519,655,998 | (210,519,271,008) |
| 11 | Decrease in payables | (329,359,651,676) | (2,915,780,040,492) |
| 12 | Increase in prepaid expenses | (17,853,632,868) | (54,335,072,441) |
| 14 | Interest paid | (44,424,319,099) | (87,165,769,568) |
| 15 | Business income tax paid | (294,736,168,316) | (984,037,331,258) |
| 17 | Other payments on operating activities | (389,966,128,772) | (304,207,973,110) |
| 20 | Net cash inflows from operating activities | 5,067,819,308,909 | 719,373,236,735 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| 21 | Purchases of fixed assets and other long-term assets | (151,157,759,584) | (156,346,954,556) |
| 22 | Proceeds from disposals of fixed assets and other long-term assets | 14,863,280,117 | 40,502,081,658 |
| 23 | Deposits at banks with maturity exceeding 3 months | (7,278,046,709,349) | (3,034,021,174,216) |
| 24 | Proceeds from lendings, deposits at banks with maturity exceeding 3 months | 3,893,566,652,296 | 809,466,940,162 |
| 25 | Investments in other entities | (43,880,715,400) | (27,824,678,187) |
| 26 | Proceeds from divestment in other entities | 66,048,265,300 | 581,149,667,139 |
| 27 | Dividends and interest received | 678,088,897,966 | 783,616,859,474 |
| 30 | Net cash outflows from investing activities | (2,820,518,088,654) | (1,003,457,258,526) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| 31 | Proceeds from reissue of treasury shares | 67,207,854,357 | 5,820,025,630 |
| 33 | Proceeds from borrowings | 3,541,517,218,824 | 3,880,680,269,651 |
| 35 | Repayments of borrowings | (4,023,393,560,638) | (4,336,074,219,633) |
| 36 | Dividends paid | (1,008,864,945,050) | (3,757,483,070,376) |
| 40 | Net cash outflows from financing activities | (1,423,533,432,507) | (4,207,056,994,728) |
| 50 | Net increase/(decrease) in cash and cash equivalents | 823,767,787,748 | (4,491,141,016,519) |
| 60 | Cash and cash equivalents at beginning of year | 3,444,825,444,503 | 7,935,974,303,078 |
| 61 | Effect of foreign exchange differences | 5,585,791 | (7,842,056) |
| 70 | Cash and cash equivalents at end of year | 4,268,598,818,042 | 3,444,825,444,503 |

Major non-cash transactions in the year were presented in Note 40.


 Hoang Thanh Van
 Preparer


 Nguyen Tien Dung
 Chief Accountant


 Nguyen Thanh Nam
 General Director
 2 April 2018

The notes on pages 11 to 68 are an integral part of these consolidated financial statements.

SAIGON BEER – ALCOHOL – BEVERAGE CORPORATION

**SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**



SAIGON BEER – ALCOHOL – BEVERAGE CORPORATION

CORPORATE INFORMATION

Business registration certificate

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

Enterprise registration certificate

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

The Business registration certificate was amended to the Enterprise registration certificate under joint stock company form on 29 February 2012. The sixth amended Enterprise registration certificate was issued on 1 September 2017.

Board of Management

| | |
|----------------------|---------------------------------|
| Mr. Vo Thanh Ha | Chairman |
| Mr. Bui Ngoc Hanh | Member |
| Mr. Nguyen Bich Dat | Member |
| Mr. Nguyen Thanh Nam | Member (from 16 February 2017) |
| Mr. Vu Quang Hai | Member (until 16 February 2017) |
| Mr. Le Hong Xanh | Member (until 8 August 2017) |

Board of Directors

| | |
|----------------------|---|
| Mr. Nguyen Thanh Nam | General Director (from 12 June 2017) Deputy General Director (until 12 June 2017) Sai Gon – Cu Chi Factory's Director (until 22 September 2017) |
| Mr. Le Hong Xanh | Managing Director (until 12 June 2017) Deputy General Director (until 1 July 2017) |
| Mr. Nguyen Minh An | Deputy General Director |
| Mr. Nguyen Huu Loc | Sai Gon – Cu Chi Factory's Director (From 22 September 2017) |
| Mr. Lam Du An | Deputy General Director (until 12 October 2017) Sai Gon – Nguyen Chi Thanh Factory's Director |

Board of Supervisors

| | |
|----------------------|---|
| Mr. Nguyen Van Minh | Head of the Board (from 9 August 2017) |
| Mr. Dong Viet Trung | Head of the Board (until 8 August 2017) |
| Mr. Nguyen Van Minh | Member (from 16 February 2017 to 8 August 2017) |
| Mr. Ly Minh Hoang | Member (from 8 August 2017) |
| Mr. Hoang Giang Binh | Member (until 18 April 2017) |
| Mr. Chung Tri Dung | Member (until 16 February 2017) |

Legal representative

| | |
|----------------------|--------------------------------------|
| Mr. Vo Thanh Ha | Chairman |
| Mr. Nguyen Thanh Nam | General Director (from 12 June 2017) |

Registered office

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

Contact address

5th Floor, Vincom Commercial Centre, 72 Le Thanh Ton and 45A Ly Tu Trong, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam

SAIGON BEER – ALCOHOL – BEVERAGE CORPORATION

CORPORATE INFORMATION (continued)

Representative office The representative office of Saigon Beer – Alcohol – Beverage Corporation in Hanoi City: 6th Floor, No.97, Tran Hung Dao Street, Cua Nam Ward, Hoan Kiem District, Hanoi City, Vietnam

Branches Sai Gon – Cu Chi Beer Factory
Lot C1, D3 Street, Northwest Cu Chi Industrial Zone, Cu Chi Town,
Cu Chi District, Ho Chi Minh City, Vietnam

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

Auditor PwC (Vietnam) Limited

SAIGON BEER – ALCOHOL – BEVERAGE CORPORATION

STATEMENT OF THE RESPONSIBILITY OF THE BOARD OF DIRECTORS IN RESPECT OF THE SEPARATE FINANCIAL STATEMENTS

The Board of Directors of Saigon Beer – Alcohol - Beverage Corporation (“the Company”) is responsible for preparing the separate financial statements of the Company which give a true and fair view of the financial position of the Company as at 31 December 2017, and of the results of operation and cash flows for year ended. In preparing these separate financial statements, the Board of Directors is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the separate financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Board of Directors is responsible for ensuring that proper accounting records are maintained, which disclose, with reasonable accuracy at any time, the financial position of the Company and which enable the separate financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the separate financial statements. We are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS

We hereby approve the accompanying separate financial statements as set out on pages 6 to 63 which give a true and fair view of the financial position of the Company as at 31 December 2017 and of the results of its operations and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of separate financial statements.

Users of these separate financial statements of the Company should read them together with the consolidated financial statements of the Company and its subsidiaries (together, “the Group”) for the year ended 31 December 2017 in order to obtain full information on the financial position and results of the operations and cash flows of the Group.

On behalf of the Board of Directors



Nguyen Thanh Nam
General Director

Ho Chi Minh City, SR Vietnam
29 March 2018



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SAIGON BEER – ALCOHOL – BEVERAGE CORPORATION

We have audited the accompanying separate financial statements of Saigon Beer – Alcohol – Beverage Corporation (“the Company”) which were prepared on 31 December 2017 and approved by the Board of Directors on 29 March 2018. These separate financial statements include the separate balance sheet as at 31 December 2017, the separate income statement and separate cash flow statement for the year then ended and notes to these separate financial statements, as set out on pages 6 to 63.

The Board of Directors’ Responsibility

The Board of Directors is responsible for the preparation and the true and fair presentation of the separate financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of separate financial statements and for such internal control which the Board of Directors determines necessary to enable the preparation and fair presentation of separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

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

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

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



Auditor's Opinion

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of the Company as at 31 December 2017, its separate financial performance and separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of separate financial statements.

Other Matters

The separate financial statements of the Company for the year ended 31 December 2016 were audited by another auditor, who expressed an unmodified opinion on those statements on 7 March 2017. The Board of Directors decided to restate the financial statements for the year ended 31 December 2016 as disclosed in Note 40.

This independent auditor's report is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English copies, the Vietnamese copy shall take precedence.

For and on behalf of PwC (Vietnam) Limited




Quach Thanh Chau
Audit Practising Licence No: 0875-2018-006-1
Authorised signatory


Luong Thi Anh Tuyet
Audit Practising Licence No: 3048-2017-006-1

Report reference number: HCM6910
Ho Chi Minh City, 29 March 2018

As indicated in Note 2.1 to the separate financial statements, the accompanying separate financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than SR Vietnam, and furthermore their utilisation is not designed for those who are not informed about SR Vietnam's accounting principles, procedures and practices.

SEPARATE BALANCE SHEET

| Code | ASSETS | Note | As at 31 December | |
|------------|---|-------|---------------------------|-------------------------------------|
| | | | 2017 VND | 2016 VND (Restated – Note 40) |
| 100 | CURRENT ASSETS | | 11,323,011,283,213 | 7,197,862,235,245 |
| 110 | Cash and cash equivalents | 3 | 2,382,294,145,898 | 1,880,612,291,229 |
| 111 | Cash | | 262,294,145,898 | 180,612,291,229 |
| 112 | Cash equivalents | | 2,120,000,000,000 | 1,700,000,000,000 |
| 120 | Short-term investments | | 6,374,000,000,000 | 2,940,000,000,000 |
| 123 | Investments held-to-maturity | 4(a) | 6,374,000,000,000 | 2,940,000,000,000 |
| 130 | Short-term receivables | | 2,156,246,766,937 | 1,323,984,478,709 |
| 131 | Short-term trade accounts receivable | 5 | 1,305,092,241,908 | 654,947,891,118 |
| 132 | Short-term prepayments to suppliers | 6 | 9,564,895,915 | 25,835,999,243 |
| 136 | Other short-term receivables | 7(a) | 867,877,020,095 | 669,487,979,329 |
| 137 | Provision for doubtful debts – short-term | 8(a) | (40,787,786,892) | (40,787,786,892) |
| 139 | Shortage of assets awaiting resolution | 9 | 14,500,395,911 | 14,500,395,911 |
| 140 | Inventories | 10(a) | 388,093,755,215 | 395,709,326,162 |
| 141 | Inventories | | 414,420,214,598 | 410,266,010,507 |
| 149 | Provision for decline in value of inventories | | (26,326,459,383) | (14,556,684,345) |
| 150 | Other current assets | | 22,376,615,163 | 657,556,139,145 |
| 151 | Short-term prepaid expenses | 11(a) | 1,491,233,083 | 7,330,467,472 |
| 152 | Value Added Tax to be reclaimed | 18 | 20,885,169,356 | 9,424,137,131 |
| 153 | Taxes and other payables to the State | 12, | | |
| | Budget | 18 | 212,724 | 640,801,534,542 |

The notes on pages 11 to 63 are an integral part of these separate financial statements.

SEPARATE BALANCE SHEET
(continued)

| Code | ASSETS (continued) | Note | As at 31 December | |
|------------|---|-------|---------------------------|-------------------------------------|
| | | | 2017 VND | 2016 VND (Restated – Note 40) |
| 200 | LONG-TERM ASSETS | | 6,156,832,349,207 | 6,268,339,688,713 |
| 210 | Long-term receivables | | 319,351,652,760 | 320,787,195,660 |
| 215 | Long-term lending | | 4,000,000,000 | 9,900,000,000 |
| 216 | Other long-term receivables | 7(b) | 348,220,532,665 | 349,656,075,565 |
| 219 | Provision for doubtful debts – long-term | 8(b) | (32,868,879,905) | (38,768,879,905) |
| 220 | Fixed assets | | 1,840,303,606,752 | 2,052,019,379,902 |
| 221 | Tangible fixed assets | 13(a) | 954,626,221,143 | 1,157,698,733,135 |
| 222 | Historical cost | | 3,427,249,784,365 | 3,386,884,827,897 |
| 223 | Accumulated depreciation | | (2,472,623,563,222) | (2,229,186,094,762) |
| 227 | Intangible fixed assets | 13(b) | 885,677,385,609 | 894,320,646,767 |
| 228 | Historical cost | | 989,440,803,824 | 987,925,803,824 |
| 229 | Accumulated amortisation | | (103,763,418,215) | (93,605,157,057) |
| 230 | Investment properties | 14 | 4,354,990,620 | 4,747,955,124 |
| 231 | Historical cost | | 7,859,289,977 | 7,859,289,977 |
| 232 | Accumulated depreciation | | (3,504,299,357) | (3,111,334,853) |
| 240 | Long-term assets in progress | | 61,211,627,837 | 29,216,550,436 |
| 242 | Construction in progress | 15 | 61,211,627,837 | 29,216,550,436 |
| 250 | Long-term investments | | 3,810,074,657,892 | 3,760,530,037,279 |
| 251 | Investments in subsidiaries | 4(b) | 2,728,068,835,029 | 2,728,068,835,029 |
| 252 | Investments in associates, joint ventures | 4(b) | 687,084,845,720 | 666,884,845,720 |
| 253 | Investments in other entities | 4(b) | 783,539,401,803 | 807,063,205,046 |
| 254 | Provision for long-term investments | 4(b) | (409,487,304,565) | (462,355,728,421) |
| 255 | Investments held-to-maturity | 4(a) | 20,868,879,905 | 20,868,879,905 |
| 260 | Other long-term assets | | 121,535,813,346 | 101,038,570,312 |
| 261 | Long-term prepaid expenses | 11(b) | 85,450,744,309 | 75,573,566,548 |
| 262 | Deferred income tax assets | 16 | 34,929,597,381 | 21,844,700,874 |
| 263 | Long-term supplies and spare parts | 10(b) | 1,155,471,656 | 3,620,302,890 |
| 270 | TOTAL ASSETS | | 17,479,843,632,420 | 13,466,201,923,958 |

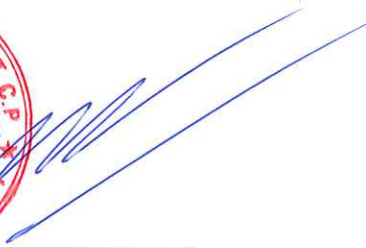
The notes on pages 11 to 63 are an integral part of these separate financial statements.

SEPARATE BALANCE SHEET
(continued)

| Code | RESOURCES | Note | For the year ended 31 December | |
|------------|--|--------|--------------------------------|-------------------------------------|
| | | | 2017 VND | 2016 VND (Restated – Note 40) |
| 300 | LIABILITIES | | 5,370,277,081,680 | 3,425,964,930,845 |
| 310 | Short-term liabilities | | 5,239,437,665,215 | 3,320,091,961,422 |
| 311 | Short-term trade accounts payable | 17 | 2,017,620,399,768 | 1,551,081,121,557 |
| 312 | Short-term advances from customers | | 3,366,746,525 | 788,329,086 |
| 313 | Tax and other payables to the State Budget | 18 | 574,189,634,734 | 410,027,573,389 |
| 314 | Payable to employees | | 53,540,955,885 | 105,953,656,715 |
| 315 | Short-term accrued expenses | 19 | 53,169,977,301 | 74,886,545,328 |
| 319 | Other short-term payables | 20(a) | 2,440,537,137,922 | 988,058,331,719 |
| 322 | Bonus and welfare funds | 21 | 97,012,813,080 | 189,296,403,628 |
| 330 | Long-term liabilities | | 130,839,416,465 | 105,872,969,423 |
| 337 | Other long-term payables | 20(b) | 51,602,316,000 | 51,602,316,000 |
| 342 | Provision for long-term liabilities | | 24,966,447,042 | - |
| 343 | Fund for science and technology development | | 54,270,653,423 | 54,270,653,423 |
| 400 | OWNERS' EQUITY | | 12,109,566,550,740 | 10,040,236,993,113 |
| 410 | Capital and reserves | | 12,109,566,550,740 | 10,040,236,993,113 |
| 411 | Owners' capital | 22, 23 | 6,412,811,860,000 | 6,412,811,860,000 |
| 411a | - Ordinary shares with voting rights | | 6,412,811,860,000 | 6,412,811,860,000 |
| 418 | Investment and development funds | 23 | 760,819,802,040 | 760,819,802,040 |
| 421 | Undistributed earnings | 23 | 4,935,934,888,700 | 2,866,605,331,073 |
| 421a | - Undistributed earnings of the previous years | 23 | 2,790,638,035,073 | 892,137,789,401 |
| 421b | - Post-tax profit of the current year | 23 | 2,145,296,853,627 | 1,974,467,541,672 |
| 440 | TOTAL RESOURCES | | 17,479,843,632,420 | 13,466,201,923,958 |


Le Thi Thien Thanh
Preparer


Nguyen Tien Dung
Chief Accountant


Nguyen Thanh Nam
General Director
29 March 2018




The notes on pages 11 to 63 are an integral part of these separate financial statements.

SEPARATE INCOME STATEMENT

| Code | Note | For the year ended 31 December | |
|------|-------------------------------------|--------------------------------|-------------------------------------|
| | | 2017 VND | 2016 VND (Restated – Note 40) |
| 01 | Sales | 34,503,890,606,310 | 30,895,884,089,945 |
| 02 | Less deductions | - | (551,915,200) |
| 10 | Net sales | 34,503,890,606,310 | 30,895,332,174,745 |
| 11 | Cost of sales | (29,588,446,699,863) | (26,513,435,310,686) |
| 20 | Gross profit | 4,915,443,906,447 | 4,381,896,864,059 |
| 21 | Financial income | 2,142,341,449,056 | 1,634,597,657,117 |
| 22 | Financial expenses | 50,027,658,964 | 20,775,323,891 |
| 25 | Selling expenses | (1,446,841,604,384) | (650,161,156,589) |
| 26 | General and administration expenses | (370,150,098,282) | (312,759,691,123) |
| 30 | Net operating profit | 5,290,821,311,801 | 5,074,348,997,355 |
| 31 | Other income | 2,310,276,092 | 49,587,390,746 |
| 32 | Other expenses | (10,148,296,672) | (13,565,615,120) |
| 40 | Net other (expenses)/income | (7,838,020,580) | 36,021,775,626 |
| 50 | Net accounting profit before tax | 5,282,983,291,221 | 5,110,370,772,981 |
| 51 | Business income tax - current | (733,785,378,516) | (166,240,893,977) |
| 52 | Business income tax - deferred | 13,084,896,507 | (821,161,839,333) |
| 60 | Net profit after tax | 4,562,282,809,212 | 4,122,968,039,671 |


Le Thi Thien Thanh
Preparer


Nguyen Tien Dung
Chief Accountant


Nguyen Thanh Nam
General Director
29 March 2018



The notes on pages 11 to 63 are an integral part of these separate financial statements.

SAIGON BEER – ALCOHOL – BEVERAGE CORPORATION

Form B 03 - DN

SEPARATE CASH FLOW STATEMENT
(Indirect method)

| | | For the year ended 31 December | |
|---|--|--------------------------------|----------------------------|
| | | 2017 | 2016 |
| | | VND | VND |
| | | | (Restated – Note 40) |
| | Notes | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| 01 | Net accounting profit before tax | 5,282,983,291,221 | 5,110,370,772,981 |
| | Adjustments for: | | |
| 02 | Depreciation and amortisation | 253,988,694,122 | 254,946,117,305 |
| 03 | Reversal of provisions | (22,032,201,776) | (19,487,175,040) |
| 04 | Unrealised foreign exchange losses/(gains) | 79,253,350 | (92,331,846) |
| 05 | Profits from investing activities | (2,141,713,389,269) | (1,636,215,668,336) |
| 08 | Operating profit before changes in working capital | 3,373,305,647,648 | 3,709,521,715,064 |
| 09 | Increase in receivables | (52,854,933,835) | (195,472,347,329) |
| 10 | Increase in inventories | (1,689,372,857) | (12,973,313,994) |
| 11 | Decrease in payables | (91,685,154,119) | (3,021,378,002,920) |
| 12 | (Increase)/decrease in prepaid expenses | (4,037,943,372) | 20,306,935,044 |
| 15 | Business income tax paid | - | (536,500,402,568) |
| 17 | Other payments on operating activities | (210,551,412,537) | (136,029,298,204) |
| 20 | Net cash inflows/(outflows) from operating activities | 3,012,486,830,928 | (172,524,714,907) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| 21 | Purchases of fixed assets and other long-term assets | (70,241,373,207) | (92,578,393,107) |
| 22 | Proceeds from disposals of fixed assets and long-term assets | - | 33,427,270 |
| 23 | Deposits at banks with maturity exceeding 3 months | (7,024,000,000,000) | (2,500,000,000,000) |
| 24 | Proceeds from deposits at banks with maturity exceeding 3 months | 3,595,900,000,000 | 250,000,000,000 |
| 25 | Investments in other entities | (40,000,000,000) | (449,947,945,903) |
| 26 | Proceeds from divestment in other entities | 66,048,265,300 | 361,795,050,000 |
| 27 | Dividends and interest received | 1,970,351,289,322 | 1,727,870,978,394 |
| 30 | Net cash outflows from investing activities | (1,501,941,818,585) | (702,826,883,346) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| 36 | Dividends paid | 24 (1,008,864,945,050) | (3,650,107,852,550) |
| 40 | Net cash outflows from financing activities | (1,008,864,945,050) | (3,650,107,852,550) |
| 50 | Net increase/(decrease) in cash and cash equivalents | 501,680,067,293 | (4,525,459,450,803) |
| 60 | Cash and cash equivalents at beginning of year | 3 1,880,612,291,229 | 6,406,079,584,088 |
| 61 | Effect of foreign exchange differences | 1,787,376 | (7,842,056) |
| 70 | Cash and cash equivalents at end of year | 3 2,382,294,145,898 | 1,880,612,291,229 |

Major non-cash transactions during the year are presented in Note 36.

Le Thi Thien Thanh
Preparer

Nguyen Tien Dung
Chief Accountant

Nguyen Thanh Nam
General Director
29 March 2018



The notes on pages 11 to 63 are an integral part of these separate financial statements.

No. 300 /2018/TTr-HDQT

Ho Chi Minh City, July 11th 2018

PROPOSAL

**Re: Settlement of salary, remuneration, bonus in 2017
of Board of Directors, Supervisory Board**

Respectfully to: The Annual General Meeting of Shareholders

Pursuant to the Resolution No. 93/2017/ NQ-DHDCD dated 08/8/2017 of the General Meeting of Shareholders of Sai Gon Beer-Alcohol-Beverage Corporation;

Pursuant to the Resolution No. 45/2018/NQ-HDQT dated 01/06/2017 of the Board of Directors of Sai Gon Beer-Alcohol-Beverage Corporation;

Based on the production and business targets for 2017 of Saigon Beer-Alcohol-Beverage Corporation

Board of Directors submits to the General Meeting of Shareholders the salary, remuneration and bonus settlement in 2017 for the members of the Board of Directors and Board of Supervisors at SABECO as follows:

| No | Explain | Unit | Plan 2017 | Actual 2017 |
|-----------|--------------------------------|--------|---------------|---------------|
| I | Salary, bonus | | | |
| 1 | Number of full-time members | People | 4 | 4 |
| 2 | Salary fund | VND | 4.667.476.650 | 4.966.281.500 |
| 3 | Bonus fund | VND | 583.434.581 | 620.785.187 |
| II | Remuneration | | | |
| 1 | Number of concurrently members | People | 6 | 4 |
| 2 | Remuneration fund | VND | 1.425.600.000 | 759.843.840 |

Respectfully./.

Recipients:

- As above;
- Saved: BODs Office,
- Archived, HR Dept.

ON BEHALF OF BOARD OF DIRECTORS

CHAIRMAN



Koh Poh Tiong

No. 301 /2018/TTr-HDQT

Ho Chi Minh City, July 11th 2018

PROPOSAL

**Re: Salary, remuneration, bonus plan in 2018
of the Board of Directors and the Supervisory Board**

Respectfully to: The Annual General Meeting of Shareholders

Pursuant to the Resolution No. 45/2018/NQ-HDQT dated 01/06/2017 of the Board of Directors of Sai Gon Beer-Alcohol-Beverage Corporation;

Based on the production and business targets for 2018 of Saigon Beer-Alcohol-Beverage Joint Stock Corporation;

Board of Directors submits to the General Meeting of Shareholders the salary, remuneration and bonus plan in 2018 for the members of the Board of Directors and Board of Supervisors at SABECO as follows:

| No | Explain | Unit | Actual 2017 | Plan 2018 |
|-----------|--------------------------------|--------|---------------|---------------|
| I | Salary, bonus | | | |
| 1 | Number of full-time members | People | 4 | 5 |
| 2 | Salary fund | VND | 4.966.281.500 | 3.723.160.000 |
| 3 | Bonus fund | VND | 620.785.187 | 604.240.000 |
| II | Remuneration | | | |
| 1 | Number of concurrently members | People | 4 | 10 |
| 2 | Remuneration fund | VND | 759.843.840 | 1.438.639.488 |

Respectfully./.

Recipients:

- As above;
- Saved: BODs Office,
- Archived, HR Dept.

ON BEHALF OF BOARD OF DIRECTORS

CHAIRMAN



Koh Poh Tiong

No.: 302/2018/TTr-HDQT

Ho Chi Minh city, July 11th 2018

PROPOSAL
Re: 2017 Profit Distribution

To: Shareholders of SABECO

Pursuant to 2017 actual results, the Board of Directors of SABECO submits to the Shareholders the profit distribution plan for Y2017 as follow:

| No. | Categories | Budgeted 2017 (mil. Dongs) | Actual 2017 (mil. Dongs) |
|-----|--|-------------------------------|-----------------------------|
| 1 | Undistributed profit - beginning | 3.713.727 | 3.713.727 |
| 2 | Profit after tax | 4.702.820 | 4.948.599 |
| 3 | Profit distribution, in which: | 2.685.966 | 2.648.015 |
| | Distribute to Bonus and Welfare Fund (fulfil the budgeted target – 3 months of salary) | 375.688 | 337.126 |
| | Distribute to | 16.368 | 14.782 |
| | Distribute to Social activities fund | 49.426 | 51.623 |
| | Profit distribution | 2.244.484 | 2.244.484 |
| | Announced dividend ratio | 35% | 35% |
| 4 | Undistributed profit - ending | 5.730.581 | 6.014.311 |

Pursuant to Circular No.28/TT-BLĐTBXH dated 01/09/2016, regarding to the stipulation on profit distribution to Bonus and Welfare Fund:

- If the actual profit is equal to the budgeted profit, company can distribute up to three months of salary to the Bonus and Welfare Fund;
- If the actual profit is higher than its budgeted profit, company can distribute up to 20% of the incremental profit (but not higher than three months of salary)

Respectfully.

Recipients:

- As above;
- Saved at BOD Office.

ON BEHALF OF THE BOARD OF DIRECTORS
CHAIRMAN



Koh Poh Tiong

No.: 303 /2018/TTr-HĐQT

Ho Chi Minh City, July 11th 2018

PROPOSAL
Re: 2018 Profit Distribution Plan

To: Shareholders of SABECO

Pursuant to 2018 budget plan, the Board of Directors of SABECO submits to the Shareholders the following profit distribution plan for 2018:

| No | Categories | Budget 2018 (Mil. Dong) | Actual 2017 (Mil. Dong) |
|----|--|----------------------------|----------------------------|
| 1 | Undistributed profit – beginning | 6.014.311 | 3.713.727 |
| 2 | Profit after tax | 4.007.025 | 4.948.599 |
| 3 | Profit distribution, in which: | 2.508.559 | 2.648.015 |
| | Bonus and Welfare Fund (fulfil the budgeted target – 3 months of salary) | 226.168 | 337.126 |
| | Investment and Development Fund | 1.744 | 14.782 |
| | Social Activities Fund | 36.163 | 51.623 |
| | Dividend | 2.244.484 | 2.244.484 |
| | Dividend ratio | 35% | 35% |
| 4 | Undistributed profit - ending | 7.512.777 | 6.014.311 |

Pursuant to Circular No.28/TT-BLĐTBXH dated 01/09/2016, regarding to the stipulation on profit distribution to Bonus and Welfare Fund:

- If the actual profit is equal to the budgeted profit, company can distribute up to three months of salary to the Bonus and Welfare Fund;
- If the actual profit is higher than its budgeted profit, company can distribute up to 20% of the incremental profit (but not higher than three months of salary)

Respectfully.

Recipients:

- As above;
- Saved at BOD Office.

ON BEHALF OF THE BOARD OF DIRECTORS

CHAIRMAN



Koh Poh Tiong

DRAFT

**WORKING REGULATIONS OF
THE ANNUAL GENERAL MEETING OF SHAREHOLDERS 2018
SAIGON BEER-ALCOHOL-BEVERAGE CORPORATION**

- Pursuant to Law on Enterprises No. 68/2014/QH13 dated November 26th 2014;
- Pursuant to the Charter on Organization and Operation of Saigon Beer-Alcohol-Beverage Corporation (SABECO) dated August 8th 2017;

In order to ensure the success of SABECO’s Annual General Meeting of Shareholders in 2018, the Board of Directors (BoD) has set up the following regulations, principles of working, conducting and voting in the Annual General Meeting of Shareholders:

I. OBJECTIVES OF PROMULGATING:

- This Regulations was established for specifically ensuring the order and principles of conducting and voting at the Annual General Meeting of Shareholders (SABECO) in 2018 (hereinafter referred to as AGM).

II. SUBJECTS AND SCOPE OF APPLICATION:

- Subjects: All shareholders, the representatives (the authorized persons) and invited guests to attend AGM shall all have to abide by the provisions of this Regulation, the Charter of the Company and current regulations of the law.
- Scope of Application: This regulation is applied to organize the 2018 AGM.

III. CONTENT OF THE REGULATION:

1. Condition for convening AGM:

- a. AGM shall be held when it is attended by a number of shareholders/authorized persons represent at least 51% of votes.
- b. If the first meeting fails to meet the conditions prescribed in Point a, Clause 1, Section III; The AGM must be convened for the second time within thirty (30) days from the proposed date of the first meeting. The AGM shall be held when it is attended by a number of shareholders/authorized persons represent at least 33% of

votes.

- c. If the second meeting is not convened, it shall not be eligible to proceed according to the provisions at Point b, Clause 1, Section III; The AGM shall be convened for the third time within twenty (20) days from the planned date of the second meeting, and in this case, the AGM shall be held regardless of the number of shareholders or authorized representatives that attend and are considered to be valid and have the power to determine all issues to be approved at the first AGM.

2. Condition of shareholders attending the AGM:

The shareholders of SABECO as listed on **July 2nd 2018** are entitled to attend the AGM; They can directly attend or authorize their representatives to attend. **In cases more than one authorized representative is appointed, the number of shares and the number of votes of each representative must be specified.**

3. Guest at AGM:

- They are the managers of SABECO, guests, members of the AGM's Convening Committee that are not shareholders of the Company but invited to attend AGM.
- Guests do not participate in a speech at AGM (unless invited by the Chairperson of AGM or registered in advance with the AGM's Convening Committee)

4. Guests, shareholders attending AGM must comply with the following provisions:

- Be punctual, polite, formal, comply with the security check (if any), personal documents ... as requested by the AGM's Convening Committee.
- Register the list of shareholders participating in AGM, receive documents, papers serving AGM at the reception department at the AGM's hall.
- Shareholders coming late shall register immediately and then have the right to participate and vote at the meeting. The Chairperson does not have the responsibility for stopping the AGM for the late arrival of shareholders to attend AGM; The voting results of voting issues before attendance of that shareholder will not be affected.
- **The authorized person to attend AGM are not authorized to attend AGM for the third person attending AGM.**
- Keep the phone in vibrate mode or turn off the phone, when necessary, go out for the conversation.

- No smoking in meeting room.
- Comply with the regulations of the AGM's Convening Committee, Chairperson.
- In case shareholders do not comply with the inspection regulations or the above measures and regulations, the Chairperson, after careful consideration, may refuse or expel the above shareholders from the place of AGM to ensure the normal meeting under the plan.

5. Chairperson of AGM:

- The Chairperson of AGM is the Chairman of the BoD. In case the Chairman is absent or temporarily incapable of working, the remaining members shall elect one of the Members of BoD to act as the Chairperson of AGM; In case no person can be the Chairperson, the member of BoD with the highest position shall control AGM to elect the chairperson of AGM among the participants and the person with the highest number of votes shall act as Chairperson of AGM.
- Rights and obligations of the Chairperson:
 - The Chairperson shall decide the order, procedures and events arising outside the AGM's agenda in accordance with the Laws and the SABECO's Charter.
 - Instruct shareholders and the General meeting to discuss the contents of the agenda and conclude the necessary issues for the General meeting to vote.
 - Answer or appoint relevant managers to answer issues requested by the General meeting and resolve issues arising during AGM.
 - Other rights and obligations stipulated in the SABECO's Charter.

6. Secretary of AGM:

- AGM's Secretary shall be appointed by the Chairperson.
- Rights and Obligations of AGM's Secretary:
 - Carry out the tasks of assisting the General meeting as assigned by the Chairperson.
 - Receive shareholders' speech registration forms.
 - Record and reflect truthfully and accurately all contents of AGM in the minutes of AGM and the drafting of the resolutions of AGM.

7. Shareholders' eligibility Examination Committee

Regulation on organization of the 2018 AGM

- Shareholders' eligibility Examination Committee elected by AGM's Convening Committee.
- Rights and Obligations of Shareholders' eligibility Examination Committee
 - Shareholders' eligibility Examination Committee is responsible for receiving and checking the documents on eligibility of shareholders attending AGM.
 - Report on the results of examining eligibility of shareholders before the General meeting.
 - In case the attendees fail to prove their eligibility for shareholders attending AGM, the Shareholders' eligibility Examination Committee shall have the right to refuse the issuance of Voting Ballots and AGM's documents.

8. Vote Counting Committee:

- The Vote Counting Committee is nominated by the Chairperson and approved by the General Meeting of Shareholders. Members of the Vote Counting Committee may be employees of SABECO, shareholders and/ or consulting unit on organizing the General Meeting of Shareholders. Members of the Vote Counting Committee are not concurrently Chairperson or Secretary of AGM.
- The Vote Counting Committee has the following tasks:
 - Check the content, form and number of issued votes
 - Disseminate principles, rules, guidelines on voting method
 - Inspect and supervise the voting of shareholders and authorized representatives
 - Organize the counting of votes and make the minutes of counting votes
 - Announce the results of the vote counting in an honest and accurate manner and take responsibility for the vote counting results before the General meeting.

9. Speech at AGM:

- Shareholders who wish to have speech must have the consent of the Chairperson of AGM. Shareholders shall make short speeches and focus on the key contents to be discussed, in accordance with the agenda contents approved by the General meeting or send written opinions to the secretary of AGM to report to the Chairperson.

Regulation on organization of the 2018 AGM

- The Chairperson of AGM will arrange for the shareholders to speak in the order of registration, at the same time answer questions at AGM or record for later replying in writing.

10. Rules of Voting at AGM:

a. General provisions on voting:

- Each share owned or represented to own is one voting unit.
- Each shareholder attending AGM will be directly supplied by the AGM's Convening Committee the following: **a (01) Voting Card and a (01) Voting Ballot** with the code of ownership and/ or representative stamped with the Company's seal used to vote for the contents under the AGM's Agenda.

b. Method of voting, order of voting

Any issues raised at AGM under the jurisdiction of the General Meeting of Shareholders shall be consulted in the following order:

- Approve the content that has just been submitted
- Disapprove the content that has just been submitted
- Abstain the content that has just been submitted

At AGM, the shareholder shall vote by one of the following two forms:

- ❖ **Raising "Voting Card "**: Each shareholder/authorized person(s) is given one (01) Voting Card. When voting at AGM, the shareholders/authorized persons raise the Voting Card towards the Chairperson.
- In cases where a shareholder/authorized person(s) does not raise his/her vote in all three votes, it is considered that he/ she voted for agreement with the issue.
- In cases where a shareholder/authorized person(s) does not raise his/ her vote in all three votes or two of three votes, it is considered that he/ she voted for disagreement with the issue.
- In the form of voting by raising Voting Card, the members of Vote Counting Committee shall mark the voting code and the corresponding number of votes of each shareholder on agreement, disagreement, no opinion.
- ❖ **Filling in "Voting Ballot"**: Each shareholder/authorized person(s) is given one (01) Voting Ballot with three (03) kind of voting: approval, disapproval, no

opinion on each issue. Shareholders/authorized persons may mark "X" or "✓" for the selected voting status. This form is used to approve the contents of the reports/proposals of AGM.

c. The validity of Voting Ballot:

❖ Valid Voting Ballot:

- Follow the template of Convening Committee and having Company stamp
- Not be erased, changed in printed content. In case of having any content needs to be supplemented, the order of such contents must be complied, additional contents shall not be acceptable except for the contents required by AGM's Convening Committee.
- Must be signed, under the signature, must have full name of shareholder/authorized person.
- For separate content (Report, proposal): Choose one (1) of three (03) voting status on Voting Ballot.

❖ Invalid Voting Ballot:

- Is the one which does not meet one of the above conditions for the valid Voting Ballot, though the remained voting contents which proved to be valid shall be counted and recognized.

d. Record the voting results

The Vote Counting Committee is responsible for recording, checking the number of votes on agreement, disagreement, no opinion of each content adopted at AGM. At the same time, it is responsible for statistics and reporting results of vote counting at AGM.

e. Minimum rate to be achieved when voting

- For decisions on the contents related to the class of shares, the total number of shares of each type; changing business lines; changing the organizational structure of SABECO; Investment projects or sales of assets valued at 35% or more of the total value of assets recorded in SABECO's latest financial statements; reorganizing, dissolving SABECO; extension of SABECO's activities, it shall be approved when having at least 65% of the total number of votes of shareholders having voting rights are present directly or through their authorized representatives present at AGM.
- For other issues to be adopted when approved by a number of shareholders

Regulation on organization of the 2018 AGM

representing at least 51% of the total number of votes of all attending shareholders, except for cases stipulated in Clause 8, Article 23 of the Charter

11. Minutes and resolutions of the General Meeting of Shareholders

- All contents of the Annual General Meeting of Shareholders 2018 must be recorded by the Secretariat in the minutes of the AGM.
- Minutes and resolutions of the Annual General Meeting of Shareholders 2018 must be read and adopted before the closing of the General Meeting and be saved at SABECO's head office.

IV. IMPLEMENTATION:

- All shareholders, representatives and guests attending the General Meeting are responsible for compliance with the provisions of this Regulation, current regulations, rules and provisions of SABECO and relevant legal provisions, obey the decisions of the Chairman, the AGM's Convening Committee. If the violation depends on the extent to which the Chairman of the General Assembly will apply the handling measures from the restriction of speech, expulsion from the conference hall where the General meeting takes place, or transfer to legal agencies for settlement in accordance with the law.
- The contents not specified in this Regulation shall be uniformly applied in accordance with SABECO's Charter, Law on Enterprises 2014 and related legal documents.

This Regulation takes effect immediately after being approved by the General Meeting of Shareholders.

**ON BEHALF OF THE BOARD OF
DIRECTOR
CHAIRMAN**

KOH POH TIONG

DRAFT

Ho Chi Minh city, July 21st 2018

**RESOLUTION OF
THE ANNUAL GENERAL MEETING 2018
OF SAIGON BEER-ALCOHOL-BEVERAGE CORPORATION**

- Pursuant to Law on Enterprises No. 68/2014/QH13 dated November 26th 2014;
- Pursuant to the Charter on Organization and Operation of Saigon Beer-Alcohol-Beverage Corporation (SABECO) dated August 8th 2017;
- Pursuant to the Minutes of the Annual General Meeting of Shareholders in 2018 of Saigon Beer - Alcohol - Beverage Corporation dated July 21st 2018,

RESOLVES:

Article 1: Approve the report on the operation of the Company 2017 and business plan for 2018.

Article 2: Approve the 2017 audited financial statements.

Article 3: Approve the report on the BoD's activities in 2017 and plan for 2018.

Article 4: Approve the report on the Supervisory Board's activities in 2017 and plan for 2018

Article 5: Approve the proposal on dividends for 2017 and dividends plan for 2018.

Article 6: Approve the proposal on BoD and Supervisory Board's remuneration in 2017 and plan in 2018.

Article 7: Approve the proposal on change of business line.

Article 8: Approve the proposal on change of the structure of managerial organization.

Article 9: Approve the proposal on amending the SABECO's Charter.

Article 10: Approve the appointment of the Board of Directors for the term of 2018-2023 with 7 members as below:

- Mr/Ms.....

Article 11: Implementation provision:

The Resolution of the Annual General Meeting of Shareholders in 2018 of Saigon Beer - Alcohol - Beverage Corporation is unanimously approved and takes effect from July 21st 2018.

All shareholders of Saigon Beer – Alcohol - Beverage Corporation, members of the Board of Directors, members of the Supervisory Board, General Director of the Corporation and all employees of the Corporation are responsible for the implementation of this Resolution.

**ON BEHALF OF AGM
CHAIRPERSON**

Recipients:

- SABECO's shareholders;
- BOD, Supervisory Board;
- General Director;
- Saved at BOD Office, Archives.

Koh Poh Tiong