

**Saigon Beer - Alcohol - Beverage  
Corporation**

Separate financial statements

31 December 2012

# Saigon Beer - Alcohol - Beverage Corporation

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# Saigon Beer - Alcohol - Beverage Corporation

## GENERAL INFORMATION

### THE COMPANY

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 Ministry of Industry and Trade) by restructuring Saigon Beer Company and merging Binh Tay Liquor Company, Chuong Duong Beverage Company, Phu Tho Glass Company into the Company. On 11 May 2004, the Ministry of Industry issued Decision No. 37/2004/QD-BCN to restructure the Company into a parent-subsiary structure. The Company's operation was licensed 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 under 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 current principal activities of the Company are to produce and sell beer, alcohol, beverages and related products including materials and packaging materials.

The Company's registered head office is located at No. 6 Hai Ba Trung Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam and operating office is located at Vincom Tower, 5<sup>th</sup> Floor, 72 Ly Tu Trong Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.

### BOARD OF DIRECTORS

Members of the Board of Directors during the year and at the date of this report are:

Mr Phan Dang Tuat	Chairman	Appointed on 3 May 2012
Mr Nguyen Ba Thi	Chairman	Resigned on 3 May 2012
Mrs Pham Thi Hong Hanh	Member	
Mr Bui Ngoc Hanh	Member	
Mr Ian McNeillagec	Member	
Mr Le Hong Xanh	Member	
Mr Nguyen Quang Minh	Member	Resigned on 24 May 2012

### BOARD OF SUPERVISION

Members of the Board of Supervision during the year and at the date of this report are:

Mr Dong Viet Trung	Head
Mr Chung Tri Dung	Member
Mr Do Minh Toan	Member

# Saigon Beer - Alcohol - Beverage Corporation

GENERAL INFORMATION (continued)

## BOARD OF MANAGEMENT

Members of the Board of Management during the year and at the date of this report are:

Mrs Pham Thi Hong Hanh	General Director and Factory Director	Appointed on 3 May 2012
Mr Nguyen Quang Minh	General Director	Resigned on 3 May 2012
Mrs Nguyen Thi Dieu Hong	Factory Director	
Mr Le Hong Xanh	Managing Director	
Mr Tran Cong Tuoc	Managing Director	
Mr Tran Duc Hoa	Managing Director	
Mrs Trinh Thi Tuyet Minh	Managing Director	
Mr Tran Nghia	Managing Director	

## LEGAL REPRESENTATIVE

The legal representatives of the Company during the year and at the date of this report are:

Mrs Pham Thi Hong Hanh	Appointed on 3 May 2012
Mr Nguyen Quang Minh	Resigned on 3 May 2012

## AUDITORS

The auditor of the Company is Ernst & Young Vietnam Limited.

# Saigon Beer - Alcohol - Beverage Corporation

## REPORT OF THE BOARD OF MANAGEMENT

The Board of Management of Saigon Beer - Alcohol - Beverage Corporation ("the Company") is pleased to present its report and the separate financial statements of the Company for the year ended 31 December 2012.

### BOARD OF MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE SEPARATE FINANCIAL STATEMENTS

The Board of Management is responsible for the separate financial statements of each financial year which give a true and fair view of the separate state of affairs of the Company and of the separate results of its operations and its separate cash flows for the year. In preparing those separate financial statements, the Board of Management is required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgements and estimates that are reasonable and prudent;
- ▶ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the separate financial statements; and
- ▶ prepare the separate financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

The Board of Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the separate financial position of the Company and to ensure that the accounting records comply with the applied accounting system. It is 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.

The Board of Management confirmed that it has complied with the above requirements in preparing the accompanying separate financial statements.


### STATEMENT BY THE BOARD MANAGEMENT

The Board of Management does hereby state that, in its opinion, the accompanying separate financial statements give a true and fair view of the separate financial position of the Company as at 31 December 2012 and of the separate results of its operations and its separate cash flows for the year then ended in accordance with the Vietnamese Accounting Standards and System and comply with relevant statutory requirements.

Users of these separate financial statements should read them together with the consolidated financial statements of the Group as at and for the year ended 31 December 2012 in order to obtain full information on the consolidated financial position, results of operations and cash flows of the Group as a whole.

For and on behalf of the Board of Management:



  
Phạm Thị Hồng Hạnh  
General Director

30 March 2013

Reference: 60876373/ 15504823

## INDEPENDENT AUDITORS' REPORT

To: **The Shareholders of Saigon Beer - Alcohol - Beverage Corporation**

We have audited the separate financial statements of Saigon Beer - Alcohol - Beverage Corporation ("the Company") as set out on pages 5 to 49 which comprise the separate balance sheet as at 31 December 2012, and the separate income statement and the separate cash flow statement for the year then ended and the notes thereto.

The preparation and presentation of these separate financial statements are the responsibility of the Board of Management. Our responsibility is to express an opinion on these separate financial statements based on our audit.

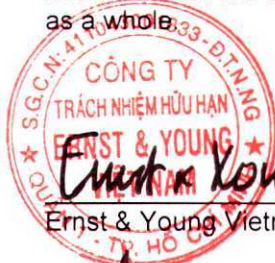
### *Basis of opinion*

We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the separate financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Board of Management, as well as evaluating the overall presentation of the separate financial statements. We believe that our audit provides a reasonable basis for our opinion.

### *Opinion*

In our opinion, the accompanying separate financial statements give a true and fair view of the separate financial position of the Company as at 31 December 2012, and of the separate results of its operations and its separate cash flows for the year then ended in accordance with the Vietnamese Accounting Standards and System and comply with the relevant statutory requirements.

Without qualifying our opinion, we draw attention to *Note 2* to the separate financial statements which states that the Company is the parent company of subsidiaries and the Company is preparing the consolidated financial statements of the Company and its subsidiaries ("the Group") as at and for the year ended 31 December 2012 to meet the prevailing regulatory reporting requirements. Users of these separate financial statements should read them together with the consolidated financial statements of the Group as at and for the year ended 31 December 2012 in order to obtain full information on the consolidated financial position, results of operations and cash flows of the Group as a whole.



*Ernst & Young Vietnam Ltd.*  
Ernst & Young Vietnam Limited

*Mai Viet Hung Tran*

Mai Viet Hung Tran  
Deputy General Director  
Certificate No. D.0048/KTV

Ho Chi Minh City, Vietnam

30 March 2013

*Le Vu Truong*

Le Vu Truong  
Auditor  
Certificate No. N.1588/KTV

SEPARATE BALANCE SHEET  
as at 31 December 2012

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>5,236,977,533,618</b>	<b>4,224,682,284,091</b>
<b>110</b>	<b>I. Cash</b>	<b>4</b>	<b>60,696,050,038</b>	<b>99,086,525,804</b>
111	1. Cash		60,696,050,038	99,086,525,804
<b>120</b>	<b>II. Short-term investments</b>	<b>5</b>	<b>3,140,000,000,000</b>	<b>2,538,285,321,533</b>
121	1. Short-term investments		3,140,000,000,000	2,538,285,321,533
<b>130</b>	<b>III. Current accounts receivable</b>		<b>1,669,738,981,339</b>	<b>1,220,403,686,447</b>
131	1. Trade receivables	6	915,466,961,969	707,235,114,121
132	2. Advances to suppliers	7	100,432,186,525	119,117,350,676
135	3. Other receivables	8	669,616,471,085	441,325,043,357
139	4. Provision for doubtful debts		(15,776,638,240)	(47,273,821,707)
<b>140</b>	<b>IV. Inventories</b>		<b>316,077,783,327</b>	<b>274,176,282,979</b>
141	1. Inventories	9	338,972,658,031	301,977,496,353
149	2. Provision for obsolete inventories	9	(22,894,874,704)	(27,801,213,374)
<b>150</b>	<b>V. Other current assets</b>		<b>50,464,718,914</b>	<b>92,730,467,328</b>
151	1. Short-term prepaid expenses		561,523,535	862,117,649
152	2. Value-added tax deductible		4,169,620,421	-
154	3. Tax and other receivables from the State		28,338,888,976	75,726,443,328
158	4. Other current assets	10	17,394,685,982	16,141,906,351



SEPARATE BALANCE SHEET (continued)  
as at 31 December 2012

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>7,498,589,850,340</b>	<b>7,396,990,751,493</b>
<b>220</b>	<b>i. Fixed assets</b>		<b>3,278,914,540,359</b>	<b>3,260,435,288,136</b>
221	1. Tangible fixed assets	11	1,487,164,072,860	1,680,974,674,172
222	Cost		2,816,330,139,956	2,805,444,531,463
223	Accumulated depreciation		(1,329,166,067,096)	(1,124,469,857,291)
227	2. Intangible fixed assets	12	1,503,629,129,245	1,510,368,256,869
228	Cost		1,536,611,454,267	1,536,616,504,667
229	Accumulated amortisation		(32,982,325,022)	(26,248,247,798)
230	3. Construction in progress	13	288,121,338,254	69,092,357,095
<b>250</b>	<b>ii. Long-term investments</b>	<b>14</b>	<b>3,679,783,324,518</b>	<b>3,579,569,013,637</b>
251	1. Investments in subsidiaries		2,171,956,682,097	2,104,331,351,131
252	2. Investments in associates		1,161,611,016,176	1,080,969,159,829
258	3. Other long-term investments		1,225,190,845,060	1,321,156,713,136
259	4. Provision for long-term investments		(878,975,218,815)	(926,888,210,459)
<b>260</b>	<b>iii. Other long-term assets</b>		<b>539,891,985,463</b>	<b>556,986,449,720</b>
261	1. Long-term prepaid expenses	15	530,445,411,936	556,986,449,720
262	2. Deferred tax assets		3,500,005,237	-
268	3. Other long-term assets		5,946,568,290	-
<b>270</b>	<b>TOTAL ASSETS</b>		<b>12,735,567,383,958</b>	<b>11,621,673,035,584</b>



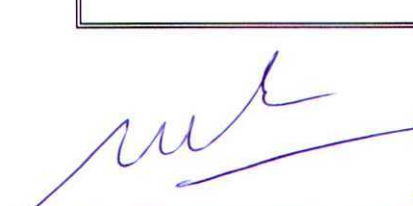
SEPARATE BALANCE SHEET (continued)  
as at 31 December 2012

VND


Code	RESOURCES	Notes	Ending balance	Beginning balance
<b>300</b>	<b>A. LIABILITIES</b>		<b>2,970,410,052,312</b>	<b>2,728,931,634,788</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>2,918,807,736,312</b>	<b>2,675,603,083,837</b>
312	1. Trade payables	16	809,897,752,668	793,140,077,116
313	2. Advances from customers		1,255,903,274	907,748,614
314	3. Statutory obligations	17	187,256,540,782	171,204,664,998
315	4. Payables to employees		29,668,980,456	64,001,703,838
316	5. Accrued expenses	18	67,672,907,596	50,899,285,171
319	6. Other payables	19	1,659,736,678,373	1,524,644,702,716
323	7. Bonus and welfare fund		163,318,973,163	70,804,901,384
<b>330</b>	<b>II. Non-current liabilities</b>		<b>51,602,316,000</b>	<b>53,328,550,951</b>
333	1. Other long-term liabilities	20	51,602,316,000	51,602,316,000
336	2. Provision for severance allowance		-	1,726,234,951
<b>400</b>	<b>B. OWNERS' EQUITY</b>		<b>9,765,157,331,646</b>	<b>8,892,741,400,796</b>
<b>410</b>	<b>I. Capital</b>	<b>21</b>	<b>9,765,157,331,646</b>	<b>8,892,741,400,796</b>
411	1. Share capital		6,412,811,860,000	6,412,811,860,000
417	2. Investment and development fund		119,538,616,040	119,357,020,851
418	3. Financial reserve fund		400,620,343,533	279,362,812,657
420	4. Undistributed earnings		2,832,186,512,073	2,081,209,707,288
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>12,735,567,383,958</b>	<b>11,621,673,035,584</b>

## OFF BALANCE SHEET ITEM

ITEM	Ending balance	Beginning balance
1. Foreign currencies:		
- United States dollar (US\$)	45,784	11,723
- Euro (EUR)	34,774	6,324

  
Nguyen Van Hoa  
Preparer

  
Nguyen Tien Dung  
Chief Accountant

  
Pham Thi Hong Hanh  
General Director



30 March 2013

SEPARATE INCOME STATEMENT  
for the year ended 31 December 2012

VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods	22.1	9,170,819,446,138	8,421,822,955,448
02	2. Deductions	22.1	(1,727,413,698,896)	(1,618,676,994,757)
10	3. Net revenue from sale of goods	22.1	7,443,405,747,242	6,803,145,960,691
11	4. Cost of goods sold	23, 26	(6,809,580,376,267)	(6,270,208,962,404)
20	5. Gross profit from sale of goods		633,825,370,975	532,936,998,287
21	6. Finance income	22.2	2,495,152,047,457	2,420,002,183,344
22	7. Finance expenses	24	(81,825,332,422)	(350,606,924,853)
23	- In which: Interest expense		-	-
24	8. Selling expenses	26	(389,926,002,894)	(266,740,370,025)
25	9. General and administrative expenses	26	(88,395,542,300)	(122,042,119,123)
30	10. Operating profit		2,568,830,540,816	2,213,549,767,630
31	11. Other income	25	10,182,382,025	22,663,624,111
32	12. Other expenses	25	(3,404,732,068)	(35,022,483,242)
40	13. Other profit (loss)	25	6,777,649,957	(12,358,859,131)
50	14. Profit before tax		2,575,608,190,773	2,201,190,908,499
51	15. Current corporate income tax expense	27.1	(95,353,864,738)	(13,758,939,409)
52	16. Deferred income tax income (expense)	27.3	3,500,005,237	(1,540,279,070)
60	17. Net profit after tax		2,483,754,331,272	2,185,891,690,020



Nguyen Van Hoa  
Preparer



Nguyen Tien Dung  
Chief Accountant



Phan Thi Hong Hanh  
General Director



30 March 2013

SEPARATE CASH FLOW STATEMENT  
for the year ended 31 December 2012

VND

Code	ITEMS	Notes	Current year	Previous year
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>01</b>	<b>Profit before tax</b>		<b>2,573,107,690,773</b>	<b>2,201,190,908,499</b>
	<i>Adjustments for:</i>			
02	Depreciation and amortisation	11, 12	218,594,008,917	207,867,919,727
03	(Reversal) provisions		(84,316,513,781)	366,765,888,696
04	Unrealized foreign exchange gain		(1,061,834,763)	(3,940,989,507)
05	Loss (gain) from investing activities		96,598,255,392	(8,423,275,040)
06	Dividend income	22.2	(2,180,115,369,874)	(2,141,978,612,620)
07	Interest income		(289,858,373,036)	(261,267,491,266)
<b>08</b>	<b>Operating profit before changes in working capital</b>		<b>332,947,863,628</b>	<b>360,214,348,489</b>
09	Increase in receivables		(204,058,785,294)	(201,410,440,093)
10	Increase in inventories		(36,995,161,678)	(46,886,956,112)
11	Increase in payables		21,280,422,900	252,410,758,739
12	Decrease in prepaid expenses		26,841,631,898	87,318,864,090
14	Corporate income tax paid	27.2	(47,331,172,238)	(97,955,948,438)
15	Other cash inflows from operating activities		-	768,267
16	Other cash outflows from operating activities		(111,506,496,323)	(91,803,177,845)
<b>20</b>	<b>Net cash flows (used in) from operating activities</b>		<b>(18,821,697,107)</b>	<b>261,888,217,097</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase and construction of fixed assets and other long-term assets		(237,078,311,540)	(315,433,417,921)
22	Proceeds from disposals of fixed assets and other long-term assets	25	538,560,000	9,897,980,000
23	Bank term deposits		(601,714,678,467)	(391,132,127,958)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		24,370,400,000	-
25	Payments for investments in subsidiaries and associates		(326,835,857,500)	-
26	Proceeds from sale of investments in other entities/disposal of a subsidiary		93,881,585,808	-
27	Interest and dividends received		2,309,922,804,190	2,296,083,366,922
<b>30</b>	<b>Net cash flows from investing activities</b>		<b>1,263,084,502,491</b>	<b>1,599,415,801,043</b>

SEPARATE CASH FLOW STATEMENT (continued)  
for the year ended 31 December 2012

VND

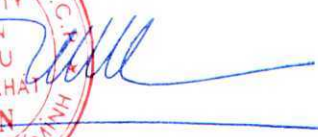
Code	ITEMS	Notes	Current year	Previous year
	<b>III. CASH FLOWS FROM FINANCING ACTIVITY</b>			
36	Dividends paid		(1,282,683,688,505)	(1,923,772,320,900)
40	Net cash flows used in financing activity		(1,282,683,688,505)	(1,923,772,320,900)
50	Net decrease in cash		(38,420,883,121)	(62,468,302,760)
60	Cash at beginning of year		99,086,525,804	161,560,896,749
61	Impact of exchange rate fluctuation		30,407,355	(6,068,185)
70	Cash at end of year	4	60,696,050,038	99,086,525,804



Nguyen Van Hoa  
Preparer



Nguyen Tien Dung  
Chief Accountant



Pham Thi Hong Hanh  
General Director



30 March 2013

NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
as at and for the year ended 31 December 2012

## 1. CORPORATE INFORMATION

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 Ministry of Industry and Trade) by restructuring Saigon Beer Company and merging Binh Tay Liquor Company, Chuong Duong Beverage Company, Phu Tho Glass Company into the Company. On 11 May 2004, the Ministry of Industry issued Decision No. 37/2004/QD-BCN to restructure the Company into a parent-subsiary structure. The Company's operation was licensed 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.

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The principal activities of the Company are to produce and sell beer, alcohol, beverages and related products including materials and packaging materials.

The Company's registered head office is located at No. 6 Hai Ba Trung Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam and operating office is located at Vincom Tower, 5<sup>th</sup> Floor, 72 Ly Tu Trong Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.

The number of Company's employees as at 31 December 2012 was 903 (31 December 2011: 901).

## 2. BASIS OF PREPARATION

The Company is the parent company of subsidiaries as stated in *Note 14* (collectively refer to as "the Group") and the Company is in process of preparing consolidated financial statements of the Group as at and for the year ended 31 December 2012 to meet current regulations for information reporting.

Users of these separate financial statements should read them together with the consolidated financial statements of the Group as at and for the year ended 31 December 2012 in order to obtain full information on the consolidated financial position, results of operations and cash flows of the Group as a whole.

### 2.1 Accounting standards and system

The separate financial statements of the Company expressed in Vietnam dong ("VND"), are prepared in accordance with the Vietnamese Accounting System and Vietnamese Accounting Standards ("VAS") issued by the Ministry of Finance as per:

- ▶ Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 1);
- ▶ Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- ▶ Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
- ▶ Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 4); and
- ▶ Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 5).

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2012

**2. BASIS OF PREPARATION** (continued)

**2.1 Accounting standards and system** (continued)

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

**2.2 Applied accounting documentation system**

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

**2.3 Fiscal year**

The Company's fiscal year starts on 1 January and ends on 31 December.

**2.4 Accounting currency**

The Company maintains its accounting records in VND.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Change in accounting policy**

The accounting policies adopted by the Company in preparation of the separate financial statements are consistent with those of previous financial years, except for the change in the accounting policy in relation to the change in foreign exchange rates.

For the year ended 31 December 2012, the Company adopts Circular No. 179/2012/TT-BTC providing guidance on recognition, measurement, treatment for foreign exchange differences issued by the Ministry of Finance on 24 October 2012 ("Circular 179") in addition to VAS No. 10 - Effects of changes in foreign exchange rates (the "VAS 10") adopted in prior years.

Following Circular 179, at the end of the year, monetary assets and liabilities denominated in foreign currencies are translated into VND using buying exchange rate announced by the commercial bank where the Company maintains bank accounts. In 2011, the inter-bank exchange rate ruling at the balance sheet date was used for this translation.

Circular 179 is applied from 2012 on a prospective basis. Impacts of the change from using interbank exchange rate to buying exchange rate announced by the commercial bank for the year end translation to the separate financial statements as at and for the year ended 31 December 2012 are not material taken as a whole.

**3.2 Cash**

Cash comprises cash on hand and cash in banks.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2012**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)**3.3 Inventories**

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

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

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

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

*Provision for obsolete inventories*

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

Increases and decreases to the provision balance are recorded into the cost of goods sold account in the separate income statement.

**3.4 Receivables**

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

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

**3.5 Tangible fixed assets**

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

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

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

When tangible fixed assets are sold or retired, their costs and accumulated depreciation are removed from the separate balance sheet and any gain or loss resulting from their disposal is included in the separate income statement.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2012

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.6 Intangible fixed assets**

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

Intangible fixed assets are stated at cost or the revalued amount less accumulated amortization.

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

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

When intangible fixed assets are sold or retired, their costs and accumulated amortisation are removed from the separate balance sheet and any gain or loss resulting from their disposal is included in the separate income statement.

**3.7 Depreciation and amortisation**

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

Buildings & structures	5 - 25 years
Machinery & equipment	5 - 12 years
Means of transportation	3 - 8 years
Office equipment	3 - 5 years
Computer software	3 years
Land use right with indefinite useful life	-

**3.8 Prepaid expenses**

Prepaid expenses are reported as short-term or long-term prepaid expenses on the separate balance sheet and amortised over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

**3.9 Investment in subsidiaries**

Investments in subsidiaries over which the Company has control are carried at cost, except for certain investments which were revalued as of 31 December 2006 and 30 April 2008 for the equitisation purposes in accordance with equitisation finalization minutes dated 6 March 2010.

Distributions from accumulated net profits of the subsidiaries arising subsequent to the date of acquisition are recognised in the separate income statement.

**3.10 Investment in associates**

Investments in associates over which the Company has significant influence are accounted for under the cost method of accounting, except for certain investments which were revalued as of 31 December 2006 and 30 April 2008 for the equitisation purposes in accordance with equitisation finalization minutes dated 6 March 2010.

Distributions from the accumulated net profits of the associates arising subsequent to the date of acquisition by the Company are recognized as income in the separate income statement.

**3.11 Other investments**

Other investments are stated at their acquisition costs, except for certain investments which were revalued on 31 December 2006 and 30 April 2008 for the equitisation purposes in accordance with equitisation finalization minutes dated 6 March 2010.



NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2012

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.12 *Provision for investments*

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

#### 3.13 *Payables and accruals*

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

#### 3.14 *Foreign currency transactions*

The Company follows the guidance under VAS 10 in relation to foreign currency transactions as applied consistently in prior years. In addition to VAS 10, starting from 2012, the Company adopts Circular 179 in relation to foreign currency transaction which impacts are presented in Note 3.1.

Transactions in currencies other than the Company's reporting currency of VND are recorded at the exchange rates ruling at the date of the transaction. At the end of the year, monetary assets and liabilities denominated in foreign currencies are translated at buying exchange rate announced by the commercial bank where the Company maintains bank accounts at the balance sheet date. All realised and unrealised foreign exchange differences are taken to the income statement.

#### 3.15 *Appropriation of net profits*

Net profit after tax is available for appropriation to shareholders as proposed by the Board of Directors and subject to shareholders' approval at the Annual General Meeting, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

#### 3.16 *Financial reserve fund*

Financial reserve fund is appropriated from the Company's net profit as proposed by the Board of Directors and subject to shareholders' approval at the Annual General Meeting. The Fund is set aside to protect the Company's normal operations from business risks or losses, or to prepare for unforeseen losses or damages and force majeure, such as fire, economic and financial turmoil of the country or elsewhere.

#### 3.17 *Bonus and welfare fund*

Bonus and welfare fund is appropriated from the Company's net profit as proposed by the Board of Directors and subject to shareholders' approval at the Annual General Meeting. This fund is set aside for the purpose of pecuniary rewarding and encouragement, common benefits and improvement of the employees' benefits.

#### 3.18 *Investment and development fund*

Investment and development fund is appropriated from the Company's net profit as proposed by the Board of Directors and subject to shareholders' approval at the Annual General Meeting. This fund is set aside for use in the Company's expansion of its operation or in-depth investments.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2012**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.19 Revenue recognition**

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

*Sale of goods*

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

*Interest*

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

*Dividends*

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

**3.20 Taxation***Current income tax*

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

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

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

*Deferred income tax*

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

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

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2012**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)**3.20 Taxation** (continued)*Deferred income tax* (continued)

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

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

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Company to set off current tax assets against current tax liabilities and when they relate to income taxes levied on the same taxable entity by the same taxation authority and when the Company intends to settle its current tax assets and liabilities on a net basis.

**3.21 Financial instruments***Financial instruments – initial recognition and presentation*Financial assets

Financial assets within the scope of Circular No. 210/2009/TT-BTC issued by the Ministry of Finance on 6 November 2009, providing guidance for the adoption in Vietnam of the International Financial Reporting Standards on presentation and disclosures of financial instruments ("Circular 210"), are classified, for disclosures in the notes to the separate financial statements, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets as appropriate. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at cost or revalued amounts in accordance with the equitisation minutes of the State Owned General Corporation.

The Company's financial assets include cash and short-term deposits, trade and other receivables and loan receivables.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2012

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.21 *Financial instruments* (continued)

*Financial instruments – initial recognition and presentation* (continued)

##### Financial liabilities

Financial liabilities within the scope of Circular 210 are classified, for disclosures in the notes to the separate financial statements, as financial liabilities at fair value through profit or loss or financial liabilities measured at amortised cost as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at cost or revalued amounts in accordance with equitisation minutes of the State Owned General Corporation.

The Company's financial liabilities include trade payables, accruals and other payables.

*Financial instruments – subsequent remeasurement*

There is currently no guidance in relation to subsequent re-measurement of financial instruments. Accordingly, the financial instruments are subsequently re-measured at cost.

*Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount reported in the separate balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

### 4. CASH

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	26,032,986	15,488,544
Cash at banks	<u>60,670,017,052</u>	<u>99,071,037,260</u>
<b>TOTAL</b>	<b><u>60,696,050,038</u></b>	<b><u>99,086,525,804</u></b>

### 5. SHORT-TERM INVESTMENTS

Short-term investments as at 31 December 2012 primarily represent term deposits with maturity of less than one year and earn interest at the rates ranging from 8% to 9% per annum.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2012

6. TRADE RECEIVABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Receivables from related parties (Note 28)	800,847,146,900	566,050,405,277
Receivables from third parties	114,619,815,069	141,184,708,844
<b>TOTAL</b>	<b><u>915,466,961,969</u></b>	<b><u>707,235,114,121</u></b>

7. ADVANCES TO SUPPLIERS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Advance to related parties (Note 28)	27,065,418,561	252,720,400
Advance to third parties	73,366,767,964	118,864,630,276
<b>TOTAL</b>	<b><u>100,432,186,525</u></b>	<b><u>119,117,350,676</u></b>

8. OTHER RECEIVABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Receivables from related parties (Note 28)	532,179,073,446	385,967,823,712
Receivables from disposal of shares	48,831,262,000	-
Receivables from dissolution of SABECO Partner Fund 1	42,645,805,462	-
Interest from bonds and lending	14,948,601,971	13,695,843,644
Dividends receivables	8,063,998,925	14,112,689,771
Equitisation related receivables	1,123,986,032	1,123,986,032
Bank interest receivable	802,222,222	4,029,181,525
Others	21,021,521,027	22,395,518,673
<b>TOTAL</b>	<b><u>669,616,471,085</u></b>	<b><u>441,325,043,357</u></b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2012

9. INVENTORIES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Goods in transit	122,433,837,757	81,193,679,602
Raw materials	135,234,294,717	133,562,705,674
Work in process	80,817,219,976	86,001,458,632
Tools and supplies	71,826,824	72,635,975
Finished goods	415,478,757	1,147,016,470
<b>TOTAL</b>	<b><u>338,972,658,031</u></b>	<b><u>301,977,496,353</u></b>

Details of movements of provision for obsolete inventories:

	VND	
	<i>Current year</i>	<i>Previous year</i>
Provision for obsolete inventories at beginning of year	27,801,213,374	22,186,294,831
Add: Provision made during the year	4,673,330	5,614,918,543
Less: Reversal of provision during the year	<u>(4,911,012,000)</u>	-
Provision for obsolete inventories at end of year	<u>22,894,874,704</u>	<u>27,801,213,374</u>

10. OTHER CURRENT ASSETS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Shortage of assets awaiting for resolution	14,500,395,911	14,500,395,911
Advances to employees	2,874,290,071	1,626,510,440
Others	20,000,000	15,000,000
<b>TOTAL</b>	<b><u>17,394,685,982</u></b>	<b><u>16,141,906,351</u></b>

# Saigon Beer - Alcohol - Beverage Corporation

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2012

## 11. TANGIBLE FIXED ASSETS

	Buildings & structures	Machinery & equipment	Means of transportation	Office equipment	Total	VND
<b>Cost:</b>						
Beginning balance	486,697,026,117	2,231,144,705,143	38,336,196,292	49,266,603,911	2,805,444,531,463	
Newly purchased	53,832,975	372,769,997	951,545,451	5,719,274,557	7,097,422,980	
Transferred from construction in progress	921,692,336	10,030,215,065	-	-	10,951,907,401	
Disposals	-	(1,365,314,010)	(2,809,233,103)	(2,989,174,775)	(7,163,721,888)	
Ending balance	487,672,551,428	2,240,182,376,195	36,478,508,640	51,996,703,693	2,816,330,139,956	
<i>In which:</i>						
Fully depreciated	73,086,182,070	139,365,747,460	8,676,838,308	14,241,873,332	235,370,641,170	
Awaiting for disposal	-	11,421,382,628	2,765,005,764	181,224,368	14,367,612,760	
<b>Accumulated depreciation:</b>						
Beginning balance	152,328,547,004	922,669,137,143	21,295,233,128	28,176,940,016	1,124,469,857,291	
Charges for the year	29,631,520,074	172,738,763,273	3,566,043,764	5,923,604,582	211,859,931,693	
Disposals	-	(1,365,314,010)	(2,809,233,103)	(2,989,174,775)	(7,163,721,888)	
Ending balance	181,960,067,078	1,094,042,586,406	22,052,043,789	31,111,369,823	1,329,166,067,096	
<b>Net carrying amount:</b>						
Beginning balance	334,368,479,113	1,308,475,568,000	17,040,963,164	21,089,663,895	1,680,974,674,172	
Ending balance	305,712,484,350	1,146,139,789,789	14,426,464,851	20,885,333,870	1,487,164,072,860	

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2012

**12. INTANGIBLE FIXED ASSETS**

			VND
	<i>Land use right</i>	<i>Computer software</i>	<i>Total</i>
<b>Cost:</b>			
Beginning balance	1,493,162,915,251	43,453,589,416	1,536,616,504,667
Disposals	(5,050,400)	-	(5,050,400)
Ending balance	<u>1,493,157,864,851</u>	<u>43,453,589,416</u>	<u>1,536,611,454,267</u>
<i>In which:</i>			
Fully amortized	-	25,813,577,513	25,813,577,513
Waiting for disposal	-	1,188,879,700	1,188,879,700
<b>Accumulated amortisation:</b>			
Beginning balance	-	26,248,247,798	26,248,247,798
Amortization for the year	-	6,734,077,224	6,734,077,224
Ending balance	<u>-</u>	<u>32,982,325,022</u>	<u>32,982,325,022</u>
<b>Net carrying amount:</b>			
Beginning balance	<u>1,493,162,915,251</u>	<u>17,205,341,618</u>	<u>1,510,368,256,869</u>
Ending balance	<u>1,493,157,864,851</u>	<u>10,471,264,394</u>	<u>1,503,629,129,245</u>

The Company recorded land use rights as intangible fixed assets and corresponding other payables to the State at the estimated value of VND 1,492,547,178,700 (*Note 19*) as stated in Minutes of Corporate Valuation as at 31 December 2006 and Equitisation Finalization Minutes as at 30 April 2008 dated 6 March 2010 issued by the Equitisation Finalization Committee consisting of representatives of the Ministry of Industry and Trade and the Ministry of Finance.



NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2012

**12. INTANGIBLE FIXED ASSETS** (continued)

Details of land use rights are as follows:

No.	Location	Square (m <sup>2</sup> )	Purpose	Legal status	Revalued amount in connection with equitization (VND)
1	2-4-6 Hai Ba Trung, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	6,080.2	Production, commercial	Temporary land use right with restrictions on ownership (e.g. not permitted for sale, sublease, capital contribution and mortgage).	757,167,306,000
2	46 Ben Van Don, Ward 12, District 4, Ho Chi Minh City, Vietnam	3,872.5	Production, commercial	Temporary land use right with restrictions on ownership (e.g. not permitted for sale, sublease, capital contribution and mortgage).	55,241,212,500
3	187 Nguyen Chi Thanh, Ward 12, District 5, Ho Chi Minh City, Vietnam	17,406.1	Production, commercial	Temporary land use right with restrictions on ownership (e.g. not permitted for sale, sublease, capital contribution and mortgage).	418,634,111,100
4	474 Nguyen Chi Thanh, Ward 6, District 10, Ho Chi Minh City, Vietnam	7,729.0	Production, commercial	Temporary land use right with restrictions on ownership (e.g. not permitted for sale, sublease, capital contribution and mortgage).	247,637,160,000
5	18/3B Phan Huy Ich, Ward 15, Tan Binh District, Ho Chi Minh City, Vietnam	2,216.3	Production, commercial	Temporary land use right with restrictions on ownership (e.g. not permitted for sale, sublease, capital contribution and mortgage).	13,867,389,100
<b>TOTAL</b>					<b><u>1,492,547,178,700</u></b>

The cost of land use right of 2-4-6 Hai Ba Trung, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam was revalued at market value amounting to VND 1,236,791,244,780 in accordance with Decision No. 3553/QD-UBND dated 19 July 2011 of the Ho Chi Minh City People's Committee. However, the Board of Directors and the Board of Management have not decided to obtain this land use right and accept full payment for the said amount because the business plan for this land has not been approved yet.

Accordingly, the cost of land use right of 2-4-6 Hai Ba Trung, Ben Nghe Ward, District 1 was stated at the revalued amount of VND 757,167,306,000 in connection with the equitisation minutes of the State Owned General Corporation.

The Company has not amortized the above land use rights because their costs and useful lives have not been reliably measured at the balance sheet date. However, the Company has paid land rental fee of VND 7,290,473,308 (2011: VND 6,618,091,485) in accordance with payment notices of local tax authorities.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2012

**13. CONSTRUCTION IN PROGRESS**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Saigon - Ha Tinh brewery project	256,755,537,258	34,004,305,912
Yeast tanks	9,183,066,739	9,183,066,739
Water solution system	-	7,854,754,888
Others	22,182,734,257	18,050,229,556
<b>TOTAL</b>	<b><u>288,121,338,254</u></b>	<b><u>69,092,357,095</u></b>

**14. LONG-TERM INVESTMENTS**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Investments in subsidiaries (Note 14.1)	2,171,956,682,097	2,104,331,351,131
Investments in associates (Note 14.2)	1,161,611,016,176	1,080,969,159,829
Other long-term investments		
- Long-term securities	609,224,704,429	648,262,556,505
- Long-term bonds	250,000,000,000	276,618,016,000
- Other long term investments	365,966,140,631	396,276,140,631
Provision for long-term investments	(878,975,218,815)	(926,888,210,459)
<b>TOTAL</b>	<b><u>3,679,783,324,518</u></b>	<b><u>3,579,569,013,637</u></b>

Investments in long-term securities mainly represent investments in commercial banks, investment funds, insurance companies, security companies, etc as follows:

<i>Investees</i>	<u><i>Ending balance</i></u>		<u><i>Beginning balance</i></u>	
	<i>Number of shares</i>	<i>Amount VND</i>	<i>Number of shares</i>	<i>Amount VND</i>
Orient Commercial Joint Stock Bank	8,849,328	216,579,320,000	8,849,328	216,579,320,000
Eastern Asia Commercial Bank	4,733,546	136,265,460,000	4,733,546	136,265,460,000
Vietnam Commercial Joint Stock Export - Import Bank	5,728,051	63,796,836,429	8,728,051	97,209,686,505
Bao Viet Insurance Corporation	1,000,000	65,406,998,000	1,086,000	71,032,000,000
Others	3,755,514	127,176,090,000	3,755,514	127,176,090,000
<b>TOTAL</b>	<b><u>24,066,439</u></b>	<b><u>609,224,704,429</u></b>	<b><u>27,152,439</u></b>	<b><u>648,262,556,505</u></b>

The Company invested in long-term bonds of commercial banks which earn interest at the rates ranging from 10.3% to 12.4% per annum (2011: from 6% to 12.4% per annum) and mature in 2016.

Other long-term investments represent loans to other companies which earn interest rate at the rates ranging from 1.8% to 6.6% per annum (2011 from 1.8% to 6.6% per annum), in which major items are loans to Binh Tay Liquor Joint Stock Company of VND 87,732,425,428 (Note 28) with interest rate of 1.8% per annum and other long-term investments.

## Saigon Beer - Alcohol - Beverage Corporation

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2012

### 14. LONG-TERM INVESTMENTS (continued)

#### 14.1 Investments in subsidiaries

Name	Principal activities	Ending balance		Beginning balance		Location
		% of interest	Cost VND	% of interest	Cost VND	
SABECO Trading Company Limited (SATRACO)	Trade beer, alcohol, and beverage	100%	642,806,656,300	100%	642,806,656,300	Ho Chi Minh
Saigon - Song Lam Beer Joint Stock Company	Produce and trade beer and beverage; import and export related materials	69%	314,250,000,000	51%	229,500,000,000	Nghe An
Saigon - Quang Ngai Beer Joint Stock Company	Produce and trade beer	67%	299,731,316,208	51%	229,731,316,208	Quang Ngai
Chuong Duong Beverages Joint Stock Company	Produce and trade beverage, canned foods and sub-materials and invest in real estate	51%	225,420,000,000	51%	225,420,000,000	Ho Chi Minh
Binh Tay Liquor Joint Stock Company	Produce and trade beer, beverage, alcohol	84%	147,223,344,641	51%	57,433,094,770	Ho Chi Minh
Saigon - Ha Tinh Beer Company Limited	Produce and trade beer (pre-operating)	100%	120,000,000,000	-	-	Ha Tinh
Saigon - Mien Tay Beer Joint Stock Company	Produce and trade beer	51%	114,733,625,322	51%	114,733,625,322	Can Tho
Saigon - Hanoi Beer Joint Stock Company	Produce and trade beer and beverage, export and import related raw materials.	52%	93,800,000,000	51%	91,800,000,000	Hanoi
Saigon - Nghe Tinh Beer Joint Stock Company	Produce and trade beverage, canned foods and sub-materials	51%	80,895,268,785	51%	80,895,268,785	Nghe Tinh
SABECO Mechanical Co., Limited (MESAB Co.Ltd)	Produce food-processing machinery, install and maintain mechanical system	100%	59,365,663,690	100%	59,365,663,691	Ho Chi Minh
Sai gon Packaging Joint Stock Company	Produce canned foods, carton and metal packaging products	77%	56,080,109,969	-	-	Ho Chi Minh
Saigon - Dong Xuan Beer Alcohol Joint Stock Company	Produce beer and beverage, and provide transportation services	51%	17,650,697,182	51%	17,650,697,182	Phu Tho
SABECO Partner Fund 1	Securities investment	-	-	68%	294,538,458,557	Ho Chi Minh
Saigon - Ha Nam Beer Joint Stock Company	Produce and trade beer and beverage	-	-	51%	34,280,058,137	Ha Nam
Saigon - Vinh Long Beer Joint Stock Company	Produce and trade beer, alcohol and beverage	-	-	51%	26,176,512,179	Vinh Long
<b>TOTAL</b>			<b>2,171,956,682,097</b>		<b>2,104,331,351,131</b>	

## Saigon Beer - Alcohol - Beverage Corporation

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
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### 14. LONG-TERM INVESTMENTS (continued)

#### 14.2 Investments in associates

Name	Principal activity	Ending balance		Beginning balance		Location
		% of interest	Cost VND	% of interest	Cost VND	
Tan Thanh Investment Trading Joint Stock Company	Construct and trade real estates	29%	335,971,520,968	29%	335,971,520,968	Ho Chi Minh
Southern Hydropower Joint Stock Company	Build and operate hydro-electric generator	20.2%	189,507,130,000	20.2%	189,507,130,000	Ho Chi Minh
Saigon Crown Co. Ltd	Manufacture aluminum cans	30%	151,198,380,827	30%	151,198,380,827	Ho Chi Minh
Saigon – Mien Trung Beer Joint Stock Company	Produce and trade beer, alcohol, beverages and spare parts	31%	106,972,472,407	31%	106,972,472,407	Binh Dinh
Malaya Vietnam Glass Co. Ltd.	Manufacture glass products	30%	86,338,395,824	30%	86,338,395,824	Ho Chi Minh
Saigon - Phu Ly Beer Joint Stock Company	Produce beer, mineral water; provide hotel and transportation services	30%	59,280,058,137	20%	25,000,000,000	Ha Nam
Me Linh Point Joint Stock Company	Lease office building	25%	43,111,007,200	25%	43,111,007,200	Ho Chi Minh
Vietnam Spirits and Wine Ltd.	Produce and trade alcohol and alcohol-related products	45%	31,632,170,530	45%	31,632,170,530	Ho Chi Minh
Saigon Beer Delivery and Transportation Joint Stock Company	Provide transportation services	25%	29,085,727,925	25%	29,085,727,925	Ho Chi Minh
San Miguel – Phu Tho Packaging Joint Venture	Produce and sell metal crown products	35%	26,212,239,000	35%	26,212,239,000	Ho Chi Minh

## Saigon Beer - Alcohol - Beverage Corporation

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2012

### 14. LONG-TERM INVESTMENTS (continued)

#### 14.2 Investments in associates (continued)

Name	Principal activity	Ending balance		Beginning balance		Location
		% of interest	Cost VND	% of interest	Cost VND	
Saigon - Phu Tho Beer Joint Stock Company	Produce beer, alcohol and beverages	27%	33,787,500,000	20%	25,000,000,000	Phu Tho
Saigon - Vinh Long Beer joint stock Company	Produce beer, alcohol and beverages	20%	30,676,512,179	-	-	Vinh Long
Saigon - Ninh Thuan Beer joint stock Company	Produce beer, alcohol and beverages	20%	19,800,000,000	-	-	Ninh Thuan
SABECO Infrastructure and Industrial Zone Joint Stock Company	Invest in construction, infrastructure, house and industrial zones	25%	11,488,606,591	25%	11,488,606,591	Ho Chi Minh
SABECO Food Joint Stock Company	Produce agricultural products and foods	20%	4,725,000,000	20%	4,725,000,000	Ho Chi Minh
Binh Tay Packaging and Warehousing Joint Stock Company	Manufacture carton and metal packaging products	20%	1,824,294,588	20%	1,824,294,588	Ho Chi Minh
Saigon Beer Packaging Joint Stock Company	Manufacture cans, plastic and metal box	-	-	20%	5,753,829,969	Ho Chi Minh
SABECO Fund Management Joint Stock Company	Manage security funds/companies and investment portfolios	-	-	20%	5,000,000,000	Ho Chi Minh
Dakai Mineral Water Joint Stock Company	Produce and trade mineral water and beverages	-	-	36%	2,148,384,000	Ho Chi Minh
<b>TOTAL</b>			<b>1,161,611,016,176</b>		<b>1,080,969,159,829</b>	

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2012

### 15. LONG-TERM PREPAID EXPENSES

	Business advantages	Returnable packaging	Property held for future investment	Land rental prepayment	Others	Total	VND
Beginning balance	329,267,929,163	22,870,720,229	51,602,316,000	153,201,644,203	43,840,125	556,986,449,720	
Additions	-	42,715,095,520	-	-	298,478,098	43,013,573,618	
Charges for the year	(51,989,673,024)	(13,325,452,703)	-	(4,195,645,550)	(43,840,125)	(69,554,611,402)	
Ending balance	277,278,256,139	52,260,363,046	51,602,316,000	149,005,998,653	298,478,098	530,445,411,936	

Business advantages represent business advantage generated by the Company from the dates of establishment to the revaluation of assets of the State Owned General Corporation. The business advantages value was determined in accordance with Circular No. 126/2004/TT-BTC by the Ministry of Finance dated 24 December 2004 and was revalued during the year 2010 in accordance with equitisation finalisation minutes. Business advantages are amortised on a straight-line basis over a 10-year period from the date of equitization.

Returnable packaging comprises kegs and bottles. The cost of returnable packaging is recognized into the income statement on a straight-line basis over a 4-year period.

Property held for future investment represents land awaiting for transfer as a part of the Company's capital investments in other entity (Note 20).

Land rental fee is amortised on a straight-line basis in over the term of the lease.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2012

## 16. TRADE PAYABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Amounts due to related parties (Note 28)	198,860,000,200	150,641,099,190
Amounts due to third parties	611,037,752,468	642,498,977,926
<b>TOTAL</b>	<b><u>809,897,752,668</u></b>	<b><u>793,140,077,116</u></b>

## 17. STATUTORY OBLIGATIONS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Special sale tax	168,185,052,584	147,716,888,346
Personal income tax	7,002,979,733	284,192,013
Value – added tax	6,855,075,199	15,742,581,656
Land tax	4,769,970,409	3,457,332,329
Import duty	392,351,617	1,104,352,015
Others	51,111,240	2,899,318,639
<b>TOTAL</b>	<b><u>187,256,540,782</u></b>	<b><u>171,204,664,998</u></b>

## 18. ACCRUED EXPENSES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Promotion	33,688,669,800	6,236,321,163
Purchase of fixed assets and construction in progress	12,105,758,565	35,810,961,364
Maintenance	6,504,450,836	8,048,992,645
Office rental	4,021,303,274	-
Others	11,352,725,121	803,009,999
<b>TOTAL</b>	<b><u>67,672,907,596</u></b>	<b><u>50,899,285,171</u></b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2012

**19. OTHER PAYABLES**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Estimated land use rights payable to the Government in connection with equitization (Note 12) (*)	1,492,547,178,700	1,492,547,178,700
Social contribution fund	128,826,653,610	-
Advance from liquidation process of Saigon Securities Investment Fund A2 (**)	12,500,000,000	-
Equitisation payable to the Government	11,136,423,181	11,136,423,181
Trade union fees	2,243,673,137	3,100,263,860
Dividends payable to other shareholders	1,145,968,320	1,267,284,825
Others	11,336,781,425	16,593,552,150
<b>TOTAL</b>	<b><u>1,659,736,678,373</u></b>	<b><u>1,524,644,702,716</u></b>

(\*) Equitization payable to the State was determined in March 2010 by the Equitization Finalisation Committee consisting of representatives of the Ministry of Industry and Trade and the Ministry of Finance in accordance with equitisation finalization minutes dated 6 March 2010.

(\*\*) Saigon Securities Investment Fund A2 (SFA2) is in liquidation process. In accordance with Resolution of General shareholders 2011 dated 16 December 2011 of SFA2 and Meeting minutes of the Board of Trustee of SFA2 No. 01/2012/SFA2-BDDQ dated 19 April 2012, SFA2 transferred VND 12,500,000,000 from disposal of assets of this fund to the Company. Amount transferred from disposal of assets of this fund will be finalised and deducted to cost of investment upon completion of liquidation process.

**20. OTHER LONG-TERM LIABILITIES**

Long-term liabilities represent land lease payable to the State. This land is awaiting for transfer as a part of the Company's capital investment in other entities (Note 15).



## Saigon Beer - Alcohol - Beverage Corporation

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2012

### 21. OWNERS' EQUITY

#### 21.1 Increase and decrease in owners' equity

	Share capital	Investment and development fund	Financial reserve fund	Undistributed earnings	Total	VND
<b>Previous year</b>						
Beginning balance	6,412,811,860,000	-	191,230,503,662	828,816,078,012	7,432,858,441,674	
Net profit for the year	-	-	-	2,185,891,690,020	2,185,891,690,020	
Dividends of 2010	-	-	-	(641,276,186,000)	(641,276,186,000)	
Appropriation to bonus and welfare fund	-	-	-	(84,732,544,898)	(84,732,544,898)	
Appropriation to investment and development fund	-	119,357,020,851	-	(119,357,020,851)	-	
Appropriation to financial reserve fund	-	-	88,132,308,995	(88,132,308,995)	-	
Ending balance	6,412,811,860,000	119,357,020,851	279,362,812,657	2,081,209,707,288	8,892,741,400,796	
<b>Current year:</b>						
Beginning balance	6,412,811,860,000	119,357,020,851	279,362,812,657	2,081,209,707,288	8,892,741,400,796	
Net profit for the year	-	-	-	2,481,878,956,272	2,481,878,956,272	
Dividends of 2011	-	-	-	(1,282,562,372,000)	(1,282,562,372,000)	
Appropriation to bonus and welfare fund	-	-	-	(326,900,653,422)	(326,900,653,422)	
Appropriation to investment and development fund	-	181,595,189	-	(181,595,189)	-	
Appropriation to financial reserve fund	-	-	121,257,530,876	(121,257,530,876)	-	
Ending balance	6,412,811,860,000	119,538,616,040	400,620,343,533	2,832,186,512,073	9,765,157,331,646	

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2012

21. OWNERS' EQUITY (continued)

21.2 Share capital

On 17 April 2008, the Company was equitised and issued 641,281,186 ordinary shares at par value of VND 10,000. The State sold 66,762,052 shares to the public on that date.

All ordinary shares have a par value of VND 10,000. All shares have the same rights, whether in regard to voting, dividends, return of capital and otherwise.

The Company's shareholders as at 31 December 2012 were as follows:

	Ending balance		Beginning balance	
	Total	Ordinary shares	Total	Ordinary shares
	VND		VND	
The Ministry of Industry and Trade	5,745,191,340,000	574,519,134	5,745,191,340,000	574,519,134
Other shareholders	667,620,520,000	66,762,052	667,620,520,000	66,762,052
<b>TOTAL</b>	<b>6,412,811,860,000</b>	<b>641,281,186</b>	<b>6,412,811,860,000</b>	<b>641,281,186</b>

22. REVENUES

22.1 Revenue from sale of goods

	VND	
	Current year	Previous year
<b>Gross revenue</b>	<b>9,170,819,446,138</b>	<b>8,421,822,955,448</b>
<i>Of which:</i>		
Sale of goods	4,647,546,062,105	4,321,565,295,970
Sale of raw materials and merchandise goods	4,472,108,411,920	4,025,114,096,780
Internal consumption	10,922,574,226	43,404,785,654
Others	40,242,397,887	31,738,777,044
<b>Less</b>	<b>(1,727,413,698,896)</b>	<b>(1,618,676,994,757)</b>
<i>Of which:</i>		
Special sales tax	(1,727,413,698,896)	(1,618,670,913,502)
Sales returns	-	(6,081,255)
<b>Net revenue</b>	<b>7,443,405,747,242</b>	<b>6,803,145,960,691</b>
<i>Of which:</i>		
Sale of goods	2,920,132,363,209	2,702,888,301,213
Sale of raw materials and merchandise goods	4,472,108,411,920	4,025,114,096,780
Internal consumption	10,922,574,226	43,404,785,654
Others	40,242,397,887	31,738,777,044

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2012

22. REVENUES (continued)

22.2 Finance income

	VND	
	Current year	Previous year
Dividend income	2,180,115,369,874	2,141,978,612,620
Interest income from bank deposits	258,275,882,733	231,776,181,851
Interest income from bonds and loans	31,582,490,303	29,491,309,415
Income from disposal of shares	20,910,932,924	-
Foreign exchanges gains	4,267,371,623	16,636,348,384
Others	-	119,731,074
<b>TOTAL</b>	<b><u>2,495,152,047,457</u></b>	<b><u>2,420,002,183,344</u></b>

23. COST OF GOODS SOLD

	VND	
	Current year	Previous year
Cost of merchandise sold	4,471,237,847,507	4,005,643,666,103
Cost of finished goods sold	2,331,065,502,437	2,202,533,462,884
Cost of internal consumption	10,922,574,226	43,404,785,654
(Reversal of) provision for inventories	(4,906,338,670)	5,614,918,543
Others	1,260,790,767	13,012,129,220
<b>TOTAL</b>	<b><u>6,809,580,376,267</u></b>	<b><u>6,270,208,962,404</u></b>

24. FINANCE EXPENSES

	VND	
	Current year	Previous year
Dissolution of SABECO Partner Fund 1	103,097,174,916	-
Disposal of shares	14,945,523,000	-
Foreign exchanges	13,739,380,891	31,724,386,071
(Reversal of) provision for long-term investment	(47,912,991,644)	318,743,758,801
Others	456,745,259	138,779,981
<b>TOTAL</b>	<b><u>84,325,832,422</u></b>	<b><u>350,606,924,853</u></b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2012

**25. OTHER INCOME AND EXPENSES**

	VND	
	<i>Current year</i>	<i>Previous year</i>
<b>Other income</b>	<b>10,182,382,025</b>	<b>22,663,624,111</b>
Proceeds from disposal of assets	538,560,000	9,897,980,000
Compensation received from other parties	1,963,176,307	3,287,315,580
Proceeds from disposal of scrap materials	4,809,993,946	1,921,745,112
Others	2,870,651,772	7,556,583,419
<b>Other expenses</b>	<b>(3,404,732,068)</b>	<b>(35,022,483,242)</b>
Depreciation of idle fixed assets	-	(1,990,665,114)
Net book value of disposed assets and related costs	(5,050,400)	(1,474,704,960)
Penalties	-	(6,667,231,709)
Others	(3,399,681,668)	(24,889,881,459)
<b>NET</b>	<b><u>6,777,649,957</u></b>	<b><u>(12,358,859,131)</u></b>

**26. PRODUCTION AND OPERATING COSTS**

	VND	
	<i>Current year</i>	<i>Previous year</i>
Raw materials	6,097,649,499,433	5,673,306,751,317
Labour costs	235,371,854,612	217,872,733,379
Depreciation and amortization (Notes 11 and 12)	218,594,008,917	207,867,919,727
Expenses for external services	511,978,531,446	424,543,055,717
Others	224,308,027,053	135,400,991,412
<b>TOTAL</b>	<b><u>7,287,901,921,461</u></b>	<b><u>6,658,991,451,552</u></b>

**27. CORPORATE INCOME TAX**

The statutory corporate income tax ("CIT") rate applicable to the Company is 25% of taxable profits.

The tax returns filed by Company are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the separate financial statements could change at a later date upon final determination by the tax authorities.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2012

**27. CORPORATE INCOME TAX (continued)**

**27.1 CIT expenses**

	VND	
	<i>Current year</i>	<i>Previous year</i>
Estimated current CIT expenses	90,784,580,178	13,758,939,409
Adjustment for under accrual of tax from prior years	3,944,159,560	-
	<b>94,728,739,738</b>	<b>13,758,939,409</b>
Deferred CIT (benefit) expense	(3,500,005,237)	1,540,279,070
<b>TOTAL</b>	<b>91,228,734,501</b>	<b>15,299,218,479</b>

**27.2 Current CIT**

The current tax payable is based on taxable profit for the year. The taxable profit of the Company for the year differs from the profit as reported in the separate income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

Reconciliation between the profit before tax in the separate income statement and taxable profit is presented as below:

	VND	
	<i>Current year</i>	<i>Previous year</i>
<b>Profit before tax</b>	<b>2,573,107,690,773</b>	<b>2,201,190,908,499</b>
<b>Adjustments:</b>		
Amortization of business advantages	38,992,254,768	51,989,673,024
Dividend income	(2,180,115,369,874)	(2,141,978,612,620)
Provision for obsolete inventories	17,956,819,650	5,614,918,543
Variance of allocated returnable packaging expense	(4,191,922,110)	-
Non-deductible expenses	2,526,883,855	14,703,023,643
<b>Estimated current taxable profit</b>	<b>448,276,357,062</b>	<b>131,519,911,089</b>
<b>Estimated current CIT</b>	<b>112,069,089,266</b>	<b>32,879,977,772</b>
CIT exemption and reduction of Nguyễn Chi Thanh and Saigon - Cu Chi factories	(21,284,509,088)	(19,121,038,363)
<b>Estimated current CIT</b>	<b>90,784,580,178</b>	<b>13,758,939,409</b>
CIT (receivable) payable at beginning of year	(75,726,443,328)	8,470,565,701
Adjustment for under accrual of tax from prior years	3,944,159,560	-
CIT paid during the year	(47,331,172,238)	(97,955,948,438)
<b>CIT receivable at end of year</b>	<b>(28,328,875,828)</b>	<b>(75,726,443,328)</b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
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27. CORPORATE INCOME TAX (continued)

27.3 *Deferred CIT*

The following are the deferred tax assets and liabilities recognized by the Company, and the movements thereon, during the current and prior reporting year:

VND

	<i>Separate balance sheet</i>		<i>Credit (charge) to separate income statement</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>	<i>Current year</i>	<i>Previous year</i>
<b>Deferred tax assets</b>				
Provision for obsolete stocks	4,284,466,903	-	4,284,466,903	-
<b>Deferred tax liabilities</b>				
Allocated returnable packaging expense	(784,461,666)	-	(784,461,666)	-
Unrealized foreign exchange loss	-	-	-	(1,540,279,070)
	<u>(784,461,666)</u>	<u>-</u>		
<b>Net deferred income tax benefit (expense)</b>			<u>3,500,005,237</u>	<u>(1,540,279,070)</u>

28. TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties during the year were as follows:

VND

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Amounts</i>
Saigon Beer Western Joint Stock Company	Subsidiary	Sale of raw materials	140,150,005,181
		Dividend income	18,487,500,000
		Dividend received	19,965,400,000
Chuong Duong Beverages Joint Stock Company	Subsidiary	Dividend income	6,502,500,000
		Dividend received	6,502,500,000
Saigon – Quang Ngai Beer Joint Stock Company	Subsidiary	Sale of raw materials	159,550,141,499
Saigon – Ha Nam Beer Joint Stock Company	Subsidiary	Sale of raw materials	3,145,742,599
		Dividend income	7,176,900,000
		Dividend received	7,176,900,000
		Purchase of raw materials	258,458,000
Saigon – Binh Tay Beer Joint Stock Company	Subsidiary	Interest income	1,702,253,382
Saigon - Dong Xuan Beer Alcohol Joint Stock Company	Subsidiary	Sale of raw materials	148,487,438,034
		Dividend income	12,296,150,000
		Dividend received	12,296,150,000
		Purchase of raw materials	143,543,700
Saigon - Nghe Tinh Beer Joint Stock Company	Subsidiary	Sale of raw materials	53,760,948,381
		Dividend income	9,103,500,000
		Dividend received	10,710,000,000
		Income from equitisation	64,064,866
		Purchase of raw materials	165,160,500

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2012

**28. TRANSACTIONS WITH RELATED PARTIES** (continued)

Significant transactions with related parties during the year were as follows: (continued)

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND Amounts</i>
Saigon - Song Lam Beer Joint Stock Company	Subsidiary	Sale of raw materials	522,123,729,219
Saigon – Hanoi Beer Joint Stock Company	Subsidiary	Sale of raw materials	450,882,492,777
		Selling expense	21,446,000
		Dividend income	18,760,000,000
		Dividend received	9,180,000,000
SABECO Trading Company Limited	Subsidiary	Sale of beer and raw materials	4,656,580,864,453
		Purchase of package	52,955,772,713
		Dividend income	1,913,583,930,425
		Services	331,991,415
		Purchase of bottle and package	52,955,772,713
		Utilities and petrol expenses paid on behalf	1,572,392,888
		Dividend received	1,752,319,633,213
SABECO Bac Trung Bo Trading Joint Stock Company	Subsidiary	Promotion expenses paid on behalf	19,618,453,200
Saigon Packaging Joint Stock Company	Subsidiary	Purchase of raw materials	35,727,450,000
Saigon - Ha Tinh beer Company Limited	Subsidiary	Sale of goods	1,024,873,397
SABECO Song Tien Trading Joint Stock Company	Subsidiary	Promotion expenses paid on behalf	5,953,486,998
SABECO Trung Tam Trading Joint Stock Company	Subsidiary	Promotion expenses paid on behalf	2,023,200,000
SABECO Northern Trading Joint Stock Company	Subsidiary	Promotion expenses paid on behalf	8,389,524,393
Saigon – Vinh Long Beer Joint Stock Company	Subsidiary	Dividend income	6,630,000,000
Binh Tay Liquor Joint Stock Company	Subsidiary	Interest expense	1,702,253,382
Chuong Duong Beverages Joint Stock Company	Subsidiary	Dividend income	6,502,500,000
Saigon – Quang Ngai Beer Joint Stock Company	Subsidiary	Sale of goods	159,550,141,499
SABECO Mien Trung Trading Joint Stock Company	Subsidiary	Promotion expenses paid on behalf	22,037,094,948
SABECO Tay Nguyen Trading Joint Stock Company	Subsidiary	Promotion expenses paid on behalf	10,376,818,466
SABECO Nam Trung Bo Trading Joint Stock Company	Subsidiary	Promotion expenses paid on behalf	22,561,642,760
		Sale from rendering services	396,000,000

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2012**28. TRANSACTIONS WITH RELATED PARTIES** (continued)

Significant transactions with related parties during the year were as follows: (continued)

			VND
<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Amounts</i>
SABECO Mien Dong Trading Joint Stock Company	Subsidiary	Promotion expenses paid on behalf	9,562,863,562
SABECO Mechanical Co., Limited	Subsidiary	Maintenance service	78,014,124,893
		Dividend income	5,184,246,597
		Disposal asset and scrap	99,093,948
		Sales of electricity, water and petrol	91,447,064
Southern Hydropower Joint Stock Company	Associate	Dividend income	9,475,356,500
Saigon - Phu Ly Beer Joint Stock Company	Associate	Sale of raw materials	404,744,137,401
		Dividend income	7,500,000,000
Saigon – Phu Tho Beer Joint Stock Company	Associate	Sale of raw materials	383,706,141,393
		Dividend income	2,843,750,000
Tay Do Beer – Beverage Joint Stock Company	Associate	Sale of raw materials	347,148,294,804
Me Linh Point Joint Stock Company	Associate	Dividend income	23,384,220,861
Saigon Crown Co., Ltd.	Associate	Purchase of package	1,209,358,131,132
		Dividend income	100,267,252,867
		Other income	36,870,513
San Miguel - Phu Tho Packaging Co. Ltd	Associate	Purchase of package	109,144,720,050
		Dividend income	3,662,750,000
Saigon – Binh Tay Beer Joint Stock Company	Associate	Sale of raw materials	938,509,178,898
Saigon – Mien Trung Beer Joint Stock Company	Associate	Sale of raw materials	209,681,707,878
		Dividend income	4,624,958,000
Saigon – Bac Lieu Beer Joint Stock Company	Associate	Sale of raw materials	95,786,043,156
		Sale of Scraps	2,483,191,010
		Purchase of raw materials	216,580,000
Saigon – Dong Nai Beer Joint Stock Company	Associate	Sale of goods	4,680,000
Mechanical and Industrial Construction Joint Stock Company	Associate	Dividend income	586,098,440
Binh Tay Warehouse Packaging Joint Stock Company	Associate	Dividend income	120,000,000



NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2012

**28. TRANSACTIONS WITH RELATED PARTIES** (continued)

Significant transactions with related parties during the year were as follows: (continued)

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND</i>	
			<i>Amounts</i>	
Saigon Beer Delivery and Transportation Joint Stock Company	Associate	Sale of goods	299,725,500	
		Dividend income	4,000,000,000	
		Selling expense	5,500,000	
Sabeco Food Joint Stock Company	Associate	Purchase of raw materials	36,947,750,440	
Sai Gon – Vinh Long Beer Joint Stock Company	Associate	Dividend income	6,630,000,000	
		Dividend received	6,630,000,000	

Transactions with other related parties:

	<i>VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Wage, remuneration and bonus for members of the Board of Directors and Board of Supervision	<u>4,857,480,000</u>	<u>5,895,000,000</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2012**28. TRANSACTIONS WITH RELATED PARTIES** (continued)

Amounts due to and due from related parties at the balance sheet date were as follows:

			VND
	<i>Relationship</i>	<i>Transactions</i>	<i>Receivable (payable)</i>
<b>Trade receivables</b>			
Saigon Western Beer Joint Stock Company	Subsidiary	Sale of goods	15,886,951,638
Saigon – Quang Ngai Beer Joint Stock Company	Subsidiary	Sale of goods	67,296,702,677
Saigon – Dong Xuan Beer Joint Stock Company	Subsidiary	Sale of goods	13,565,251,280
Saigon – Nghe Tinh Beer Joint Stock Company	Subsidiary	Sale of goods	5,616,723,149
Saigon – Song Lam Beer Joint Stock Company	Subsidiary	Sale of goods	216,573,790,344
Saigon – Ha Noi Beer Joint Stock Company	Subsidiary	Sale of goods	47,391,373,186
SABECO Trading Company Limited	Subsidiary	Sale of goods	155,606,555,566
Saigon – Ha Tinh Beer Company Limited	Subsidiary	Sale of goods	1,127,360,736
Saigon – Phu Ly Beer Joint Stock Company	Associate	Sale of goods	50,544,853,568
Saigon – Phu Tho Beer Joint Stock Company	Associate	Sale of goods	42,018,282,371
Saigon – Tay Do Beer Joint Stock Company	Associate	Sale of goods	39,091,331,804
Saigon – Binh Tay Beer Joint Stock Company	Associate	Sale of goods	114,540,129,802
Saigon – Mien Trung Beer Joint Stock Company	Associate	Sale of goods	23,505,134,800
Saigon – Bac Lieu Beer Joint Stock Company	Associate	Sale of goods	8,075,001,029
Saigon Beer Delivery and Transportation Joint Stock Company	Associate	Sale of goods	7,704,950
<b>TOTAL</b>			<b><u>800,847,146,900</u></b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2012**28. TRANSACTIONS WITH RELATED PARTIES** (continued)

Amounts due to and due from related parties at the balance sheet date were as follows:  
(continued)

	<i>Relationship</i>	<i>Transactions</i>	<i>VND</i> <i>Receivable</i> <i>(payable)</i>
<b>Advances to supplier</b>			
Sabeco Center Trading Joint Stock Company	Subsidiary	Advance for promotion expenses	24,134,099,071
SABECO Bac Trung Bo Trading Joint Stock Company	Subsidiary	Advance for promotion expenses	2,123,921,325
SABECO Song Hau Trading Joint Stock Company	Subsidiary	Advance for promotion expenses	305,944,150
SABECO Mechanical Company Limited	Subsidiary	Other	244,460,699
Binh Tay Liquor Joint Stock Company	Subsidiary	Other	4,272,916
Binh Tay Packaging and Warehousing Joint Stock Company	Associate	Purchase of raw materials	252,720,400
<b>TOTAL</b>			<b><u>27,065,418,561</u></b>
<b>Other receivables</b>			
SABECO Trading Company Limited	Subsidiary	Dividend receivable	459,857,719,747
Saigon – Ha Noi Beer Joint Stock Company	Subsidiary	Dividend receivable	18,360,000,000
Saigon Western Beer Joint Stock Company	Subsidiary	Dividend receivable	13,656,486,682
Saigon – Nghe Tinh Beer Joint Stock Company	Subsidiary	Dividend receivable	9,103,500,000
SABECO Mechanical Co., Limited	Subsidiary	Dividend receivable	3,648,346,753
Saigon Beer Delivery and Transportation Joint Stock Company	Associate	Dividend receivable	4,000,000,000
Binh Tay Liquor Joint Stock Company	Subsidiary	Interest receivable	1,139,709,671
Saigon – Ha Tinh Beer Company Limited	Subsidiary	Other	20,690,694,551
Saigon Beer Packaging Joint Stock Company	Subsidiary	Other	433,703,467
SABECO Nam Trung Bo Trading Joint Stock Company	Subsidiary	Other	29,700,000
Tan Thanh Investment Trading Joint Stock Company	Associate	Other	1,259,212,575
<b>TOTAL</b>			<b><u>532,179,073,446</u></b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2012

28. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due to and due from related parties at the balance sheet date were as follows:  
(continued)

	<i>Relationship</i>	<i>Transactions</i>	<i>VND</i> <i>Receivable</i> <i>(payable)</i>
<b>Trade payables</b>			
Saigon – Dong Xuan Beer Alcohol Joint Stock Company	Subsidiary	Promotion expenses	(163,913,550)
Saigon – Nghe Tinh Beer Joint Stock Company	Subsidiary	Promotion expenses	(181,676,550)
Sabeco Trading Company Limited	Subsidiary	Promotion expenses	(325,130,960)
Sabeco Northern Trading Joint Stock Company	Subsidiary	Promotion expenses	(2,340,775,012)
SABECO Bac Trung Bo Trading Joint Stock Company	Subsidiary	Promotion expenses	(31,612,153)
SABECO Mien Trung Trading Joint Stock Company	Subsidiary	Promotion expenses	(2,427,390,288)
SABECO Tay Nguyen Trading Joint Stock Company	Subsidiary	Promotion expenses	(1,390,023,966)
SABECO Nam Trung Bo Trading Joint Stock Company	Subsidiary	Promotion expenses	(4,015,630,566)
SABECO Mien Dong Trading Joint Stock Company	Subsidiary	Promotion expenses	(143,952,312)
SABECO Song Tien Trading Joint Stock Company	Subsidiary	Promotion expenses	(1,181,528,096)
SABECO Mechanical Co., Limited	Subsidiary	Maintenance expenses	(8,632,616,812)
Sabeco Northeast Trading Joint Stock Company	Subsidiary	Promotion expenses	(812,584,845)
Saigon Beer Packaging Joint Stock Company	Subsidiary	Purchase of raw materials	(1,599,739,508)
Sabeco Food Joint Stock Company	Associate	Purchase of raw materials	(1,758,763,440)
Saigon Beer Delivery and Transportation Joint Stock Company	Associate	Transportation expense	(37,748,300)
Saigon – Tay Do Beer Joint Stock Company	Associate	Other	(6,600,000)
Saigon Crown Company Limited	Associate	Purchase of raw materials	(156,187,290,842)
San Miguel - Phu Tho Packaging Company Limited	Associate	Purchase of raw materials	(17,623,023,000)
<b>TOTAL</b>			<b><u>(198,860,000,200)</u></b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2012**28. TRANSACTIONS WITH RELATED PARTIES** (continued)

Amounts due to and due from related parties at the balance sheet date were as follows:  
(continued)

	<i>Relationship</i>	<i>Transactions</i>	<i>VND</i> <i>Receivable</i> <i>(payable)</i>
<b><i>Advance from customer</i></b>			
Saigon – Phu Ly Beer Joint Stock Company	Associate	Other	<u>(32,588,628)</u>
<b><i>Other payables</i></b>			
SABECO Northern Trading Joint Stock Company	Subsidiary	Promotion expenses paid on behalf	(1,522,160,540)
SABECO Song Tien Trading Joint Stock Company	Subsidiary	Promotion expenses paid on behalf	(739,328,874)
Saigon – Nghe Tinh Beer Joint Stock Company	Subsidiary	Promotion expenses paid on behalf	(167,660,000)
Saigon – Mien Tay Beer Joint Stock Company	Subsidiary	Promotion expenses paid on behalf	(26,751,032)
SABECO Bac Trung Bo Trading Joint Stock Company	Subsidiary	Promotion expenses paid on behalf	(437,717,745)
SABECO Tay Nguyen Trading Joint Stock Company	Subsidiary	Other	(72,435,600)
SABECO Nam Trung Bo Trading Joint Stock Company	Subsidiary	Other	(82,229,450)
SABECO Mien Dong Trading Joint Stock Company	Subsidiary	Other	(52,063,478)
SABECO Song Hau Trading Joint Stock Company	Subsidiary	Other	(106,561,973)
Saigon Delivery and Transportation Joint Stock Company	Associate	Other	(195,251,930)
Saigon – Mien Trung Beer Joint Stock Company	Associate	Other	(70,415,880)
<b>TOTAL</b>			<u><b>(3,472,576,502)</b></u>
<b><i>Other long-term investment</i></b>			
Binh Tay Liquor Joint Stock Company	Subsidiary	Loan	<u>87,732,425,428</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2012

**29. COMMITMENTS**

**Operating expenses commitments**

The Company had commitments under office rental contract at Vincom B Centre - 72 Le Thanh Ton - Ben Nghe Ward - District 1 - Ho Chi Minh City and land use right lease contract at West North Cu Chi Ho Chi Minh City industrial zone for costs of maintenance of the industrial zone. As at 31 December 2012, the payables relating to the office rental and industrial zone maintenance costs in the future under the operating lease agreements are as follows:

	VND	
	<i>Current year</i>	<i>Previous year</i>
Less than 1 year	23,014,988,642	2,068,430,555
From 1-5 years	50,090,034,346	8,273,722,218
More than 5 years	<u>65,481,411,116</u>	<u>65,481,411,116</u>
<b>TOTAL</b>	<b><u>138,586,434,104</u></b>	<b><u>75,823,563,889</u></b>

**Capital commitment**

At 31 December 2012, the Company had a commitment of VND 77,636,220,093 (31 December 2011: 237,329,999,272 VND) principally relating to the acquisition of new machineries for its operations.

**30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company has loan and other receivables, trade and other receivables, and cash and short-term deposits that arise directly from its operations. The Company does not hold or issue derivative financial instruments.

The Company is exposed to market risk, credit risk and liquidity risk.

Risk management is integral to the whole business of the Company. The Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The Board of Management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

The Board of Management reviews and agrees policies for managing each of these risks which are summarized below.

**Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include deposits and available-for-sale investments.

The sensitivity analyses in the following sections relate to the position as at 31 December 2011 and 31 December 2012.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2012

### 30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### **Market risk** (continued)

##### *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market risk for changes in interest rate relates primarily to the Company's cash and short-term deposits.

The Company manages interest rate risk by looking at the competitive structure of the market to obtain rates which are favourable for its purposes within its risk management limits.

##### *Interest rate sensitivity*

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of deposits.

With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate deposits as follows:

	<i>Increase/decrease in basis points</i>	<i>VND Effect on profit before tax</i>
<b>For the year ended 31 December 2012</b>		
VND	300	96,020,881,501
VND	-300	(96,020,881,501)
<b>For the year ended 31 December 2011</b>		
VND	300	79,185,606,940
VND	-300	(79,185,606,940)

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

##### *Foreign currency risk*

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities.

The management assessed that the Company's foreign currency risk against the financial instruments as at the balance sheet date is not material.

##### *Equity price risk*

The Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainty about future values of the investment securities. The Company manages equity price risk by placing a limit on equity investments. The Company's Board of Investors reviews and approves all equity investment decisions.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2012

**30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

***Market risk*** (continued)

*Equity price risk* (continued)

At the reporting date, the exposure to listed equity securities at fair value was VND 207,288,725,340 (31 December 2011: VND 262,243,138,300). A decrease of 10% on the stock market index could have an impact of approximately VND 20,728,872,534 (31 December 2011: VND 26,224,313,830) on the Company's profit after tax, depending on whether or not the decline is significant or prolonged. An increase of 10% in the value of the listed securities would increase Company's profit after tax by VND 20,728,872,534 (31 December 2011: VND 26,224,313,830).

***Credit risk***

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily for trade receivables and from its financing activities, including deposits with banks.

*Trade receivables*

Outstanding customer receivables are regularly monitored. The requirement for impairment is analyzed at each reporting date on an individual basis for major clients. The Company seeks to maintain strict control over its outstanding receivables and has a credit control department to minimize credit risk. In view of the aforementioned and the fact that the Company's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

*Bank deposits*

The Company's bank balances are mainly maintained with well-known banks in Vietnam. Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. The Company's maximum exposure to credit risk for the components of the balance sheet at each reporting dates are the carrying amounts as illustrated in Note 4. The Company evaluates the concentration of credit risk in respect to bank deposit as low.



NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2012

**30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

***Liquidity risk***

The liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligation due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of maturities of financial assets and liabilities.

The Company monitors its liquidity risk by maintain a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	VND
	<i>Less than 1 year</i>
<b>31 December 2012</b>	
Trade payables	809,897,752,668
Other payables and accrued expenses	80,155,657,341
	<u>890,053,410,009</u>
<b>31 December 2011</b>	
Trade payables	793,140,077,116
Other payables and accrued expenses	50,899,285,171
	<u>844,039,362,287</u>

The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available.

***Collateral***

The Company did not hold collateral at 31 December 2012 and 31 December 2011.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2012

### 31. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are carried in the separate financial statements.

VND


	Carrying amount				Fair value	
	Ending balance		Beginning balance		Ending balance	Beginning balance
	Cost	Provision	Cost	Provision		
<b>Financial assets</b>						
Short-term deposits	3,140,000,000,000	-	2,538,285,321,533	-	3,140,000,000,000	2,538,285,321,533
Trade receivables	915,466,961,969	(829,438,407)	707,235,114,121	(687,915,844)	914,637,523,562	706,547,198,277
Other receivables	625,846,679,591	(14,947,199,833)	441,325,043,357	(14,824,825,251)	610,899,479,758	426,500,218,106
Other long-term investments	1,225,190,845,060	(463,271,366,289)	1,321,156,713,136	(504,707,713,372)	761,919,478,771	816,448,999,764
Cash	60,696,050,038	-	99,086,525,804	-	60,696,050,038	99,086,525,804
<b>TOTAL</b>	<b>5,967,200,536,658</b>	<b>(479,048,004,529)</b>	<b>5,107,088,717,951</b>	<b>(520,220,454,467)</b>	<b>5,488,152,532,129</b>	<b>4,586,868,263,484</b>
<b>Financial liabilities</b>						
Trade payables	809,897,752,668	-	793,140,077,116	-	809,897,752,668	793,140,077,116
Other payables and accrual expenses	80,155,657,341	-	50,899,285,171	-	80,155,657,341	50,899,285,171
<b>TOTAL</b>	<b>890,053,410,009</b>	<b>-</b>	<b>844,039,362,287</b>	<b>-</b>	<b>890,053,410,009</b>	<b>844,039,362,287</b>

Financial assets and liabilities had not yet been formally assessed and determined as at 31 December 2012 and 31 December 2011. However, it is management's assessment that the fair values of these financial assets and liabilities are not materially different from their carrying value at balance sheet date.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2012

**32. EVENTS AFTER THE BALANCE SHEET DATE**

There has been no significant event occurring after the balance sheet date which would require adjustments or disclosures to be made in the separate financial statements.



Nguyen Van Hoa  
Preparer



Nguyen Tien Dung  
Chief Accountant



Phạm Thị Hồng Hạnh  
General Director



30 March 2013