



Saigon Beer - Alcohol - Beverage Corporation

Separate Financial Statements
for the year ended 31 December 2020



Saigon Beer - Alcohol - Beverage Corporation Corporate Information

Enterprise Registration Certificate No.

0300583659

29 February 2012

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

Board of Directors

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

Board of Management

Mr. Neo Gim Siong Bennett	General Director
Mr. Teo Hong Keng	Deputy General Director
Mr. Ng Kuan Ngee Melvyn	Deputy General Director
Mr. Lam Du An	Deputy General Director
	Saigon - Nguyen Chi Thanh Brewery's Director
Mr. Hoang Dao Hiep	Deputy General Director (until 28 February 2021)

Audit Committee

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

Legal representative

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

Registered Office

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

Auditor

KPMG Limited
Vietnam

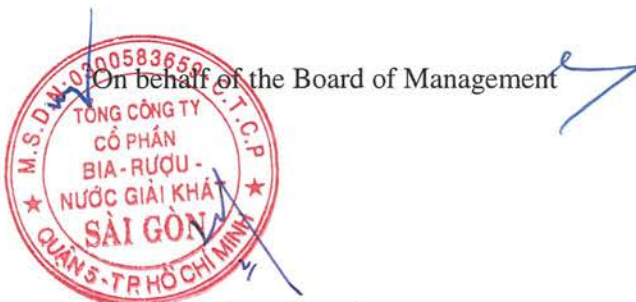
Saigon Beer - Alcohol - Beverage Corporation Statement of the Board of Management

The Board of Management of Saigon Beer - Alcohol - Beverage Corporation (“the Company”) presents this statement and the accompanying separate financial statements of the Company for the year ended 31 December 2020.

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

- (a) the separate financial statements set out on pages 5 to 60 give a true and fair view of the unconsolidated financial position of the Company as at 31 December 2020, and of its unconsolidated results of operations and its unconsolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Company will not be able to pay its debts as and when they fall due.

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



Neo Gim Siong Bennett
General Director

Ho Chi Minh City, 29 March 2021



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District 1, Ho Chi Minh City, Vietnam
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INDEPENDENT AUDITOR’S REPORT

To the Shareholders Saigon Beer - Alcohol - Beverage Corporation

We have audited the accompanying separate financial statements of Saigon Beer - Alcohol - Beverage Corporation (“the Company”), which comprise the separate balance sheet as at 31 December 2020, the separate statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Company’s Board of Management on 29 March 2021, as set out on pages 5 to 60.

Management’s Responsibility

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

Auditor’s Responsibility

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

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

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



Auditor's Opinion

In our opinion, the separate financial statements give a true and fair view, in all material respects, of the unconsolidated financial position of Saigon Beer - Alcohol - Beverage Corporation as at 31 December 2020, and of its unconsolidated results of operations and its unconsolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.



KPMG Limited's Branch in Ho Chi Minh City
Vietnam
Audit Report No.: 20-01-00362-21-3

Hà Vu Dinh
Practicing Auditor Registration
Certificate No. 0414-2018-007-1
Deputy General Director

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

Ho Chi Minh City, 29 March 2021



Saigon Beer - Alcohol - Beverage Corporation
Separate balance sheet as at 31 December 2020

Form B 01 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	31/12/2020 VND	1/1/2020 VND
ASSETS				
Current assets				
(100 = 110 + 120 + 130 + 140 + 150)	100		16,086,281,272,781	15,490,812,966,630
Cash and cash equivalents	110	6	987,216,978,696	2,341,350,753,751
Cash	111		42,216,978,696	56,350,753,751
Cash equivalents	112		945,000,000,000	2,285,000,000,000
Short-term financial investments	120		13,901,000,000,000	11,783,000,000,000
Held-to-maturity investments	123	7	13,901,000,000,000	11,783,000,000,000
Accounts receivable – short-term	130		662,414,849,228	775,262,434,498
Accounts receivable from customers	131	8	161,895,468,488	278,521,975,504
Prepayments to suppliers	132		4,110,874,165	7,963,987,250
Other short-term receivables	136	9(a)	820,264,016,705	816,888,466,000
Allowance for doubtful short-term debts	137	10(a)	(323,855,510,130)	(328,111,994,256)
Inventories	140	11(a)	382,893,733,879	513,934,797,433
Inventories	141		406,785,122,406	548,140,994,422
Allowance for inventories	149		(23,891,388,527)	(34,206,196,989)
Other current assets	150		152,755,710,978	77,264,980,948
Short-term prepaid expenses	151	12(a)	102,509,162,957	66,757,215,606
Deductible value added tax	152		20,163,103,537	10,507,552,618
Taxes receivable from State Treasury	153	19(b)	30,083,444,484	212,724

The accompanying notes are an integral part of these separate financial statements



Saigon Beer - Alcohol - Beverage Corporation
Separate balance sheet as at 31 December 2020 (continued)

Form B 01 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

			31/12/2020	1/1/2020
			VND	VND
Long-term assets				
(200 = 210 + 220 + 230 + 240 + 250 + 260)	200		5,716,098,338,293	5,848,217,722,487
Accounts receivable – long-term	210		318,486,459,874	322,008,298,914
Loans receivable – long-term	215		4,000,000,000	4,000,000,000
Other long-term receivables	216	9(b)	347,355,339,779	350,942,609,719
Allowance for doubtful long-term debts	219	10(b)	(32,868,879,905)	(32,934,310,805)
Fixed assets	220		1,513,885,418,173	1,413,215,018,102
Tangible fixed assets	221	13	649,409,598,012	544,185,439,401
<i>Cost</i>	222		3,656,722,327,756	3,412,801,031,561
<i>Accumulated depreciation</i>	223		(3,007,312,729,744)	(2,868,615,592,160)
Intangible fixed assets	227	14	864,475,820,161	869,029,578,701
<i>Cost</i>	228		993,804,280,624	992,771,603,824
<i>Accumulated amortisation</i>	229		(129,328,460,463)	(123,742,025,123)
Investment properties	230	15	3,178,271,188	3,569,605,132
<i>Cost</i>	231		7,859,289,977	7,859,289,977
<i>Accumulated depreciation</i>	232		(4,681,018,789)	(4,289,684,845)
Long-term work in progress	240		11,252,785,047	183,331,947,357
Construction in progress	242	16	11,252,785,047	183,331,947,357
Long-term financial investments	250	7	3,664,793,195,280	3,693,422,463,811
Investments in subsidiaries	251		2,837,212,995,029	2,837,212,995,029
Investments in associates and jointly controlled entities	252		613,705,350,635	613,705,350,635
Equity investments in other entities	253		785,951,682,407	785,951,682,407
Allowance for diminution in the value of long-term financial investments	254		(592,945,712,696)	(564,316,444,165)
Held-to-maturity investments	255		20,868,879,905	20,868,879,905
Other long-term assets	260		204,502,208,731	232,670,389,171
Long-term prepaid expenses	261	12(b)	84,484,017,998	81,391,056,573
Deferred tax assets	262	17	105,289,221,725	132,105,079,939
Long-term tools, supplies and spare parts	263	11(b)	14,728,969,008	19,174,252,659
TOTAL ASSETS (270 = 100 + 200)	270		21,802,379,611,074	21,339,030,689,117

The accompanying notes are an integral part of these separate financial statements

Saigon Beer - Alcohol - Beverage Corporation
Separate balance sheet as at 31 December 2020 (continued)

Form B 01 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

		31/12/2020 VND	1/1/2020 VND
RESOURCES			
LIABILITIES (300 = 310 + 330)	300	4,172,196,758,994	4,795,124,628,954
Current liabilities	310	3,962,482,641,588	4,566,917,970,942
Accounts payable to suppliers	311 18	2,474,870,892,087	3,022,301,483,709
Advances from customers	312	9,253,764,935	6,613,217,926
Taxes payable to State Treasury	313 19(a)	421,408,012,727	216,566,818,802
Payables to employees	314	115,924,548,319	162,718,850,131
Accrued expenses	315 20	63,578,188,110	179,411,708,217
Other payables – short-term	319 21(a)	821,620,731,968	879,882,770,247
Bonus and welfare fund	322 22	55,826,503,442	99,423,121,910
Long-term liabilities	330	209,714,117,406	228,206,658,012
Other payables – long-term	337 21(b)	51,602,316,000	51,602,316,000
Provisions – long-term	342 23	82,323,187,723	92,606,211,882
Science and technology development fund	343	75,788,613,683	83,998,130,130
EQUITY (400 = 410)	400	17,630,182,852,080	16,543,906,060,163
Owners' equity	410 24	17,630,182,852,080	16,543,906,060,163
Share capital	411 25	6,412,811,860,000	6,412,811,860,000
- Ordinary shares with voting rights	411a	6,412,811,860,000	6,412,811,860,000
Investment and development fund	418 26	760,819,802,040	760,819,802,040
Retained profits	421	10,456,551,190,040	9,370,274,398,123
- Retained profits brought forward	421a	5,904,397,297,061	4,958,755,506,355
- Retained profit for the current year	421b	4,552,153,892,979	4,411,518,891,768
TOTAL RESOURCES (440 = 300 + 400)	440	21,802,379,611,074	21,339,030,689,117

29 March 2021

Prepared by:



Nguyen Van Hoa
Accountant



Tran Nguyen Trung
Chief Accountant

Approved by:



Teo Hong Keng
Deputy General Director



Neo Gim Siong Bennett
General Director

The accompanying notes are an integral part of these separate financial statements

Saigon Beer - Alcohol - Beverage Corporation
Separate statement of income for the year ended 31 December 2020

Form B 02 – DN

(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	2020 VND	2019 VND
Revenue from sales of goods and provision of services	01	29	31,286,456,971,695	39,830,365,078,035
Revenue deductions	02	29	3,562,953,416	1,829,235,021
Net revenue (10 = 01 - 02)	10	29	31,282,894,018,279	39,828,535,843,014
Cost of goods sold and services provided	11	30	26,512,305,697,464	35,043,871,013,642
Gross profit (20 = 10 - 11)	20		4,770,588,320,815	4,784,664,829,372
Financial income	21	31	3,197,236,331,395	2,970,222,411,575
Financial expenses	22	32	42,934,716,459	42,138,560,703
Selling expenses	25	33	2,388,495,253,345	1,875,597,765,722
General and administration expenses	26	34	331,851,812,074	594,830,088,986
Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		5,204,542,870,332	5,242,320,825,536
Other income	31		4,026,980,652	6,594,368,183
Other expenses	32		2,927,815,469	14,221,150,890
Results of other activities (40 = 31 - 32)	40		1,099,165,183	(7,626,782,707)
Accounting profit before tax (50 = 30 + 40)	50		5,205,642,035,515	5,234,694,042,829
Income tax expense – current	51	36	577,119,284,322	717,303,217,858
Income tax expense/(benefit) – deferred	52	36	26,815,858,214	(30,810,575,160)
Net profit after tax (60 = 50 - 51 - 52)	60		4,601,706,892,979	4,548,201,400,131

29 March 2021

Prepared by:

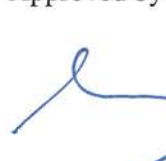


Nguyen Van Hoa
Accountant



Tran Nguyen Trung
Chief Accountant

Approved by:



Teo Hong Keng
Deputy General Director



Neo Gim Siang Bennett
General Director

The accompanying notes are an integral part of these separate financial statements

Saigon Beer - Alcohol - Beverage Corporation
Separate statement of cash flows for the year ended 31 December 2020
(Indirect method)

Form B 03 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code Note	2020 VND	2019 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounting profit before tax	01	5,205,642,035,515	5,234,694,042,829
Adjustments for			
Depreciation and amortisation	02	140,048,843,191	238,030,970,711
Allowances and provisions	03	34,824,599,252	342,159,024,324
Exchange losses arising from revaluation of monetary items denominated in foreign currencies	04	2,678,826,072	1,032,184,727
Profits from investing activities	05	(3,156,225,268,657)	(2,941,727,163,726)
Operating profit before changes in working capital	08	2,226,969,035,373	2,874,189,058,865
Change in receivables	09	80,807,959,322	573,258,580,818
Change in inventories	10	130,389,623,820	(71,297,614,236)
Change in payables and other liabilities	11	(561,690,538,465)	436,508,498,783
Change in prepaid expenses	12	(38,844,908,776)	(15,962,603,599)
		1,837,631,171,274	3,796,695,920,631
Corporate income tax paid	15	(516,357,059,917)	(774,647,952,285)
Other payments for operating activities	17	(82,728,146,778)	(72,591,247,041)
Net cash flows from operating activities	20	1,238,545,964,579	2,949,456,721,305

The accompanying notes are an integral part of these separate financial statements



Saigon Beer - Alcohol - Beverage Corporation
Separate statement of cash flows for the year ended 31 December 2020
(Indirect method – continued)

Form B 03 – DN
(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code Note	2020 VND	2019 VND
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets	21	(97,863,350,542)	(71,847,744,928)
Proceeds from disposals of fixed assets	22	552,000,000	1,958,000,000
Placements of term deposits at banks	23	(15,191,000,000,000)	(13,543,000,000,000)
Collections of term deposits at banks	24	13,073,000,000,000	8,903,000,000,000
Payments for investments in other entities	25	-	(85,825,000,000)
Receipts of interests and dividends	27	3,150,927,127,004	2,609,906,587,086
Net cash flows from investing activities	30	935,615,776,462	(2,185,808,157,842)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of dividends	36	(3,527,033,597,675)	(962,141,892,775)
Net cash flows from financing activities	40	(3,527,033,597,675)	(962,141,892,775)
Net cash flows during the year (50 = 20 + 30 + 40)	50	(1,352,871,856,634)	(198,493,329,312)
Cash and cash equivalents at the beginning of the year	60	2,341,350,753,751	2,540,016,444,290
Effect of exchange rate fluctuations on cash and cash equivalents	61	(1,261,918,421)	(172,361,227)
Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61)	70 6	987,216,978,696	2,341,350,753,751

29 March 2021

Prepared by:



Nguyen Van Hoa
Accountant

Approved by:




Tran Nguyen Trung
Chief Accountant

Teo Hong Keng
Deputy General Director



Neo Gim Siong Bennett
General Director

The accompanying notes are an integral part of these separate financial statements



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

Consolidated Financial Statements
for the year ended 31 December 2020



Saigon Beer - Alcohol - Beverage Corporation Corporate Information

Enterprise Registration Certificate No.

0300583659

29 February 2012

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

Board of Directors

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

Board of Management

Mr. Neo Gim Siong Bennett	General Director
Mr. Teo Hong Keng	Deputy General Director
Mr. Ng Kuan Ngee Melvyn	Deputy General Director
Mr. Lam Du An	Deputy General Director Saigon - Nguyen Chi Thanh Brewery's Director
Mr. Hoang Dao Hiep	Deputy General Director (until 28 February 2021)

Audit Committee

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

Legal Representative

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

Registered Office

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

Auditor

KPMG Limited
Vietnam

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District 1, Ho Chi Minh City, Vietnam
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INDEPENDENT AUDITOR’S REPORT

To the Shareholders Saigon Beer - Alcohol - Beverage Corporation

We have audited the accompanying consolidated financial statements of Saigon Beer - Alcohol - Beverage Corporation (“the Company”) and its subsidiaries (collectively “the Group”), which comprise the consolidated balance sheet as at 31 December 2020, the consolidated statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Company’s Board of Management on 29 March 2021, as set out on pages 5 to 70.

Management’s Responsibility

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

Auditor’s Responsibility

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

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

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

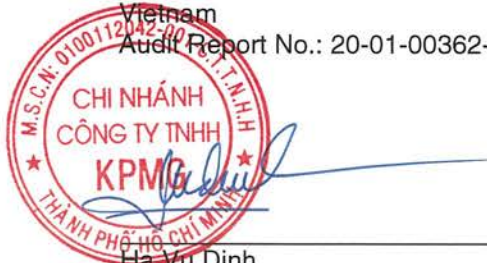


Auditor's Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of Saigon Beer - Alcohol - Beverage Corporation and its subsidiaries as at 31 December 2020 and of their consolidated results of operations and their consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

KPMG Limited's Branch in Ho Chi Minh City

Vietnam
Audit Report No.: 20-01-00362-21-4



Hà Vũ Đình
Practicing Auditor Registration
Certificate No. 0414-2018-007-1
Deputy General Director

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

Ho Chi Minh City, 29 March 2021



Saigon Beer - Alcohol - Beverage Corporation and its subsidiaries
Consolidated balance sheet as at 31 December 2020

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

	Code	Note	31/12/2020 VND	1/1/2020 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		19,513,381,452,440	19,164,602,511,633
Cash and cash equivalents	110	6	2,726,137,088,387	4,115,884,646,637
Cash	111		844,203,088,387	953,478,997,565
Cash equivalents	112		1,881,934,000,000	3,162,405,649,072
Short-term financial investments	120		14,547,419,432,877	12,393,226,750,273
Held-to-maturity investments	123	7(a)	14,547,419,432,877	12,393,226,750,273
Accounts receivable – short-term	130		590,846,416,109	568,608,377,917
Accounts receivable from customers	131	8	69,331,890,605	157,654,572,653
Prepayments to suppliers	132		164,204,071,490	54,679,363,371
Other short-term receivables	136	9(a)	699,600,027,317	702,587,109,178
Allowance for doubtful short-term debts	137	10(a)	(342,289,573,303)	(346,312,667,285)
Inventories	140	11(a)	1,446,832,994,933	1,967,137,719,907
Inventories	141		1,525,038,920,678	2,169,540,753,708
Allowance for inventories	149		(78,205,925,745)	(202,403,033,801)
Other current assets	150		202,145,520,134	119,745,016,899
Short-term prepaid expenses	151	12(a)	143,821,768,836	97,129,905,121
Deductible value added tax	152		22,192,035,247	18,203,862,026
Taxes receivable from State Treasury	153	20(b)	36,131,716,051	4,411,249,752

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



Saigon Beer - Alcohol - Beverage Corporation and its subsidiaries
Consolidated balance sheet as at 31 December 2020 (continued)

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

	Code	Note	31/12/2020 VND	1/1/2020 VND
Long-term assets				
(200 = 210 + 220 + 230 + 240 + 250 + 260)	200		7,861,591,322,918	7,797,873,582,412
Accounts receivable – long-term	210		11,958,390,566	9,110,080,970
Accounts receivable from customers				
– long-term	211		5,988,013,018	6,005,003,018
Loans receivable – long-term	215		4,000,000,000	4,000,000,000
Other long-term receivables	216	9(b)	41,278,370,471	38,495,491,775
Allowance for doubtful long-term debts	219	10(b)	(39,307,992,923)	(39,390,413,823)
Fixed assets	220		4,874,503,649,521	4,685,440,455,287
Tangible fixed assets	221	13	3,753,389,023,744	3,743,642,558,190
Cost	222		10,774,956,789,192	10,190,230,853,202
Accumulated depreciation	223		(7,021,567,765,448)	(6,446,588,295,012)
Finance lease tangible fixed assets	224	14	178,134,173,132	-
Cost	225		179,020,927,499	-
Accumulated depreciation	226		(886,754,367)	-
Intangible fixed assets	227	15	942,980,452,645	941,797,897,097
Cost	228		1,102,196,654,036	1,091,733,605,211
Accumulated amortisation	229		(159,216,201,391)	(149,935,708,114)
Investment properties	230	16	65,173,748,670	58,433,154,033
Cost	231		92,668,621,947	80,830,516,128
Accumulated depreciation	232		(27,494,873,277)	(22,397,362,095)
Long-term work in progress	240		28,138,829,026	307,773,703,264
Construction in progress	242	17	28,138,829,026	307,773,703,264
Long-term financial investments	250		2,351,285,997,476	2,162,738,822,723
Investments in associates and jointly controlled entities	252	7(c)	2,049,028,504,129	1,878,458,174,350
Equity investments in other entities	253	7(c)	665,885,700,116	665,885,700,116
Allowance for diminution in the value of long-term financial investments	254	7(c)	(444,497,086,674)	(435,473,931,648)
Held-to-maturity investments	255	7(b)	80,868,879,905	53,868,879,905
Other long-term assets	260		530,530,707,659	574,377,366,135
Long-term prepaid expenses	261	12(b)	330,639,468,718	328,604,633,780
Deferred tax assets	262	18	170,769,540,045	214,736,310,715
Long-term tools, supplies and spare parts	263	11(b)	29,121,698,896	31,036,421,640
TOTAL ASSETS (270 = 100 + 200)	270		27,374,972,775,358	26,962,476,094,045

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

Saigon Beer - Alcohol - Beverage Corporation and its subsidiaries
Consolidated balance sheet as at 31 December 2020 (continued)

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

	Code	Note	31/12/2020 VND	1/1/2020 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		6,159,696,384,430	6,886,229,037,681
Current liabilities	310		5,173,043,219,872	6,087,830,053,039
Accounts payable to suppliers	311	19(a)	1,652,906,614,848	2,427,067,853,887
Advances from customers	312		64,714,811,339	42,587,372,642
Taxes payable to State Treasury	313	20(a)	1,257,298,332,033	855,960,013,165
Payables to employees	314		360,587,762,596	389,618,575,865
Accrued expenses	315	21	237,321,466,479	433,170,981,720
Unearned revenue – short-term	318		781,818,369	930,242,260
Other payables – short-term	319	22(a)	966,919,825,167	1,079,347,828,644
Short-term borrowings	320	23(a)	448,791,959,859	560,511,063,296
Provisions – short-term	321		199,849,423	3,710,918,283
Bonus and welfare fund	322	24	183,520,779,759	294,925,203,277
Long-term liabilities	330		986,653,164,558	798,398,984,642
Long-term accounts payable to suppliers	331	19(b)	167,227,272,000	100,000,000
Long-term advances from customers	332		-	22,183,449
Other payables – long-term	337	22(b)	54,553,516,000	54,073,316,000
Long-term borrowings and finance lease liabilities	338	23(b)	526,263,958,457	494,244,987,274
Deferred tax liabilities	341	18	36,606,382,644	30,543,620,073
Provisions – long-term	342	25	126,213,421,774	135,416,747,716
Science and technology development fund	343		75,788,613,683	83,998,130,130

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

Saigon Beer - Alcohol - Beverage Corporation and its subsidiaries
Consolidated balance sheet as at 31 December 2020 (continued)

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

	Code	Note	31/12/2020 VND	1/1/2020 VND
EQUITY (400 = 410)	400		21,215,276,390,928	20,076,247,056,364
Owners' equity	410	26	21,215,276,390,928	20,076,247,056,364
Share capital	411	27	6,412,811,860,000	6,412,811,860,000
- <i>Ordinary shares with voting rights</i>	411a		6,412,811,860,000	6,412,811,860,000
Other capital	414		3,208,666,226	3,208,666,226
Foreign exchange differences	417		26,865,333,874	27,272,873,771
Investment and development fund	418	28	1,122,846,170,630	1,130,372,829,157
Retained profits	421		12,374,498,805,733	11,231,596,467,620
- <i>Retained profits brought forward</i>	421a		7,805,481,048,248	6,485,261,875,965
- <i>Retained profit for the current year</i>	421b		4,569,017,757,485	4,746,334,591,655
Non-controlling interest	429		1,275,045,554,465	1,270,984,359,590
TOTAL RESOURCES (440 = 300 + 400)	440		27,374,972,775,358	26,962,476,094,045

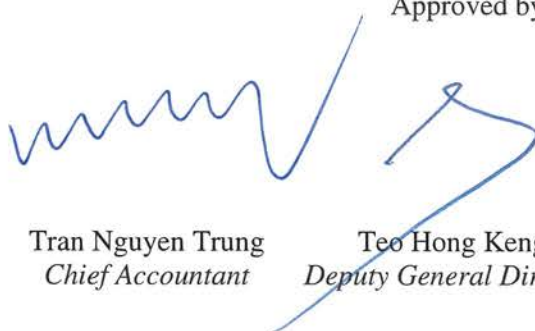
29 March 2021

Prepared by:



Hoang Thanh Van
Accountant

Approved by:



Tran Nguyen Trung
Chief Accountant

Teo Hong Keng
Deputy General Director

Neo Gim Siong Bennett
General Director



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

Saigon Beer - Alcohol - Beverage Corporation and its subsidiaries
Consolidated statement of income the year ended 31 December 2020

Form B 02 – DN/HN

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

	Code	Note	2020 VND	2019 VND
Revenue from sales of goods and provision of services	01	31	28,135,622,624,299	38,133,790,098,273
Revenue deductions	02	31	174,298,787,288	234,730,596,978
Net revenue (10 = 01 - 02)	10	31	27,961,323,837,011	37,899,059,501,295
Cost of goods sold and services provided	11	32	19,460,229,052,562	28,348,430,809,281
Gross profit (20 = 10 - 11)	20		8,501,094,784,449	9,550,628,692,014
Financial income	21	33	974,401,634,870	889,852,505,295
Financial expenses	22	34	105,449,377,566	93,009,586,460
<i>In which: Interest expense</i>	23		63,681,326,473	37,367,206,872
Share of profits in associates and jointly controlled entities	24	7(c)	267,405,919,991	378,267,281,269
Selling expenses	25	35	2,859,036,781,083	3,003,290,717,435
General and administration expenses	26	36	702,005,344,515	1,047,841,925,145
Net operating profit {30 = 20 + (21 - 22) + 24 - (25 + 26)}	30		6,076,410,836,146	6,674,606,249,538
Other income	31		55,952,250,986	74,504,231,449
Other expenses	32		20,544,761,167	62,933,856,025
Results of other activities (40 = 31 - 32)	40		35,407,489,819	11,570,375,424
Accounting profit before tax (50 = 30 + 40)	50		6,111,818,325,965	6,686,176,624,962
Income tax expense – current	51	38	1,124,942,822,470	1,347,171,652,994
Income tax expense/(benefit) – deferred	52	38	50,029,533,241	(31,142,736,574)
Net profit after tax (60 = 50 - 51 - 52) (carried forward to next page)	60		4,936,845,970,254	5,370,147,708,542

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



Saigon Beer - Alcohol - Beverage Corporation and its subsidiaries
Consolidated statement of income the year ended 31 December 2020 (continued)

Form B 02 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	2020 VND	2019 VND
Net profit after tax (60 = 50 - 51 - 52) (brought forward from previous page)	60		4,936,845,970,254	5,370,147,708,542
Attributable to:				
Equity holders of the Company	61		4,723,496,860,190	5,053,363,919,165
Non-controlling interest	62		213,349,110,064	316,783,789,377
Earnings per share (Restated)				
Basic earnings per share	70	39	7,133	7,557

29 March 2021

Prepared by:



Hoang Thanh Van
Accountant



Tran Nguyen Trung
Chief Accountant

Approved by:



Teo Hong Keng
Deputy General Director



Neo Gim Siong Bennett
General Director



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

Saigon Beer - Alcohol - Beverage Corporation and its subsidiaries
Consolidated statement of cash flows for the year ended 31 December 2020
(Indirect method)

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

	Code Note	2020 VND	2019 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounting profit before tax	01	6,111,818,325,965	6,686,176,624,962
Adjustments for			
Depreciation and amortisation	02	593,451,595,931	647,247,814,181
Allowances and provisions	03	(41,308,902,896)	358,145,344,743
Exchange losses arising from revaluation of monetary items denominated in foreign currencies	04	10,993,808,785	790,189,554
Profits from investing activities	05	(933,512,405,110)	(862,160,728,753)
Shared profits in associates and jointly controlled entities	05	(267,405,919,991)	(378,267,281,269)
Interest expense	06	63,681,326,473	37,367,206,872
Other adjustments	07	-	322,602,195
Operating profit before changes in working capital	08	5,537,717,829,157	6,489,621,772,485
Change in receivables	09	70,185,855,564	95,622,299,886
Change in inventories	10	573,632,990,375	(109,295,244,209)
Change in payables and other liabilities	11	(660,694,079,661)	11,238,478,499
Change in prepaid expenses	12	(44,422,006,927)	218,117,087,755
		5,476,420,588,508	6,705,304,394,416
Interest paid	14	(72,029,586,806)	(36,835,510,098)
Corporate income tax paid	15	(1,038,633,850,562)	(1,398,559,753,310)
Other payments for operating activities	17	(237,145,573,484)	(264,896,575,660)
Net cash flows from operating activities	20	4,128,611,577,656	5,005,012,555,348

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

Saigon Beer - Alcohol - Beverage Corporation and its subsidiaries
Consolidated statement of cash flows for the year ended 31 December 2020
(Indirect method – continued)

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

	Code	Note	2020 VND	2019 VND
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets	21		(367,442,290,535)	(268,997,916,043)
Proceeds from disposals of fixed assets	22		1,440,687,000	4,838,741,500
Placements of term deposits at banks	23		(16,247,323,041,096)	(14,261,677,226,631)
Collections of term deposits at banks	24		14,066,130,358,492	9,379,638,897,122
Receipts of interests and dividends	27		1,023,969,279,237	955,090,518,922
Acquisition of subsidiary, net of cash acquired	28		-	82,063,103,504
Net cash flows from investing activities	30		(1,523,225,006,902)	(4,109,043,881,626)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings	33		3,061,076,110,807	3,235,967,733,915
Payments to settle loan principals	34		(3,309,442,411,518)	(3,346,479,516,980)
Payments to settle finance lease liabilities	35		(12,727,272,727)	-
Payments of dividends	36		(3,734,027,010,258)	(1,136,965,484,108)
Net cash flows from financing activities	40		(3,995,120,583,696)	(1,247,477,267,173)
Net cash flows during the year (50 = 20 + 30 + 40)	50		(1,389,734,012,942)	(351,508,593,451)
Cash and cash equivalents at the beginning of the year	60		4,115,884,646,637	4,467,391,585,137
Effect of exchange rate fluctuations on cash and cash equivalents	61		(13,545,308)	1,654,951
Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61)	70	6	2,726,137,088,387	4,115,884,646,637

29 March 2021

Prepared by:



Hoang Thanh Van
Accountant



Tran Nguyen Trung
Chief Accountant

Approved by:



Teo Hong Keng
Deputy General Director



Neo Gim Siong Bennett
General Director

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



To: Shareholders of SABECO

The Board of Directors (“BOD” or “the Board”) of Saigon Beer - Alcohol - Beverage Corporation (“SABECO” or “Corporation”) would like to report to the Annual General Meeting of Shareholders (“AGM”) on 2020 performance and 2021 orientation.

I. Assessment of 2020 Performance

1. Overview

2020 is a year full of challenges for both the world and the Vietnamese economy.

Macroeconomics

- The global COVID-19 pandemic affected all socio-economic aspects of the countries in the world. Major economies face the worst and deepest recession in many decades.
- According to the latest report of the International Labor Organization (“ILO”) under United Nations Organization (“UN”), assessing the impact of the COVID-19 pandemic on the world of work, the serious loss of working hours caused by the pandemic has resulted in the huge decline in the employment income of workers around the world.
- The rapid spread of COVID-19, forcing countries to impose border closure and safe-distancing measures to combat the pandemic, caused a global supply chain disruption, resulting in all stages of the process of production - distribution - exchange - consumption linked on the world level fell into paralysis. Global trade stagnated, a wave of corporate bankruptcy spread around the world. Gross domestic product (“GDP”) growth, the broadest measure of economic activity, has thus fallen to record lows in many economies.
- According to the United Nations Conference on Trade and Development (“UNCTAD”) in the newly released report, global Foreign Direct Investment (“FDI”) may decline by 30-40% in the period 2020-2021, mainly due to the decline in cross-border investment and merger and acquisition (M&A) activities in whole world. According to World Trade Organization (“WTO”), global trade volume decreased 9.2% in 2020.

Vietnamese Economy and Beer Market

2020 is an unprecedented year with many challenges and opportunities for the market in general, beer industry in particular, but “smooth sea never made a skilled sailor”.

- According to the General Statistics Office of Vietnam (“GSO”), Vietnam's economy continues to show the recovery efforts. Economic growth in Q3/2020 reached 2.62% after only 0.39% in Q2/2020, compared with 3.68% in Q1. The economic growth rate in 2020 was 2.91%. Vietnam is one of the few countries in the world that did not forecast an economic recession, but the expected growth in 2020 is much lower than the pre-crisis forecast of 6-7%.
- Vietnam is witnessing rapid changes in population and social structure. Vietnam's population grew to around 96.5 million by 2019 (from about 60 million in 1986) and is expected to grow to 120 million by 2050.
- Vietnam economy had been growing rapidly with increasing GDP, increasing per capita income and increasing urbanization. Population is also growing and amongst the youngest in the region. These factors will drive the consumption demand and support future growth for the beer industry in Vietnam.
- According to the report presented at the meeting of National Assembly of Vietnam, Vietnam ranks first (1st) in Southeast Asia, and third (3rd) in Asia, next to China and Japan in terms of annual beer consumption. These ranks reflect the market attractiveness which comprises almost 98 million people in 2020 per report of the GSO, drawing participations from a variety of leading beer companies around the world.



- While COVID-19 causes short-term impact, Law on Alcohol Harm Prevention has a long-term impact. Decree No.100 of Government, issued on December 30, 2019, imposed heavy penalties for using a vehicle on the road under the influence of alcohol. Moreover, Decree No.24 of Government, issued on February 24, 2020, introduces stricter regulations on alcohol advertising, specifically including **(1)** governing advertising for alcohol below 15% and beer, **(2)** restricting the use of actors drinking alcohol in cinematographic, theatrical and television works and **(3)** taking measures to prevent under 18 from accessing information and buying wine.

2. Business Performance in 2020

In 2020, the Board of Directors operated in accordance with the Law, the Corporation's Charter, and relevant regulations and delivered commendable results as follows:

Categories	Unit	2019 Actual	2020 Plan	2020 Actual
Net Sales	Billion VND	37,899	23,800	27,961
Profit After Tax	Billion VND	5,370	3,252	4,937

Earnings and Dividend:

The accomplishments from our disciplined execution across all business areas include strong earnings and sustainable dividend payouts, in which our strong operational performance allowed a dividend payment of up to 35% of par value to shareholders, thereby meeting the plan approved at the 2020 AGM.

3. The Board of Directors' Activities in 2020

In 2020, the Board of SABECO held four physical and online meetings to facilitate the implementation of company strategic plans and to supervise the business activities of SABECO and its group of companies.

Apart from regular BOD meetings, the Board also approved resolutions through circular for urgent business decisions.

3.1 Remuneration:

Remuneration for Board members was approved in the 2020 AGM. Hence, they received this amount in accordance with the Corporation's regulations and policies.

3.2 Performance Assessment of the Board and Committees:

In response to SABECO's expanding operating scale, business activities have to be adjusted regularly to adapt to complex market conditions and changes in the economic environment. Therefore, BOD members have been working with the highest sense of responsibility, developing their leadership capacity to pursue SABECO's sustainable development for the interests of shareholders.

Activities of Committees:

- The Audit Committee ("AC") reviewed financial statements and SABECO's internal control system, and related party transactions which might lead to conflict of interest, supervising compliance and fraud prevention, overseeing and evaluating internal audit performance in accordance with the International Standards for the Professional Practice of Internal Auditing, and approving audit plans as well as assessing independent auditing services.
- Mr. Nguyen Tien Vy, an independent BOD member, oversaw human resources ("HR") activities and ensured remuneration policies were in accordance with the Law and the Corporation's Charter and relevant regulations in order to support the Board on these matters. In this connection, prior to consideration of the Board, he reviewed and put forward to the Corporation certain recommendations related to HR including, but not limited to, the organizational structure and the appointment of senior executives of SABECO and its group of companies.

Furthermore, in 2020, on behalf of the Board of Directors, Mr. Nguyen Tien Vy provided consultation, and supported the Management on the communication of the salary and

remuneration structure for the personnel appointed by the Corporation to be representatives of SABECO at subsidiaries and associates.

3.3 Business transactions between SABECO and its related persons:

All related party transactions (“RPTs”) occurred were subject to strict reviews and approval processes by following the pre-defined approval matrix according to SABECO’s Charter. AC then reviewed and discussed with the Independent Auditor and the Management in regard to any complex and unusual related party transactions if necessary and required.

Members of the Board and the Management were required to disclose to the Board whether they directly, indirectly or on behalf of third parties, had a material interest in any transaction or matter which directly affected the Corporation. The Board must ensure that transactions between related parties were carried out on normal commercial terms and no harm to the interests of the Corporation.

Excluding those transactions between companies within SABECO group, the RPTs are as follows:

Company	Transaction Detail	Board’s approval
TBC Ball Beverage Can Vietnam Company Limited	Buying cans	Resolution No.81/2019/NQ-HDQT dated 19 August 2019
Me Linh Point Limited	Consultant services	Resolution No.08/2020/NQ-HDQT dated 20 January 2020

3.4 Self - assessment of the Board:

As required by Securities Law, the Board performance review by Independent Directors was conducted by circulation per seven (07) assessment criteria such as **(1)** Board Composition, **(2)** Strategy and Performance, **(3)** Board risk management and internal controls, **(4)** Information management, **(5)** Board procedures, **(6)** Top management performance and succession planning, **(7)** Director development. Assessment form is to use questionnaires with a 5-level rating scale.

As per the results, in 2020, the overall rating was [met expectations]. The Board operated in accordance with Law and SABECO’s Charter aiming at the positive results for the corporation. The instructions under the Board’s authority regarding governance, strategic supervision, master plans of action, risk management, annual budgets, nomination and remuneration have been executed professionally. Besides, the Board has ensured adequate communications with shareholders, investors, regulators and general public by pursuing a transparent and effective disclosure policy. The suggestions of the Board for performance improvement have been noted for implementation in 2020.

3.5 Supervision and Assessment of the Management:

Based on the Corporation’s Charter and relevant regulations, BOD resolutions are then delegated to the Management for execution to be in line with the Corporation’s business plan.

The Board adheres to the development goals and orientations approved by the AGM in making decisions and offering solutions to specific issues.

Summary of the Board’s supervising activities are outlined below:

3.5.1. Organizational Structure

- Applied new salary structure from the parent company to trading subsidiaries.
- Restructured the organization chart of trading subsidiaries.
- Launched implementation Digital transformation of project “SABECO 4.0” aiming to optimize, standardize and automate the way of working across all SABECO breweries and trading companies nationwide in order to strengthen SABECO market leadership in the Vietnam Beer Market.

3.5.2. Sales and Marketing Activities

- Reviewed product portfolio and market share tracking.
- Satisfied customer’s requirements and needs in each market segment.

- Monitored and guided the sales support programs to increase effectiveness and ensure consistency throughout the system for achievement of targeted sales volume.
- Focused on key distributors and distribution channels to meet market demand, taking into consideration the pricing strategies and market competitiveness.
- Focused on strengthening its key market segment, the popular and sub-premium product lines, to create momentum before targeting the premium segment.
- Developed a strategy to drive sales through stimulating sales to consumers (such as “Win gold - Share gold” promotion for Bia Saigon Lager, “Share lucky, life up like Dragon” promotion for Bia Saigon Export and etc.)
- Launched BIA LAC VIET - the real Vietnamese Beer to fully reference the nationalistic symbol, as well as reinforce Vietnamese traditions and values and update it for the future journey.
- Launched Bia Saigon Chill with the formula of cold fermentation -2 degrees C - the newest addition to the Bia Saigon family, aiming at affirming the strategic vision and showing the internal strength of a brand that has a long history of 145 – years development – the proud of Vietnam.
- Changed the packaging design for Bia Saigon Gold using gold metal as a main color which presents for extravagance, wealth, riches as well as bright and cheerful.

3.5.3. Production and Supply Chain Activities

- Maintained highest standards for product quality by improving procurement process of raw materials and production process.
- Closely monitored price movement of raw materials and ensure timely purchasing of production materials to optimize production costs.
- Enhanced efficiency and capabilities for supply chain within SABECO system.
- Strengthened quality management, machinery and equipment management programs, improved expertise and training for workers to ensure quality and food safety.
- Managed research and beer analysis activities at testing laboratories of the Corporation’s system, developed documentation, maintained and improved the laboratory management system ISO 17025:2005.
- Invested in R&D activities and applied innovative technologies to diversify product portfolio, improve product quality and reduced manufacturing costs. The brewery’s operational procedures are centered on health, the environment and sustainable development.
- Restructured warehousing processes and network, developed transportation roadmap and progressively optimized transport activities, centralized the operation of long-range transport; diversified methods of transportation and ensured adequate supply during peak occasions.
- Officially rolled out the Transportation Management System (“TMS”) and the Warehouse Management System (“WMS”) which were vital parts of the SABECO 4.0 project.

3.5.4. Investment Activities

- Ensured compliance with the Law and SABECO’s regulations during implementation of capital investment projects.
- Invested in projects for expansion of production capacity in order to meet business needs.
- Inaugurated of new canning line at Quang Ngai Brewery for expansion plan to meet the growing demand in Quang Ngai and the Central region of the Vietnamese market. It also represents SABECO’s continued commitments in long-term business development and contributions to sustainable development of local societies.

3.5.5. Human Resources Activities

- Reviewed and developed the Corporation’s structure to streamline organization and increase effectiveness of business management and operation by reviewing the functions and duties of

various sections of the corporation, subsidiaries and standardizing job descriptions to properly evaluate staff capabilities.

- Strengthened the management structure by combining international management experience, understanding of local practices and network and to further develop expertise throughout the organisation.

3.5.6. Subsidiaries, Associates, and Joint Ventures' Activities

- As of 31st December 2020, SABECO has 26 subsidiaries with over 50% of ownership, 18 associates and joint ventures.
- Most of SABECO's subsidiaries and associates in main business activities (beer manufacturing and trading) and supporting industries (packaging, transportation, mechanical) had recorded positive results despite of being impacted by COVID-19 pandemic, thereby improving returns on SABECO's capital investment.

II. 2021 Orientation

1. Macroeconomics Overview and the Beer Market in 2021

1.1 Overview

- According to Resolution of the National Assembly on the socio-economic development plan in 2021, the GDP growth target of 2021 is 6%, the average GDP per capita is about 3,700 USD/person and the average consumer price index is 4%.
- The Government closely monitors and focuses on analyzing, evaluating and forecasting the international and domestic situation to proactively prepare plans, scenarios, measures and policies to promptly and effectively respond to variables, great movement and new problems arise; continuing to take effective measures to prevent and reduce affects from the COVID-19 pandemic and other diseases; strengthening propaganda, raising awareness of epidemic prevention and control, absolutely not subjective, lose guard against epidemics.
- Vietnam's open trade network makes it an attractive destination for foreign direct investments. However, this also makes Vietnam vulnerable to slowing global demand, which may affect Vietnam's exports. Nevertheless, with the implementation of structural and fiscal reforms in recent years, Vietnam would still be able to meet growth expectations in key sectors.
- With the newly amended Enterprise Law, Investment Law, Securities Law and other regulations to enhance transparency in the investing environment, especially for foreign investors, Vietnam hopes to make the stock market's size equal to the country's GDP in 2021. Larger market capitalization would help Vietnam move from a frontier market to an emerging market.

1.2 Beer Market in 2021

- **The Vietnam beer industry suffered significantly as a result from these two unprecedented incidents - COVID-19 pandemic and restricted laws.**
- The COVID-19 pandemic has also adversely affected tourism through travel restrictions, disrupted supply chain and business operations and dampened economic and social activities, resulting in measures to contain the spread by the closure of bars, pubs, karaoke and night clubs in numerous provinces throughout Vietnam.

The beer production and trading industry will also face problems and risks such as lower beer consumption if the COVID-19 pandemic is not completely controlled in 2021 along with the increase in the price of raw materials.

- The industry continues to be confronted with the implementation of Decree No. 100/2019/NĐ-CP dated 30 December 2019 which was effective in January 2020, and Decree No. 24/2020/NĐ-CP dated 24 February 2020 which introduced tighter restrictions on marketing and advertising for beer and imposed heavy penalties for operating a vehicle on the road under the influence of alcohol without any allowance of legal limit.

- The trend of consuming mass premium beer brands will continue to grow over the long run. However, potential consumers' downtrading may have an impact on 2021 sales due to their income being affected by the lingering COVID-19 pandemic.
- The competition continues to be stiff with every beer manufacturer vying for higher market share.
- Alcoholic beverages in Vietnam are subject to 3 taxes: import tax (from 5-80% depending on the type of FTA), value added tax - VAT (10%) and special consumption tax - SST (increase from 50% to 65% in 2018).

2. 2021 Planning

In spite of major challenges from the the COVID-19 pandemic and Decree No. 100/2019/NĐ-CP dated 30 December 2019 on prohibiting drunk driving, the innovation that will be the driving force for economic growth in 2021 is the stabilization of production and business segments that exploit domestic consumption with the growing purchasing power of millions of Vietnamese because the Government of Vietnam has good disease controls and the world has successfully studied, researched and rolled out the COVID-19 pandemic vaccine. The Board would like to propose the following business plan for 2021:

Categories	Unit	2020 Actual	2021 Plan	% Growth Rate
Net Sales	Billion VND	27,961	33,491	20%
Profit After Tax	Billion VND	4,937	5,289	7%

Hence, to achieve the proposed 2021 business plan, the Board provides guidance in the following areas:

- Implementing resolutions of the General Meeting of Shareholders including achieving 2021 business plan.
- Focusing resources on branding and marketing activities, including developing brand positioning, production and distribution strategies to meet market needs, professional distribution network restructuring and effective supporting channels and product segments control.
- Maintaining the domestic market and reaching out to the international market.
- Promoting research and development initiatives to improve product quality and new product offerings.
- Applying SABECO 4.0 digital system in administrative and business activities for SABECO and its group of companies.
- Enhancing capabilities and efficiency of SABECO's supply chain system.
- Integrating effective methods of HR management and applying the Key Performance Indicators ("KPIs") reward system.
- Focusing on radical reforms to increase investment and operational efficiencies and reducing costs, thereby increasing productivity.
- Focusing on E-commerce and the on-off premise channels according to the Global's trend.
- Adopting the renewable, solar energy systems for cost-effectiveness and reduce effects of climate change.
- Committing to a sustainable development model revolving around four key objectives: Consumption, Conservation, Country and Culture encompassing social activities, community support and environmental protection programs.
- Leveraging both local and international expertise to preserve SABECO values and the Corporation's brands while constantly adapting to the dynamic market with its ever-changing business environment.

- Improving corporate governance practices by adopting the recently issued Vietnam Corporate Governance Code of Best Practices and applying advanced international standards to efficiently leverage SABECO values and strengths, thereby building strong relations and trust among shareholders and investors.

The Board respectfully propose the BOD report to 2021 General Meeting of Shareholders for approval.

Sincerely yours,

Ho Chi Minh City, April 07, 2021

ON BEHALF OF THE BOARD OF DIRECTORS

CHAIRMAN



Koh Poh Tiong





SAIGON BEER - ALCOHOL - BEVERAGE CORPORATION

ACTIVITY REPORT OF THE AUDIT COMMITTEE IN 2020

To: Shareholders of Saigon Beer – Alcohol – Beverage Corporation

In compliance with the provisions of the Enterprise Law 2020, the Charter and Internal Regulations on corporate governance approved by the General Meeting of Shareholders of Saigon Beer – Alcohol - Beverage Corporation, the Audit Committee would like to report the Annual General Meeting of Shareholders (“AGM”) on activities of the AC 2020.

The Audit Committee (“AC”) under the Board of Directors (“Board”) of SABECO comprises three Directors as follows:

- **Mr. Pramoad Phornprapha** – Independent member of the Board, AC Chairman
- **Mr. Nguyen Tien Vy** – Independent member of the Board, AC member
- **Mr. Michael Chye Hin Fah** – Board member, AC member

During the fiscal year ended 31st December 2020, the AC held four meetings and each committee member’s attendance is presented in the Corporate Governance Report in the Annual Report. The proceedings from each AC meeting were reported to the Board and summarized as follows:

a. Review of Financial Statements

The AC had reviewed quarterly, semi-annual, and annual financial statements before the Management submitted them to the Board, and then to shareholders at the AGM, or for public release as required by the law, and assessed whether they were presented fairly, completely, and timely in accordance with current accounting standards and regulations and legal requirements. For 2020, the results of the review showed that:

- Quarterly and annual financial statements were prepared and disclosed in accordance with current accounting standards and regulations.
- Although it is not required by the law, Q1/2020 and Q3/2020 financial statements were reviewed by the Independent Auditor, who helped improve the reliability and credibility of the reports before being disclosed.
- There were no major changes in accounting policies, accounting standards, or tax policies during the year, which had material impact on the financial position and financial statements.
- No material errors were found regarding accounting estimates (provisions, goodwill valuation, etc.).
- Some comments in the management letter to improve SABECO’s internal control system, which were made by the Independent Auditor, have been reviewed and considered by the AC as not having significant impact on the financial statements preparation and disclosure. The AC also agreed with Management and relevant stakeholders on measures for improvement.

b. Review of Related Party Transactions

The AC reviewed related party transactions that SABECO had entered into, which might lead to conflicts of interest. Such transactions were undertaken on an arm’s length basis, reasonably, on standard commercial terms and in the best interest of the Corporation with appropriate approval procedures, including information being disclosed sufficiently, accurately, and completely.

c. Oversight of Compliance and Fraud Prevention

The AC would supervise the effectiveness of SABECO’s internal controls to prevent fraud and ensure compliance with the law and the Corporation’s charter and regulations. Initially, the AC would focus on the efficiency of internal audit and risk management systems. The AC reviewed SABECO’s internal control



system every quarter based on the audit report of the Internal Audit Department. The report included recommendations to improve some internal controls so that the Corporation's business operations would be adequate, effective, and appropriate.

d. Oversight of Internal Audit

The AC has oversight of the Corporation's internal audit activities, including approving the annual audit plan, evaluating internal audit performance, ensuring that the Internal Audit Department independently performed its duties by having it report directly to the AC and providing advice to be in accordance with the International Standards for the Professional Practice of Internal Auditing and the approved audit plan. The AC found that the internal audit activities had achieved established goals and plans.

e. Oversight of Independent Auditing Services

The AC found that the proposed 2020 audit plan and its implementation by the Independent Auditor were suitable to meet the Corporation's requirements in terms of scope, objectives, methodology, and timeline while ensuring the auditing service quality and independence with no conflict of interest.

In implementing the 2020 audit plan, KPMG, successfully fulfilled its tasks as the Independent Auditor and met the AC's expectations and ensured the reliability and integrity of the financial statements disclosed to shareholders and relevant stakeholders.

For the financial year 2021, the Board will submit the proposal of selecting an independent auditing firm to the AGM for approval.

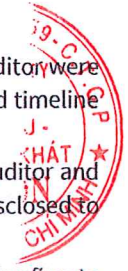
Respectfully yours,

ON BEHALF OF AUDIT COMMITTEE

CHAIRMAN



Pramoad Phornprapha





SAIGON BEER - ALCOHOL - BEVERAGE CORPORATION

**PROPOSAL ON SELECTION OF INDEPENDENT AUDITOR FOR SABECO
IN THE FISCAL YEAR OF 2021 AND Q1/2022**

To: Shareholders of Saigon Beer – Alcohol – Beverage Corporation

Pursuant to the Enterprises Law No. 59/2020/QH14 passed on June 17, 2020;

Pursuant to the Charter of Saigon Beer - Alcohol - Beverage Corporation (“SABECO”);

The Board of Directors would like to submit to shareholders for approval the list of auditing companies to audit financial statements for the fiscal year 2021, Q1/2022 and all relevant periods as deemed necessary for SABECO as follows:

1. Criteria for selecting an independent auditing company:
 - Selecting an international auditing firm that is authorized to operate in Vietnam and approved by the State Securities Commission for provide audit service for security issuers and listing organizations.
 - Be one of the leading international auditing companies, Which has audit quality reputation and extensive experience in auditing financial statements for consumer good company in accordance with the accounting standards of Vietnam Accounting System (“VAS”) and International Financial Reporting Standards (“IFRS”) in general and for the Corporation in particular.
 - Highly qualified and experienced auditors who meet the Corporation’s requirements on the work scopes, audit timelines and reasonable audit fees in consistent with the audit quality based on valuating all of audit proposals and audit work scopes.

2. List of audit companies:

Based on the above selection criteria, the Board proposes the following four prestigious international auditing firms to be selected as SABECO’s independent auditor:

- Ernst & Young Vietnam Limited;
 - KPMG Vietnam Company Limited;
 - PWC (Vietnam) Limited;
 - Deloitte Vietnam Business and Finance advisory company Limited.
3. Objectives, work scopes on audit and review of financial statements for the fiscal year 2021, Q1/2022:
 - Objectives:
 - Separate financial statements of SABECO and its subsidiaries.
 - Consolidated financial statements of SABECO
 - Other business matters upon request.
 - Period:
 - For the fiscal year 2021, Q1/2022 and all relevant periods as deemed necessary.

4. Proposing on the selection of auditing company:

Authorizing the Board of Directors to decide on selecting one of the four independent auditing companies as proposed in this proposal and assigning the General Director to sign the audit contract with the selected company to perform the audit and review of SABECO’s financial statements.

Respectfully yours,

ON BEHALF OF THE BOARD OF DIRECTORS

CHAIRMAN



Koh Poh Tiong