



Sai Gon - Vinh Long Beer Joint Stock Company

Financial Statements for the year ended
31 December 2021



Sai Gon - Vinh Long Beer Joint Stock Company Corporate Information

Investment Certificate No. 5412100009 13 February 2008

The Company's investment certificate was issued by the People's Committee of Vinh Long Province.

Enterprise Registration Certificate No. 5403000048 29 March 2007
1500482064 8 June 2020

The Company's enterprise registration certificate has been amended several times, the most recent of which is by Enterprise Registration Certificate No. 1500482064 dated 8 June 2020. The enterprise registration certificate and its amendments were issued by the Department of Planning and Investment of Vinh Long province.

Board of Directors

Mrs. Pham Thi Hong Hanh	Chairwoman
Mr. Le Hong Xanh	Member
Mr. Nguyen Van Doi	Member
Mr. Lam Du An	Member
Mr. Pham Hong Minh	Member

Board of Supervisors

Mrs. Dinh Viet Anh	Head of Board of Supervisors
Mr. Pham Dinh Hung	Member
Mrs. Nguyen Thi Phuong Uyen	Member

Board of Management

Mr. Nguyen Duy Phong	Director
Mr. Cao Pham Truong	Deputy Director

Registered Office

No. 11, Tan Vinh Thuan Cluster, Tan Ngai Ward
Vinh Long City
Vinh Long Province
Vietnam

Auditor

KPMG Limited
Vietnam

Sai Gon - Vinh Long Beer Joint Stock Company Statement of the Board of Management

The Board of Management of Sai Gon - Vinh Long Beer Joint Stock Company (“the Company”) presents this statement and the accompanying financial statements of the Company for the year ended 31 December 2021.

The Board of Management is responsible for the preparation and fair presentation of the 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 Board of Management:

- (a) the financial statements set out on pages 5 to 29 give a true and fair view of the financial position of the Company as at 31 December 2021, and of its results of operations and its 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 financial statements for issue.

On behalf of the Board of Management


Nguyen Duy Phong
Director

On behalf of the Board of Directors


Pham Thi Hong Hanh
Chairwoman



Vinh Long province, 25 March 2022



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INDEPENDENT AUDITOR'S REPORT

To the Shareholders Sai Gon - Vinh Long Beer Joint Stock Company

We have audited the accompanying financial statements of Sai Gon - Vinh Long Beer Joint Stock Company ("the Company"), which comprise the balance sheet as at 31 December 2021, the 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 25 March 2022, as set out on pages 5 to 29.

Management's Responsibility

The Company's Board of Management is responsible for the preparation and fair presentation of these 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 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 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 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 financial statements give a true and fair view, in all material respects, of the financial position of Sai Gon - Vinh Long Beer Joint Stock Company as at 31 December 2021 and of its results of operations and its 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.: 21-01-00433-22-1



Nelson Rodriguez Casihan
Practicing Auditor Registration
Certificate No. 2225-2018-007-1
Deputy General Director

Nguyen Thi Thuy
Practicing Auditor Registration
Certificate No. 3463-2022-007-1

Ho Chi Minh City, 25 March 2022



Sai Gon - Vinh Long Beer Joint Stock Company
Balance sheet as at 31 December 2021

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

	Code	Note	31/12/2021 VND	1/1/2021 VND
ASSETS				
Current assets (100 = 110 + 130 + 140 + 150)	100		61,369,719,364	71,731,070,290
Cash	110	6	7,113,415,258	5,686,840,063
Accounts receivable – short-term	130		751,306,897	5,046,719,536
Accounts receivable from customers	131	7	455,413,725	4,888,959,040
Prepayments to suppliers	132		270,393,172	132,260,496
Other short-term receivables	136		25,500,000	25,500,000
Inventories	140	8	53,362,673,356	60,843,987,760
Other current assets	150		142,323,853	153,522,931
Short-term prepaid expenses	151		142,323,853	153,522,931
Long-term assets (200 = 210 + 220 + 250 + 260)	200		384,260,817,713	431,249,678,041
Accounts receivable – long-term	210		17,025,000	17,025,000
Other long-term receivables	216		17,025,000	17,025,000
Fixed assets	220		382,743,792,713	429,718,618,297
Tangible fixed assets	221	9	382,743,792,713	429,718,618,297
Cost	222		721,656,726,879	720,026,726,879
Accumulated depreciation	223		(338,912,934,166)	(290,308,108,582)
Long-term financial investments	250		1,500,000,000	1,500,000,000
Investments in an associate	252	10	1,500,000,000	1,500,000,000
Other long-term assets	260		-	14,034,744
Long-term prepaid expenses	261		-	14,034,744
TOTAL ASSETS (270 = 100 + 200)	270		445,630,537,077	502,980,748,331

The accompanying notes are an integral part of these financial statements

Sai Gon - Vinh Long Beer Joint Stock Company
Balance sheet as at 31 December 2021 (continued)

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

	Code	Note	31/12/2021 VND	1/1/2021 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		177,819,177,616	227,837,397,697
Current liabilities	310		171,219,177,616	210,637,397,697
Accounts payable to suppliers	311	11	15,368,930,424	16,338,459,326
Advances from customers	312		18,024,448,462	12,383,964,770
Taxes payable to State Treasury	313	12	55,069,899,146	66,851,085,716
Payables to employees	314		11,516,613,931	10,232,715,358
Accrued expenses	315	13	4,905,596,767	7,222,452,158
Other short-term payables	319	14	3,618,096,000	2,045,000,000
Short-term borrowings	320	15(a)	60,000,000,000	93,300,000,000
Bonus and welfare fund	322	16	2,715,592,886	2,263,720,369
Long-term liabilities	330		6,600,000,000	17,200,000,000
Long-term borrowings	338	15(b)	6,600,000,000	17,200,000,000
EQUITY (400 = 410)	400		267,811,359,461	275,143,350,634
Owners' equity	410	17	267,811,359,461	275,143,350,634
Share capital	411	18	150,000,000,000	150,000,000,000
- Ordinary shares with voting rights	411a		150,000,000,000	150,000,000,000
Investment and development fund	418	20	15,050,956,749	15,050,956,749
Retained profits	421		102,760,402,712	110,092,393,885
- Retained profits brought forward	421a		82,092,393,885	80,432,919,462
- Retained profit for the current year	421b		20,668,008,827	29,659,474,423
TOTAL RESOURCES (440 = 300 + 400)	440		445,630,537,077	502,980,748,331

25 March 2022

Prepared by:



Nguyen Thi Cam Van
Accountant

Approved by:



Nguyen Van Doanh
Chief Accountant



Nguyen Duy Phong
Director

The accompanying notes are an integral part of these financial statements

Sai Gon - Vinh Long Beer Joint Stock Company
Statement of income for the year ended 31 December 2021

Form B 02 – DN
*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	2021 VND	2020 VND
Revenue from sales of goods	01	22	484,744,602,343	497,381,575,345
Cost of sales	11	23	428,731,864,474	422,931,004,826
Gross profit (20 = 01 - 11)	20		56,012,737,869	74,450,570,519
Financial income	21		815,765,304	93,856,657
Financial expenses	22		6,063,207,713	10,731,124,911
<i>In which: Interest expense</i>	23		6,062,852,769	10,730,854,167
Selling expenses	25		6,391,029,619	5,295,618,525
General and administration expenses	26	24	15,798,810,254	18,194,418,564
Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		28,575,455,587	40,323,265,176
Other income	31		33,052,000	41,136,164
Results of other activities (40 = 31)	40		33,052,000	41,136,164
Accounting profit before tax (50 = 30 + 40)	50		28,608,507,587	40,364,401,340
Income tax expense – current	51	26	5,800,077,243	8,617,586,158
Income tax expense – deferred	52	26	-	-
Net profit after tax (60 = 50 - 51 - 52)	60		22,808,430,344	31,746,815,182
Earnings per share				
Basic earnings per share	70	27	1,211	1,812

25 March 2022

Prepared by:



Nguyen Thi Cam Van
Accountant

Approved by:



Nguyen Van Doanh
Chief Accountant



Nguyen Duy Phong
Director

The accompanying notes are an integral part of these financial statements

Sai Gon - Vinh Long Beer Joint Stock Company
Statement of cash flows for the year ended 31 December 2021
(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	2021 VND	2020 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounting profit before tax	01	28,608,507,587	40,364,401,340
Adjustments for			
Depreciation and amortisation	02	48,604,825,584	49,359,556,362
Exchange gains arising from revaluation of monetary items denominated in foreign currencies	04	(5,086,070)	(10,483,199)
Profits from investing activities	05	(810,613,587)	(83,168,651)
Interest expense	06	6,062,852,769	10,730,854,167
Operating profit before changes in working capital	08	82,460,486,283	100,361,160,019
Change in receivables	09	4,300,560,638	17,809,107,614
Change in inventories	10	7,481,314,404	4,949,214,945
Change in payables and other liabilities	11	(6,327,196,101)	(8,038,994,789)
Change in prepaid expenses	12	25,233,822	1,919,759,861
		87,940,399,046	117,000,247,650
Interest paid	14	(6,120,707,430)	(11,147,980,874)
Corporate income tax paid	15	(6,348,490,361)	(10,734,084,083)
Other payments for operating activities	17	(4,188,549,000)	(4,723,470,000)
Net cash flows from operating activities	20	71,282,652,255	90,394,712,693
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets	21	(1,630,000,000)	(5,364,260,980)
Receipts of interests and dividends	27	810,613,587	83,168,651
Net cash flows from investing activities	30	(819,386,413)	(5,281,092,329)

The accompanying notes are an integral part of these financial statements



Sai Gon - Vinh Long Beer Joint Stock Company
Statement of cash flows for the year ended 31 December 2021
(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	2021 VND	2020 VND
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings	33		385,900,000,000	418,500,000,000
Payments to settle loan principals	34		(429,800,000,000)	(501,400,000,000)
Payments of dividends	36		(25,136,625,000)	(11,905,000,000)
Net cash flows from financing activities	40		(69,036,625,000)	(94,805,000,000)
Net cash flows during the year (50 = 20 + 30 + 40)	50		1,426,640,842	(9,691,379,636)
Cash at the beginning of the year	60		5,686,840,063	15,378,258,499
Effect of exchange rate fluctuations on cash	61		(65,647)	(38,800)
Cash at the end of the year (70 = 50 + 60 + 61)	70	6	7,113,415,258	5,686,840,063

25 March 2022

Prepared by:



Nguyen Thi Cam Van
Accountant

Approved by:



Nguyen Van Doanh
Chief Accountant



Nguyen Duy Phong
Director

Sai Gon - Vinh Long Beer Joint Stock Company
Notes to the financial statements for the year ended 31 December 2021

Form B 09 – DN
*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

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

1. Reporting entity

(a) Ownership structure

Sai Gon - Vinh Long Beer Joint Stock Company (“the Company”) is incorporated as a joint stock company in Vietnam.

(b) Principal activities

The principal activities of the Company are to produce and trade beer, liquor and beverages products; to trade supplies, raw materials and spare parts for beer, liquor and beverages production industry; and to provide warehousing services.

(c) Normal operating cycle

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

(d) Company structure

As at 31 December 2021, the Company had 123 employees (1/1/2021: 131 employees).

2. Basis of preparation

(a) Statement of compliance

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

(b) Basis of measurement

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

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Sai Gon - Vinh Long Beer Joint Stock Company
Notes to the financial statements for the year ended 31 December 2021 (continued)

Form B 09 – DN

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

(c) Going concern assumption

The financial statements have been prepared on a going concern basis. At the end of the accounting period, current liabilities exceeded current assets by VND109,849 million (1/1/2021: VND138,906 million). The Company also had significant loans that will require refinancing within the next 12 months (Note 15). Furthermore, the Company receives orders and sells its products mainly to Saigon Beer - Alcohol - Beverage Corporation, a related party. The validity of the going concern assumption fundamentally depends on the Company continuing to receive enough orders from Saigon Beer - Alcohol - Beverage Corporation, to generate positive net operating cash flows and to maintain credit lines to enable the Company to meet its liabilities as and when they fall due and to maintain the Company in existence as a going concern for the foreseeable future.

At the time of this report, there were unused credit lines available amounting to VND90,000 million (1/1/2021: VND67,500 million) and there is no reason for the Company's management to believe that the Company will not continue to receive enough orders from Saigon Beer - Alcohol - Beverage Corporation and not continue to generate positive net operating cash flows.

(d) Annual accounting period

The annual accounting period of the Company is from 1 January to 31 December.

(e) Accounting and presentation currency

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

3. Summary of significant accounting policies

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

(a) Foreign currency transactions

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

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

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

Sai Gon - Vinh Long Beer Joint Stock Company
Notes to the financial statements for the year ended 31 December 2021 (continued)

Form B 09 – DN

*(Issued under Circular No. 200/2014/TT-BTC
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(b) Cash and cash equivalents

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

(c) Investments in an associate

For the purpose of these financial statements, investments in an associate are initially recognised at cost which includes purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, these investments are stated at cost less allowance for diminution in value.

An allowance is made for diminution in investment value if the investee has suffered a loss which may cause the Company to lose its invested capital, unless there is evidence that the value of the investment has not been diminished. The allowance is reversed if the investee subsequently made a profit that offsets the previous loss for which the allowance had been made. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

(d) Accounts receivable

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

(e) Inventories

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

The Company applies the perpetual method of accounting for inventories.

(f) Tangible fixed assets

(i) Cost

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition for its intended use. Expenditure incurred after tangible fixed assets have been put into operation, such as repair and maintenance and overhaul costs, is charged to the statement of income in the year in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

Sai Gon - Vinh Long Beer Joint Stock Company
Notes to the financial statements for the year ended 31 December 2021 (continued)

Form B 09 – DN
*(Issued under Circular No. 200/2014/TT-BTC
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(ii) Depreciation

Depreciation is computed on a straight-line basis over the estimated useful lives of tangible fixed assets. The estimated useful lives are as follows:

▪ buildings and structures	20 years
▪ machinery and equipment	5 – 15 years
▪ motor vehicles	5 – 10 years
▪ office equipment	3 – 5 years
▪ others	5 years

(g) Trade and other payables

Trade and other payables are stated at their cost.

(h) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(i) Share capital

Ordinary shares

Ordinary shares are stated at par value. Excess of cash received from shares issue over par value is recorded as share premium. Incremental costs directly attributable to the issue of shares, net of tax effects, are recognised as a deduction from share premium.

(j) Taxation

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

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

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using the tax rates enacted or substantively enacted at the end of the annual accounting period.

Sai Gon - Vinh Long Beer Joint Stock Company
Notes to the financial statements for the year ended 31 December 2021 (continued)

Form B 09 – DN

*(Issued under Circular No. 200/2014/TT-BTC
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A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(k) Revenue and other income

(i) Goods sold

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

(ii) Interest income

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

(iii) Dividend income

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

(l) Operating lease payments

Payments made under operating leases are recognised in the statement of income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of income as an integral part of the total lease expense, over the term of the lease.

(m) Borrowing costs

Borrowing costs are recognised as an expense in the year in which they are incurred, except where the borrowing costs relate to borrowings in respect of the construction of qualifying assets, in which case the borrowing costs incurred during the period of construction are capitalised as part of the cost of the assets concerned.

(n) Earnings per share

The Company presents basic earnings per share (“EPS”) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders (after deducting any amounts appropriated to bonus and welfare fund for the annual accounting period) of the Company by the weighted average number of ordinary shares outstanding during the year.

The Company did not have potentially dilutive shares, and therefore does not present diluted earnings per share.

Sai Gon - Vinh Long Beer Joint Stock Company
Notes to the financial statements for the year ended 31 December 2021 (continued)

Form B 09 – DN

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

(o) Segment reporting

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

(p) Related parties

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

(q) Comparative information

Comparative information in these financial statements is presented as corresponding figures. Under this method, comparative information for the prior year is included as an integral part of the current year financial statements and is intended to be read only in relation to the amounts and other disclosures relating to the current year. Accordingly, the comparative information included in these financial statements is not intended to present the Company's financial position, results of operation or cash flows for the prior year.

4. Segment reporting

(a) Business segments

The Company's principal business activities are to produce and trade beers. Other activities are to provide warehousing services. During the year, other business activities accounted for an insignificant proportion of the total revenue and operating results of the Company, accordingly the financial information presented in the balance sheet as at 31 December 2021 and 1 January 2021 and revenue and expenses presented in the statement of income for the years ended 31 December 2021 and 31 December 2020 were mainly related to the Company's principal business activities.

Sai Gon - Vinh Long Beer Joint Stock Company
Notes to the financial statements for the year ended 31 December 2021 (continued)

Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

(b) Geographical segments

The Company's geographical segments are distinguished based on the locations of customers as follows:

	Geographical segments		
	Local VND	Export VND	Total VND
2021			
Revenue	416,933,839,314	67,810,763,029	484,744,602,343
Cost of sales	(373,370,362,953)	(55,361,501,521)	(428,731,864,474)
	43,563,476,361	12,449,261,508	56,012,737,869
2020			
Revenue	419,156,558,935	78,225,016,410	497,381,575,345
Cost of sales	(395,776,909,356)	(27,154,095,470)	(422,931,004,826)
	23,379,649,579	51,070,920,940	74,450,570,519

The Company's assets were located in Vietnam.

5. Impacts of Coronavirus

The outbreak of the 2019 Novel Coronavirus ("Covid-19") pandemic in Vietnam and subsequent measure imposed by the Vietnam Government have had certain impacts on the production and sales of Saigon Beer - Alcohol - Beverage Corporation, a related party, and consequently also impact the Company's business and operating activities. The Company's management has adapted their business strategy and applied cost saving measures to reduce its financial impacts. The Covid-19 pandemic is continuing to have significant impacts to Vietnam and the Company's management will continue to monitor the situation of the Covid-19 pandemic and to apply appropriate measures.

6. Cash

	31/12/2021 VND	1/1/2021 VND
Cash on hand	526,162,000	121,213,500
Cash in banks	6,587,253,258	5,565,626,563
	7,113,415,258	5,686,840,063

Sai Gon - Vinh Long Beer Joint Stock Company
Notes to the financial statements for the year ended 31 December 2021 (continued)

Form B 09 – DN
*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

7. Accounts receivable from customers

Accounts receivable from customers detailed by significant customers

	31/12/2021 VND	1/1/2021 VND
Related parties		
Saigon Beer - Alcohol - Beverage Corporation	138,549,325	4,825,865,000
Saigon Beer Trading Company Limited	289,634,400	-
Third parties		
Other customers	27,230,000	63,094,040
	455,413,725	4,888,959,040

The trade related amounts due from related parties were unsecured, interest free and receivable within 30 days from invoice date.

8. Inventories

	31/12/2021		1/1/2021	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Raw materials	21,439,257,399	-	27,961,400,950	-
Tools and supplies	174,328,474	-	190,270,208	-
Work in progress	10,244,613,124	-	15,956,292,452	-
Finished goods	21,504,474,359	-	16,736,024,150	-
	53,362,673,356	-	60,843,987,760	-

Sai Gon - Vinh Long Beer Joint Stock Company

Notes to the financial statements for the year ended 31 December 2021 (continued)

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9. Tangible fixed assets

Cost	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Others VND	Total VND
Opening balance	201,600,870,311	511,865,342,390	5,916,390,542	467,123,636	177,000,000	720,026,726,879
Additions	-	1,630,000,000	-	-	-	1,630,000,000
Closing balance	201,600,870,311	513,495,342,390	5,916,390,542	467,123,636	177,000,000	721,656,726,879
Accumulated depreciation						
Opening balance	68,594,893,714	216,418,973,088	4,839,668,337	277,573,443	177,000,000	290,308,108,582
Charge for the year	10,521,826,440	37,700,016,784	310,368,368	72,613,992	-	48,604,825,584
Closing balance	79,116,720,154	254,118,989,872	5,150,036,705	350,187,435	177,000,000	338,912,934,166
Net book value						
Opening balance	133,005,976,597	295,446,369,302	1,076,722,205	189,550,193	-	429,718,618,297
Closing balance	122,484,150,157	259,376,352,518	766,353,837	116,936,201	-	382,743,792,713

Included in tangible fixed assets as at 31 December 2021 were assets costing VND13,046 million (1/1/2021: VND9,863 million) which were fully depreciated but still in active use.

As at 31 December 2021, tangible fixed assets with net book value of VND379,009 million (1/1/2021: VND427,015 million) were pledged with banks as security for loans granted to the Company (Notes 15).

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Notes to the financial statements for the year ended 31 December 2021 (continued)

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10. Investments in an associate

Company name	Number of shares	% of equity owned and voting rights	31/12/2021 and 1/1/2021		
			Cost VND	Fair value VND	Allowance VND
Sai Gon - Vinh Long Beer Warehousing Joint Stock Company	150,000	25%	1,500,000,000	(*)	-

- (*) The Company has not determined fair value of this investment for disclosure in the financial statements because information about its market price is not available and there is currently no guidance on determination of fair value using valuation techniques under Vietnamese Accounting Standards or the Vietnamese Accounting System for enterprises. The fair value of this investment may differ from its carrying amount.

11. Accounts payable to suppliers

(a) Accounts payable to suppliers detailed by significant suppliers

	Cost/Amount within payment capacity	
	31/12/2021 VND	1/1/2021 VND
Crown Beverage Cans Saigon Limited Company	4,614,720,497	1,323,612,557
Saigon Beer - Alcohol - Beverage Corporation	3,434,688,316	7,623,484,602
Phuoc Thanh Production - Trading IV Limited Company	2,055,588,750	2,587,200,000
Other suppliers	5,263,932,861	4,804,162,167
	15,368,930,424	16,338,459,326

(b) Accounts payable to suppliers who are related parties

	Cost/Amount within payment capacity	
	31/12/2021 VND	1/1/2021 VND
Crown Beverage Cans Saigon Limited	4,614,720,497	1,323,612,557
Saigon Beer - Alcohol - Beverage Corporation	3,434,688,316	7,623,484,602
Sai Gon Beer Trading Company Limited	235,813,486	669,097,583

The trade related amounts due to related parties were unsecured, interest free and are payable within 7 days from invoice date.

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12. Taxes payable to State Treasury

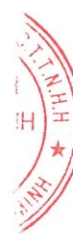
	1/1/2021 VND	Incurred VND	Paid/Net-off VND	31/12/2021 VND
Special sales tax	57,539,514,560	392,107,760,109	(397,817,924,257)	51,829,350,412
Value added tax	6,795,512,698	80,546,802,026	(86,093,648,926)	1,248,665,798
Corporate income tax	2,324,543,372	5,800,077,243	(6,348,490,361)	1,776,130,254
Personal income tax	159,615,900	3,481,895,344	(3,455,986,244)	185,525,000
Natural resources tax	31,899,186	431,348,413	(433,019,917)	30,227,682
	66,851,085,716	482,367,883,135	(494,149,069,705)	55,069,899,146

13. Accrued expenses

	31/12/2021 VND	1/1/2021 VND
Interest expense	101,309,590	159,164,251
Replacement and maintenance expenses	3,691,445,444	4,538,347,674
Training and market research expenses	-	1,600,000,000
Others	1,112,841,733	924,940,233
	4,905,596,767	7,222,452,158

14. Other short-term payables

	31/12/2021 VND	1/1/2021 VND
Dividends payable	2,168,375,000	1,805,000,000
Others	1,449,721,000	240,000,000
	3,618,096,000	2,045,000,000



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15. Borrowings

(a) Short-term borrowings

	1/1/2021 Carrying amount/ Amount within repayment capacity VND	Movements during the year		31/12/2021 Carrying amount/ Amount within repayment capacity VND
		Increase VND	Decrease VND	
Short-term borrowings	82,500,000,000	385,900,000,000	(408,400,000,000)	60,000,000,000
Current portion of long-term borrowings	10,800,000,000	-	(10,800,000,000)	-
	93,300,000,000	385,900,000,000	(419,200,000,000)	60,000,000,000

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

	Currency	Annual interest rate	31/12/2021 VND	1/1/2021 VND
Vietnam Joint Stock Commercial Bank for Industry and Trade – Branch 4	VND	5.5% - 7.0%	60,000,000,000	82,500,000,000

The short-term loans from Vietnam Joint Stock Commercial Bank for Industry and Trade (“Vietcombank”) – Branch 4 have a credit limit of VND150,000 million and are secured by tangible fixed assets formed from the loans as disclosed in Note 15(b).

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(b) Long-term borrowings

	31/12/2021	1/1/2021
	VND	VND
Long-term borrowings	6,600,000,000	28,000,000,000
Repayable within twelve months	-	(10,800,000,000)
	6,600,000,000	17,200,000,000
Repayable after twelve months	6,600,000,000	17,200,000,000

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

	Currency	Annual interest rate	Year of maturity	31/12/2021	1/1/2021
				VND	VND
Vietinbank – Branch 4	VND	6.65%	2021 - 2023	6,600,000,000	28,000,000,000

The short-term and long-term loans from Vietinbank – Branch 4 are secured by tangible fixed assets formed from the loans with net book value as at 31 December 2021 of VND379,009 million (1/1/2021: VND427,015 million) (Note 9).

16. Bonus and welfare fund

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

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

	2021	2020
	VND	VND
Opening balance	2,263,720,369	2,424,952,649
Appropriation during the year (Note 17)	2,140,421,517	2,087,340,759
Adjustments to bonus and welfare fund (Note 17)	2,500,000,000	2,474,896,961
Utilisation	(4,188,549,000)	(4,723,470,000)
	2,715,592,886	2,263,720,369
Closing balance	2,715,592,886	2,263,720,369

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17. Changes in owners' equity

	Share capital VND	Investment and development fund VND	Retained profits VND	Total VND
Balance as at 1 January 2020	150,000,000,000	15,050,956,749	90,407,816,423	255,458,773,172
Net profit for the year	-	-	31,746,815,182	31,746,815,182
Appropriation to bonus and welfare fund (Note 16)	-	-	(2,087,340,759)	(2,087,340,759)
Adjustments to bonus and welfare fund (Note 16)	-	-	(2,474,896,961)	(2,474,896,961)
Dividends (Note 19)	-	-	(7,500,000,000)	(7,500,000,000)
Balance as at 1 January 2021	150,000,000,000	15,050,956,749	110,092,393,885	275,143,350,634
Net profit for the year	-	-	22,808,430,344	22,808,430,344
Appropriation to bonus and welfare fund (Note 16)	-	-	(2,140,421,517)	(2,140,421,517)
Adjustments to bonus and welfare fund (Note 16)	-	-	(2,500,000,000)	(2,500,000,000)
Dividends (Note 19)	-	-	(25,500,000,000)	(25,500,000,000)
Balance as at 31 December 2021	150,000,000,000	15,050,956,749	102,760,402,712	267,811,359,461

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Notes to the financial statements for the year ended 31 December 2021 (continued)

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18. Share capital

The Company's authorised and issued share capital are:

	31/12/2021 and 1/1/2021	
	Number of shares	VND
Authorised and issued share capital		
Ordinary shares	15,000,000	150,000,000,000
Shares in circulation		
Ordinary shares	15,000,000	150,000,000,000

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

There was no movements in share capital during the year ended 31 December 2021 and 31 December 2020.

19. Dividends

The General Meeting of Shareholders of the Company on 6 April 2021 resolved to declare dividends to shareholders amounting to VND25,500 million (equivalent to VND1,700 per share) from retained profits of 2020 (2020: resolved to declare dividends to shareholders amounting to VND45,000 million, equivalent to VND3,000 per share, from retained profits of 2019, of which VND37,500 million was advanced to shareholders in 2019).

20. Investment and development fund

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

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21. Off balance sheet items

(a) Lease

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

	31/12/2021	1/1/2021
	VND	VND
Within one year	5,413,197,905	5,671,345,850
From two to five years	14,337,089,397	17,538,805,598
More than five years	68,967,934,895	71,179,416,599
	88,718,222,197	94,389,568,047

(b) Foreign currency

	31/12/2021		1/1/2021	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	196	4,440,453	196	4,506,100

22. Revenue from sales of goods

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

	2021	2020
	VND	VND
Total revenue		
▪ Sales of finished goods	477,986,121,450	491,749,238,200
<i>Sales of finished goods inclusive of special sales tax</i>	870,093,881,559	921,433,486,188
<i>Special sales tax</i>	392,107,760,109	429,684,247,988
▪ Sales of scraps	6,488,308,498	5,346,314,940
▪ Others	270,172,395	286,022,205
	484,744,602,343	497,381,575,345

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23. Cost of sales

	2021 VND	2020 VND
Finished goods sold	428,731,864,474	422,931,004,826

24. General and administration expenses

	2021 VND	2020 VND
Staff costs	8,297,091,454	9,099,852,953
Depreciation	1,265,310,033	1,470,425,248
Outside services	1,321,070,270	753,667,841
Others	4,915,338,497	6,870,472,522
	15,798,810,254	18,194,418,564

25. Production and business costs by elements

	2021 VND	2020 VND
Raw material costs included in production costs	316,541,726,822	298,388,677,641
Labour and staff costs	39,086,389,359	38,926,097,853
Depreciation and amortisation	48,604,825,584	49,359,556,362
Outside services	33,239,600,118	36,099,090,023
Other expenses	11,640,309,421	15,531,785,559

26. Corporate income tax

(a) Recognised in the statement of income

	2021 VND	2020 VND
Current tax expense		
Current year	5,800,077,243	8,617,586,158

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Notes to the financial statements for the year ended 31 December 2021 (continued)

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(b) Reconciliation of effective tax rate

	2021 VND	2020 VND
Accounting profit before tax	28,608,507,587	40,364,401,340
Tax at the Company's tax rate	5,721,701,517	8,072,880,268
Non-deductible expenses	240,013,129	560,087,260
Temporary differences not recognised	(11,637,403)	-
Tax exempted income	(150,000,000)	(15,381,370)
Corporate income tax expense	5,800,077,243	8,617,586,158

(c) Applicable tax rates

Under Investment Certificate No. 54121000019 dated 13 February 2008, the Company has an obligation to pay the government income tax at the normal income tax rate. The terms of the Investment Certificate also allow the Company to be exempted from income tax for 2 years starting from the first year it generates a taxable profit (from 2014 to 2015) and entitled to a 50% reduction in income tax for the 2 succeeding years (from 2016 to 2017) in accordance with Clause 1, Article 35 of Decree No. 24/2207/NĐ-CP of the Government.

The normal income tax rate applicable to enterprises before any incentives is 20%.

27. Basic earnings per share

The calculation of basic earnings per share for the years ended 31 December 2021 and 31 December 2020 was based on the profit attributable to ordinary shareholders after deducting the amounts appropriated to bonus and welfare fund and a weighted average number of ordinary shares, calculated as follows:

(i) Net profit attributable to ordinary shareholders

	2021 VND	2020 VND
Net profit for the year	22,808,430,344	31,746,815,182
Appropriation to bonus and welfare fund	(4,640,421,517)	(4,562,237,720)
Net profit attributable to ordinary shareholders	18,168,008,827	27,184,577,462

(ii) Weighted average number of ordinary shares

There was no movement in the number of shares for the years ended 31 December 2021 and 31 December 2020. The weighted average number of ordinary shares used to calculate basic earnings per share for two presented years are 15,000,000 shares.



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28. Significant transactions with related parties

In addition to related party balances disclosed in other notes to the financial statements, the Company had the following significant transactions with related parties during the year:

	Transaction value	
	2021	2020
	VND	VND
<i>Associate</i>		
Sai Gon - Vinh Long Beer Warehousing Joint Stock Company		
Sales of goods	35,028,000	38,860,500
Dividends received	750,000,000	76,906,851
<i>Other related parties</i>		
Saigon Beer - Alcohol - Beverage Corporation		
Sales of finished goods (inclusive of special sales tax)	803,458,720,530	883,874,058,330
Purchases of raw materials	261,558,490,683	265,801,279,465
Dividends paid	5,100,000,000	1,500,000,000
Saigon Beer - Alcohol - Beverage Corporation – Saigon Nguyen Chi Thanh Brewery		
Purchases of raw materials	-	27,750,000
Saigon Beer - Alcohol - Beverage Corporation – Saigon Cu Chi Brewery		
Purchases of raw materials	25,956,000	-
Crown Beverage Cans Saigon Limited		
Purchases of packaging materials	21,320,473,967	10,183,029,674
Sai Gon Beer Trading Company Limited		
Bottles replacement fees	376,199,886	1,574,353,000
Sa Be Co Mechanical Co., Ltd		
Purchases of raw materials	3,260,746	410,000
Purchases of fixed assets	1,550,000,000	2,515,936,000
Other transactions	-	120,000,000
Sai Gon Song Tien Beer Trading Joint Stock Company		
Other transactions	3,330,140	36,442,800
Saigon - Bentre Beer Joint Stock Company		
Purchases of packaging materials	-	5,603,540
San Miguel Yamamura Phu Tho Packaging Company Limited		
Purchases of raw materials	91,080,000	-
Sai Gon - Lamdong Beer Joint Stock Company		
Purchases of raw materials	42,840,000	-

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	Transaction value	
	2021	2020
	VND	VND
Board of Directors		
<i>Fees</i>		
Mrs. Pham Thi Hong Hanh – Chairwoman	480,000,000	480,000,000
Mr. Le Hong Xanh – Member	180,000,000	180,000,000
Mr. Nguyen Van Doi – Member	180,000,000	180,000,000
Mr. Lam Du An – Member	180,000,000	180,000,000
Mr. Pham Hong Minh – Member	180,000,000	180,000,000
Key management personnel		
Salary, bonus and remuneration	3,532,261,400	4,204,223,601
Board of Supervisors		
<i>Fees</i>		
Mrs. Dinh Viet Anh – Head of Board of Supervisors	96,000,000	96,000,000
Mr. Pham Dinh Hung – Member	60,000,000	60,000,000
Ms. Nguyen Thi Phuong Uyen – Member	60,000,000	60,000,000

29. Comparative information

The comparative information as at 1 January 2021 were derived from the balances and amounts reported in the Company’s financial statements as at and for the year ended 31 December 2020.

25 March 2022

Prepared by:



Nguyen Thi Cam Van
Accountant

Approved by:



Nguyen Van Doanh
Chief Accountant



Nguyen Duy Phong
Director

