



Sai Gon - Vinh Long Beer Joint Stock Company

Financial Statements for the year ended
31 December 2022

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 14 August 2012

The Company's enterprise registration certificate has been amended several times, the most recent of which is by Enterprise Registration Certificate No. 1500482064 dated 31 August 2022. 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. Nguyen Van Doi	Member
	Mr. Lam Du An	Member
	Mr. Pham Hong Minh	Member
	Mr. Nguyen Duy Phong	Member (from 19 April 2022)
	Mr. Le Hong Xanh	Member (to 19 April 2022)

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 2022.

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 31 give a true and fair view of the financial position of the Company as at 31 December 2022, 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, 6 March 2023



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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 2022, 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 6 March 2023, as set out on pages 5 to 31.

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 2022 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.: 22-01-00690-23-1



Nelson Rodriguez Casihan
Practicing Auditor Registration
Certificate No. 2225-2023-007-1
Deputy General Director

Ho Chi Minh City, 6 March 2023

Nguyen Thi Thu Ha
Practicing Auditor Registration
Certificate No. 2236-2023-007-1



Sai Gon - Vinh Long Beer Joint Stock Company
Balance sheet as at 31 December 2022

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

	Code	Note	31/12/2022 VND	1/1/2022 VND
ASSETS				
Current assets (100 = 110 + 130 + 140 + 150)	100		115,823,494,566	61,369,719,364
Cash	110	5	42,117,268,672	7,113,415,258
Cash	111		20,117,268,672	7,113,415,258
Cash equivalents	112		22,000,000,000	-
Accounts receivable – short-term	130		11,650,014,366	751,306,897
Accounts receivable from customers	131	6	10,216,513,000	455,413,725
Prepayments to suppliers	132		1,408,001,366	270,393,172
Other short-term receivables	136		25,500,000	25,500,000
Inventories	140	7	59,999,929,005	53,362,673,356
Other current assets	150		2,056,282,523	142,323,853
Short-term prepaid expenses	151		2,056,282,523	142,323,853
Long-term assets (200 = 210 + 220 + 240 + 250)	200		336,117,293,925	384,260,817,713
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		334,439,220,433	382,743,792,713
Tangible fixed assets	221	8	334,439,220,433	382,743,792,713
Cost	222		721,656,726,879	721,656,726,879
Accumulated depreciation	223		(387,217,506,446)	(338,912,934,166)
Long-term work in progress	240		161,048,492	-
Construction in progress	242		161,048,492	-
Long-term financial investments	250		1,500,000,000	1,500,000,000
Investments in an associate	252	9	1,500,000,000	1,500,000,000
TOTAL ASSETS (270 = 100 + 200)	270		451,940,788,491	445,630,537,077

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 2022 (continued)

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

	Code	Note	31/12/2022 VND	1/1/2022 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		201,624,204,102	177,819,177,616
Current liabilities	310		201,624,204,102	171,219,177,616
Accounts payable to suppliers	311	10	5,584,364,203	15,368,930,424
Advances from customers	312		13,900,873,568	18,024,448,462
Taxes payable to State Treasury	313	11	156,944,378,752	55,069,899,146
Payables to employees	314		11,099,288,097	11,516,613,931
Accrued expenses	315	12	6,980,729,442	4,905,596,767
Other short-term payables	319	13	4,364,000,000	3,618,096,000
Short-term borrowings	320	14(a)	-	60,000,000,000
Bonus and welfare fund	322	15	2,750,570,040	2,715,592,886
Long-term liabilities	330		-	6,600,000,000
Long-term borrowings	338	14(b)	-	6,600,000,000
EQUITY (400 = 410)	400		250,316,584,389	267,811,359,461
Owners' equity	410	16	250,316,584,389	267,811,359,461
Share capital	411	17	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	19	15,050,956,749	15,050,956,749
Retained profits	421		85,265,627,640	102,760,402,712
- Retained profits brought forward	421a		80,260,402,712	82,092,393,885
- Retained profit for the current year	421b		5,005,224,928	20,668,008,827
TOTAL RESOURCES (440 = 300 + 400)	440		451,940,788,491	445,630,537,077

6 March 2023

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 2022

Form B 02 – DN

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

	Code	Note	2022 VND	2021 VND
Revenue from sales of goods	01	21	633,789,691,207	484,744,602,343
Cost of sales	11	22	569,633,059,987	428,731,864,474
Gross profit (20 = 01 - 11)	20		64,156,631,220	56,012,737,869
Financial income	21		1,822,997,399	815,765,304
Financial expenses	22		2,443,517,077	6,063,207,713
<i>In which: Interest expense</i>	23		2,365,632,877	6,062,852,769
Selling expenses	25	23	6,586,744,551	6,391,029,619
General and administration expenses	26	24	16,117,612,161	15,798,810,254
Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		40,831,754,830	28,575,455,587
Other income	31		-	33,052,000
Other expenses	32	25	10,650,986,556	-
Results of other activities (40 = 31 - 32)	40		(10,650,986,556)	33,052,000
Accounting profit before tax (50 = 30 + 40)	50		30,180,768,274	28,608,507,587
Income tax expense – current	51	27	8,070,005,192	5,800,077,243
Income tax expense – deferred	52	27	-	-
Net profit after tax (60 = 50 - 51 - 52)	60		22,110,763,082	22,808,430,344
Earnings per share				
Basic earnings per share	70	28	1,334	1,211

6 March 2023

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 2022
(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	2022 VND	2021 VND
CASH FLOWS FROM OPERATING ACTIVITIES				
Accounting profit before tax	01		30,180,768,274	28,608,507,587
Adjustments for				
Depreciation and amortisation	02		48,304,572,280	48,604,825,584
Exchange losses/(gains) arising from revaluation of monetary items denominated in foreign currencies	04		76,614,818	(5,086,070)
Profits from investing activities	05		(1,686,235,482)	(810,613,587)
Interest expense	06		2,365,632,877	6,062,852,769
Operating profit before changes in working capital	08		79,241,352,767	82,460,486,283
Change in receivables	09		(9,741,259,460)	4,300,560,638
Change in inventories	10		(6,637,255,649)	7,481,314,404
Change in payables and other liabilities	11		82,081,810,492	(6,327,196,101)
Change in prepaid expenses	12		(1,913,958,670)	25,233,822
			143,030,689,480	87,940,399,046
Interest paid	14		(2,466,942,467)	(6,120,707,430)
Corporate income tax paid	15		(1,776,130,254)	(6,348,490,361)
Other payments for operating activities	17		(2,070,561,000)	(4,188,549,000)
Net cash flows from operating activities	20		136,717,055,759	71,282,652,255
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets	21		(1,234,200,000)	(1,630,000,000)
Receipts of interests and dividends	27		1,686,235,482	810,613,587
Net cash flows from investing activities	30		452,035,482	(819,386,413)



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 2022
(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	2022 VND	2021 VND
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings	33		467,000,000,000	385,900,000,000
Payments to settle loan principals	34		(533,600,000,000)	(429,800,000,000)
Payments of dividends	36		(35,565,375,000)	(25,136,625,000)
Net cash flows from financing activities	40		(102,165,375,000)	(69,036,625,000)
Net cash flows during the year (50 = 20 + 30 + 40)	50		35,003,716,241	1,426,640,842
Cash at the beginning of the year	60		7,113,415,258	5,686,840,063
Effect of exchange rate fluctuations on cash	61		137,173	(65,647)
Cash at the end of the year (70 = 50 + 60 + 61)	70	5	42,117,268,672	7,113,415,258

6 March 2023

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
Notes to the financial statements for the year ended 31 December 2022

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 2022, the Company had 120 employees (1/1/2022: 123 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.

Sai Gon - Vinh Long Beer Joint Stock Company
Notes to the financial statements for the year ended 31 December 2022 (continued)

Form B 09 – DN
*(Issued under Circular No. 200/2014/TT-BTC
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(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 VND85,801 million (1/1/2022: VND109,849 million). 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 from bank available amounting to VND150,000 million (1/1/2022: VND90,000 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 2022 (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 2022 (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 2022 (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) Leases

Leases in terms of which the Company, as lessee, does not assume substantially all the risks and rewards of ownership are classified as operating leases and are not recognised in the Company's balance sheet.

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.

Sai Gon - Vinh Long Beer Joint Stock Company
Notes to the financial statements for the year ended 31 December 2022 (continued)

Form B 09 – DN

*(Issued under Circular No. 200/2014/TT-BTC
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(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.

(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 2022 and 1 January 2022 and revenue and expenses presented in the statement of income for the years ended 31 December 2022 and 31 December 2021 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 2022 (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:

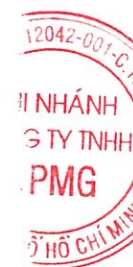
	Geographical segments		
	Local VND	Export VND	Total VND
2022			
Revenue	562,957,366,732	70,832,324,475	633,789,691,207
Cost of sales	(515,007,082,596)	(54,625,977,391)	(569,633,059,987)
	47,950,284,136	16,206,347,084	64,156,631,220
2021			
Revenue	416,933,839,314	67,810,763,029	484,744,602,343
Cost of 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

The Company's assets were located in Vietnam.

5. Cash

	31/12/2022 VND	1/1/2022 VND
Cash on hand	57,687,500	526,162,000
Cash in banks	20,059,581,172	6,587,253,258
Cash equivalents	22,000,000,000	-
	42,117,268,672	7,113,415,258

Cash equivalents represented term deposits at banks with original terms to maturity of three months or less and earned interest at rates of 6% per annum (1/1/2022: nil).



Sai Gon - Vinh Long Beer Joint Stock Company
Notes to the financial statements for the year ended 31 December 2022 (continued)

Form B 09 – DN
*(Issued under Circular No. 200/2014/TT-BTC
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6. Accounts receivable from customers

Accounts receivable from customers detailed by significant customers

	31/12/2022 VND	1/1/2022 VND
Related parties		
Saigon Beer - Alcohol - Beverage Corporation	10,029,404,000	138,549,325
Saigon Beer Trading Company Limited	-	289,634,400
Third parties		
Other customers	187,109,000	27,230,000
	10,216,513,000	455,413,725

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

7. Inventories

	31/12/2022		1/1/2022	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Raw materials	28,573,268,235	-	21,439,257,399	-
Tools and supplies	192,872,188	-	174,328,474	-
Work in progress	14,920,138,754	-	10,244,613,124	-
Finished goods	16,313,649,828	-	21,504,474,359	-
	59,999,929,005	-	53,362,673,356	-

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8. Tangible fixed assets

Cost	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Others VND	Total VND
Opening and 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	79,116,720,154	254,118,989,872	5,150,036,705	350,187,435	177,000,000	338,912,934,166
Charge for the year	10,266,959,378	37,672,233,753	303,486,948	61,892,201	-	48,304,572,280
Closing balance	89,383,679,532	291,791,223,625	5,453,523,653	412,079,636	177,000,000	387,217,506,446
Net book value						
Opening balance	122,484,150,157	259,376,352,518	766,353,837	116,936,201	-	382,743,792,713
Closing balance	112,217,190,779	221,704,118,765	462,866,889	55,044,000	-	334,439,220,433

Included in tangible fixed assets as at 31 December 2022 were assets costing VND15,725 million (1/1/2022: VND13,046 million) which were fully depreciated but still in active use.

As at 31 December 2022, tangible fixed assets with net book value of VND335,877 million (1/1/2022: VND379,009 million) were pledged with banks as security for loans granted to the Company (Notes 14).

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9. Investments in an associate

Company name	Number of shares	% of equity owned and voting rights	31/12/2022 and 1/1/2022		
			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.

10. Accounts payable to suppliers

(a) Accounts payable to suppliers detailed by significant suppliers

	Cost/Amount within payment capacity	
	31/12/2022 VND	1/1/2022 VND
Phuoc Thanh Production - Trading IV Limited Company	1,933,110,500	2,055,588,750
Crown Beverage Cans Saigon Limited Company	-	4,614,720,497
Saigon Beer - Alcohol - Beverage Corporation	-	3,434,688,316
Other suppliers	3,651,253,703	5,263,932,861
	5,584,364,203	15,368,930,424

(b) Accounts payable to suppliers who are related parties

	Cost/Amount within payment capacity	
	31/12/2022 VND	1/1/2022 VND
Crown Beverage Cans Saigon Limited	-	4,614,720,497
Saigon Beer - Alcohol - Beverage Corporation	-	3,434,688,316
Sai Gon Beer Trading Company Limited	-	235,813,486

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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11. Taxes payable to State Treasury

	1/1/2022 VND	Incurred VND	Paid/Net-off VND	31/12/2022 VND
Special sales tax	51,829,350,412	542,434,930,080	(482,263,036,521)	112,001,243,971
Value added tax	1,248,665,798	120,014,167,696	(84,916,096,603)	36,346,736,891
Corporate income tax	1,776,130,254	8,070,005,192	(1,776,130,254)	8,070,005,192
Personal income tax	185,525,000	3,575,770,073	(3,255,454,973)	505,840,100
Natural resources tax	30,227,682	396,372,996	(406,048,080)	20,552,598
	<u>55,069,899,146</u>	<u>674,491,246,037</u>	<u>(572,616,766,431)</u>	<u>156,944,378,752</u>

12. Accrued expenses

	31/12/2022 VND	1/1/2022 VND
Unissued invoices of purchasing	3,263,422,889	1,112,841,733
Replacement and maintenance expenses	3,000,000,000	3,691,445,444
Interest expense	-	101,309,590
Others	717,306,553	-
	<u>6,980,729,442</u>	<u>4,905,596,767</u>

13. Other short-term payables

	31/12/2022 VND	1/1/2022 VND
Dividends payable	4,103,000,000	2,168,375,000
Others	261,000,000	1,449,721,000
	<u>4,364,000,000</u>	<u>3,618,096,000</u>



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14. Borrowings

(a) Short-term borrowings

	Movements during the year		31/12/2022 Carrying amount/ Amount within repayment capacity VND
	Increase VND	Decrease VND	
Short-term borrowings	467,000,000,000	(527,000,000,000)	-

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

	Currency	Annual interest rate	31/12/2022 VND	1/1/2022 VND
Vietnam Joint Stock Commercial Bank for Industry and Trade – Branch 4	VND	5.00% - 8.00%	-	60,000,000,000

The short-term loans from Vietnam Joint Stock Commercial Bank for Industry and Trade (“Vietinbank”) – 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 14(b).

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(b) Long-term borrowings

	31/12/2022	1/1/2022
	VND	VND
Long-term borrowings	-	6,600,000,000
Repayable after twelve months	-	6,600,000,000

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

	Currency	Annual interest rate	Year of maturity	31/12/2022	1/1/2022
				VND	VND
Vietinbank – Branch 4	VND	6.67%	2021 - 2023	-	6,600,000,000

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 2022 of VND335,877 million (1/1/2022: VND379,009 million) (Note 8).

15. 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:

	2022	2021
	VND	VND
Opening balance	2,715,592,886	2,263,720,369
Appropriation during the year (Note 16)	2,105,538,154	2,140,421,517
Adjustments to bonus and welfare fund (Note 16)	-	2,500,000,000
Utilisation	(2,070,561,000)	(4,188,549,000)
Closing balance	2,750,570,040	2,715,592,886

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16. Changes in owners' equity

	Share capital VND	Investment and development fund VND	Retained profits VND	Total VND
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 15)	-	-	(2,140,421,517)	(2,140,421,517)
Adjustments to bonus and welfare fund (Note 15)	-	-	(2,500,000,000)	(2,500,000,000)
Dividends (Note 18)	-	-	(25,500,000,000)	(25,500,000,000)
Balance as at 1 January 2022	150,000,000,000	15,050,956,749	102,760,402,712	267,811,359,461
Net profit for the year	-	-	22,110,763,082	22,110,763,082
Appropriation to bonus and welfare fund (Note 15)	-	-	(2,105,538,154)	(2,105,538,154)
Dividends (Note 18)	-	-	(37,500,000,000)	(37,500,000,000)
Balance as at 31 December 2022	150,000,000,000	15,050,956,749	85,265,627,640	250,316,584,389

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17. Share capital

The Company's authorised and issued share capital are:

	31/12/2022 and 1/1/2022	
	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 2022 and 31 December 2021.

18. Dividends

The General Meeting of Shareholders of the Company on 19 April 2022 resolved to declare dividends to shareholders amounting to VND22,500 million (equivalent to VND1,500 per share) from retained profits of 2021 (2021: resolved to declare dividends to shareholders amounting to VND25,500 million (equivalent to VND1,700 per share) from retained profits of 2020).

The Board of Directors of the Company on 1 August 2022 and 18 November 2022 approved to advance dividends to shareholders amounting to VND15,000 million (equivalent to VND1,000 per share), from retained profits of 2022.

19. 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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20. Off balance sheet items

(a) Lease

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

	31/12/2022	1/1/2022
	VND	VND
Within one year	3,589,405,963	5,413,197,905
From two to five years	13,325,032,072	14,337,089,397
More than five years	100,558,358,472	68,967,934,895
	<hr/>	<hr/>
	117,472,796,507	88,718,222,197
	<hr/>	<hr/>

(b) Foreign currency

	31/12/2022		1/1/2022	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	196	4,577,626	196	4,440,453
	<hr/>		<hr/>	

(c) Capital expenditure commitments

As at 31 December 2022 the Company had the following outstanding capital commitments approved but not provided for in the balance sheet:

	31/12/2022	1/1/2022
	VND	VND
Approved and contracted	1,009,800,000	-
	<hr/>	<hr/>

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

	2022 VND	2021 VND
Total revenue		
▪ Sales of finished goods	625,525,458,797	477,986,121,450
<i>Sales of finished goods inclusive of special sales tax</i>	<i>1,167,940,753,445</i>	<i>870,093,881,559</i>
<i>Special sales tax</i>	<i>542,415,294,648</i>	<i>392,107,760,109</i>
▪ Sales of scraps	7,974,429,213	6,488,308,498
▪ Others	289,803,197	270,172,395
	<hr/>	<hr/>
	633,789,691,207	484,744,602,343

22. Cost of sales

	2022 VND	2021 VND
Finished goods sold	569,633,059,987	428,731,864,474
	<hr/>	<hr/>

23. Selling expenses

	2022 VND	2021 VND
Outside services	3,279,323,051	3,085,224,119
Sale commission	2,645,865,000	2,546,235,000
Others	661,556,500	759,570,500
	<hr/>	<hr/>
	6,586,744,551	6,391,029,619

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24. General and administration expenses

	2022 VND	2021 VND
Staff costs	8,027,023,157	8,297,091,454
Depreciation	980,137,807	1,265,310,033
Outside services	279,328,357	1,321,070,270
Others	6,831,122,840	4,915,338,497
	16,117,612,161	15,798,810,254

25. Other expenses

	2022 VND	2021 VND
Depreciation of idle machinery	7,449,270,360	-
Rental expenses of rental machinery temporary not in use	3,201,716,196	-
	10,650,986,556	-

26. Production and business costs by elements

	2022 VND	2021 VND
Raw material costs included in production costs	469,829,513,885	316,541,726,822
Labour and staff costs	40,391,593,084	39,086,389,359
Depreciation and amortisation	48,304,572,280	48,604,825,584
Outside services	31,327,693,718	33,239,600,118
Other expenses	12,575,424,564	11,640,309,421

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27. Corporate income tax

(a) Recognised in the statement of income

	2022	2021
	VND	VND
Current tax expense		
Current year	8,070,005,192	5,800,077,243

(b) Reconciliation of effective tax rate

	2022	2021
	VND	VND
Accounting profit before tax	30,180,768,274	28,608,507,587
Tax at the Company's tax rate	6,036,153,655	5,721,701,517
Non-deductible expenses	2,345,833,367	240,013,129
Temporary differences not recognised	15,322,963	(11,637,403)
Tax exempted income	(327,304,793)	(150,000,000)
Corporate income tax expense	8,070,005,192	5,800,077,243

(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%.



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28. Basic earnings per share

The calculation of basic earnings per share for the years ended 31 December 2022 and 31 December 2021 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

	2022	2021
	VND	VND
Net profit for the year	22,110,763,082	22,808,430,344
Appropriation to bonus and welfare fund	(2,105,538,154)	(4,640,421,517)
	<hr/>	<hr/>
Net profit attributable to ordinary shareholders	20,005,224,928	18,168,008,827
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(ii) Weighted average number of ordinary shares

There was no movement in the number of shares for the years ended 31 December 2022 and 31 December 2021. The weighted average number of ordinary shares used to calculate basic earnings per share for two presented years are 15,000,000 shares.

29. 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	
	2022	2021
	VND	VND
Associate		
Sai Gon - Vinh Long Beer Warehousing Joint Stock Company		
Sales of goods	29,100,000	35,028,000
Other sales	136,523,965	-
Dividends received	1,500,000,000	750,000,000
Other related parties		
Saigon Beer - Alcohol - Beverage Corporation		
Sales of finished goods (inclusive of special sales tax)	1,097,108,428,970	803,458,720,530
Other sales	9,049,697	-
Purchases of raw materials	422,893,070,072	261,558,490,683
Tools rentals	3,201,716,196	-
Dividends paid	7,500,000,000	5,100,000,000

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	Transaction value	
	2022	2021
	VND	VND
Saigon Beer - Alcohol - Beverage Corporation – Saigon Cu Chi Brewery		
Purchases of raw materials	29,673,000	25,956,000
Crown Beverage Cans Saigon Limited		
Purchases of packaging materials	20,488,847,087	21,320,473,967
Sai Gon Beer Trading Company Limited		
Bottles replacement fees	-	376,199,886
Sa Be Co Mechanical Co., Ltd		
Other transactions	34,000,000	-
Purchases of raw materials	-	3,260,746
Purchases of fixed assets	-	1,550,000,000
Board of Directors		
<i>Fees</i>		
Mrs. Pham Thi Hong Hanh – Chairwoman	480,000,000	480,000,000
Mr. Le Hong Xanh – Member	54,500,000	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
Mr. Nguyen Duy Phong – Member	125,500,000	-
Key management personnel		
Salary, bonus and remuneration	4,841,250,000	3,532,261,400
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

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30. Comparative information

The comparative information as at 1 January 2022 were derived from the balances and amounts reported in the Company's financial statements as at and for the year ended 31 December 2021.


6 March 2023

Prepared by:



Nguyen Thi Cam Van
Accountant

Approved by:



Nguyen Van Doanh
Chief Accountant



Nguyen Duy Phong
Director

