



SAIGON BEER - ALCOHOL - BEVERAGE
CORPORATION



BRING OUT
THE BEST *of* VIETNAM

ANNUAL REPORT 2022



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ABBREVIATIONS

4Cs	Sustainable development commitment of SABECO, including 4 pillars: Consumption, Conservation, Country and Culture
AC	Audit Committee
AGM	Annual General Meeting of Shareholders
BOD/The Board	The Board of Directors
BOM/The Management	The Board of Management
CSR	Corporate Social Responsibility
F&B	Food and Beverage
G&A	General and Administrative
GDP	Gross Domestic Product
HOSE	Ho Chi Minh Stock Exchange
IA	Internal Audit
IFRS	International Financial Reporting Standards
IR	Investor Relations
MOIT	Ministry of Industry and Trade

Q	Quarter
R&D	Research and Development
ROA	Return on Assets
ROE	Return on Equity
SABECO/ The Corporation	Saigon Beer – Alcohol – Beverage Corporation
SATRACO	Sai Gon Beer Trading Company Limited
SSC	State Securities Commission of Vietnam
VAS	Vietnamese Accounting Standards
VBA	Vietnam Beer Alcohol Beverage Association
VCCI	Vietnam Chamber of Commerce and Industry
VND	Vietnamese dong
Vs	Versus
YoY	Year on year
YTD	Year to date



SABECO INTRODUCTION

GENERAL INFORMATION



Corporate Name	TONG CONG TY CO PHAN BIA – RUOU – NUOC GIAI KHAT SAI GON
English Name	SAIGON BEER – ALCOHOL – BEVERAGE CORPORATION
Abbreviated Name	SABECO
Charter Capital	VND6,412,811,860,000
Legal Representatives	Mr. Koh Poh Tiong – Chairman of the Board of Directors Mr. Neo Gim Siong Bennett – General Director
Registered Office	187 Nguyen Chi Thanh, Ward 12, District 5, Ho Chi Minh City, Vietnam
Headquarters	5 th Floor, Vincom Center, 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam
Telephone	(+84) 28 3829 4081 – 3829 4083 – 3829 6342
Fax	(+84) 028 3829 6856
Email	sabeco@sabeco.com.vn
Website	www.sabeco.com.vn
Enterprise Registration Certificate	0300583659 issued by Ho Chi Minh City Department of Planning and Investment on April 17, 2008. The 10 th amendment was made on May 18, 2020
Business Lines	Producing and selling beer, alcohol, and other beverages



◆ Stock Information

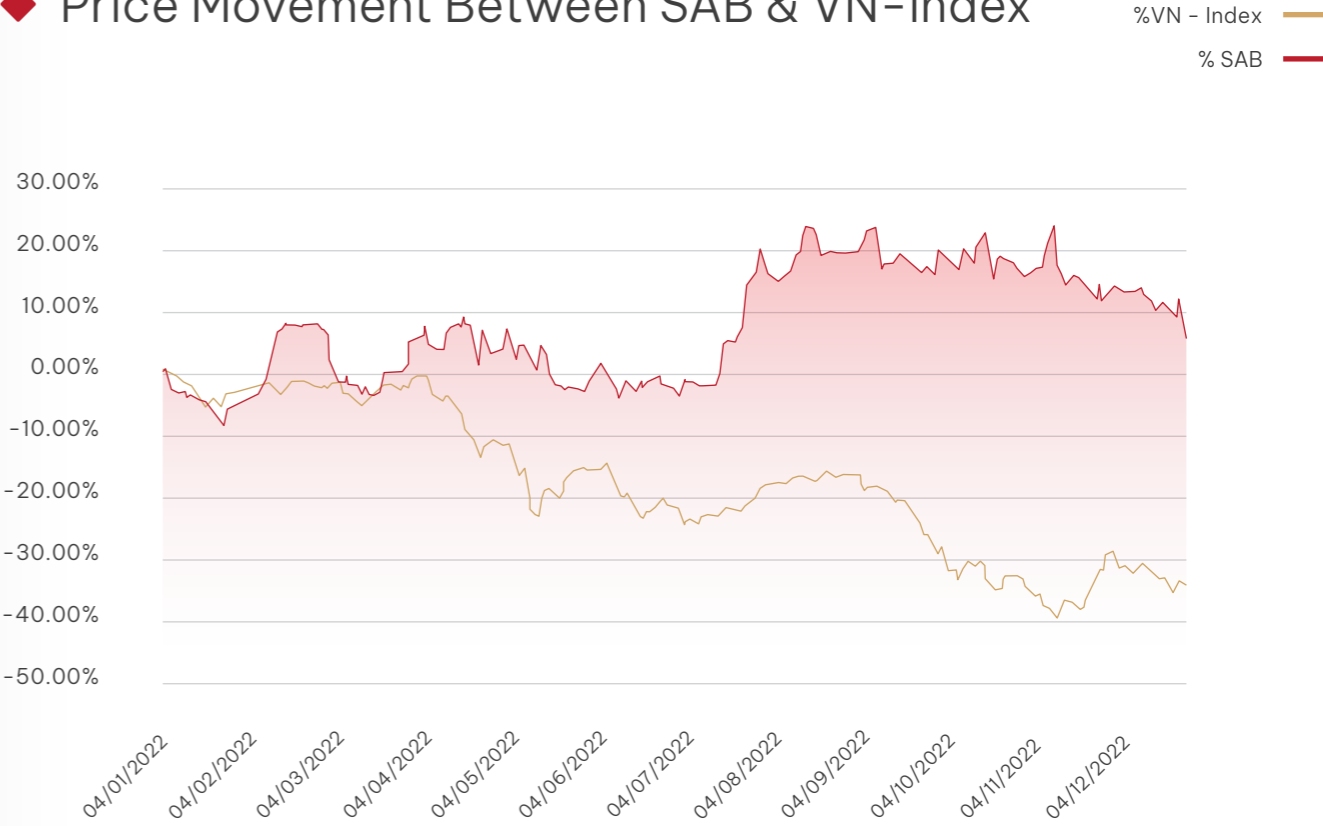
Stock Code	Stock Type	Stock Exchange
SAB	Common stock	Ho Chi Minh Stock Exchange (HOSE)
Charter Capital	Outstanding Shares	Treasury Shares
VND6,412,811,860,000	641,281,186 shares	None
Par Value	Trading Start Date	
VND10,000 per share	December 6, 2016	
Change in Charter Capital		
None		

◆ Shareholder Structure

As of 21/12/2022

	Number of shares owned	Percentage of ownership	Number of shareholders
Major shareholders			
Vietnam Beverage Company Limited	343,642,587	53.5869%	1
State Capital Investment Corporation	230,876,547	36.0024%	1
Other shareholders			
Domestic shareholders	8,999,847	1.4034%	1,780
• Institutional	7,131,176	1.112%	53
• Individual	1,868,671	0.2914%	1,727
Foreign shareholders	57,762,205	9.0073%	710
• Institutional	57,174,577	8.9157%	162
• Individual	587,628	0.0916%	548
Total	641,281,186	100%	2,492

◆ Price Movement Between SAB & VN-Index



◆ SAB Trading Volume & Price in 2022



VISION MISSION CORE VALUES

◆ Vision

Develop SABECO to become the leading beverage group in Vietnam, having firm foothold in regional and international markets.

◆ Mission

- | | |
|---|---|
| • Develop Vietnam’s beverage industry to keep pace with the world. | • Fulfill obligations to the State on the basis of transparency in business. |
| • Promote the culinary culture of Vietnamese people. | • Actively participate in community activities. |
| • Improve the quality of life by providing high quality, safe and healthy beverages. | • Ensure the development towards international integration. |
| • Bring practical benefits to shareholders, customers, partners, employees and society. | • Satisfy and meet the needs of beverages under the international food safety standards “Food hygiene and safety and environmental protection”. |

◆ Core Values





Chairman's Message

Dear Shareholders,

2022 remained a challenging year for Vietnam in general and SABECO in particular, as the global economies are being challenged on many fronts: geopolitical uncertainties, impact of soaring inflation, rising interest rate, and supply chain disruptions. Despite these headwinds, the Country has once again displayed resilience and achieved a staggering Gross Domestic Product growth of 8%, the fastest annual pace since 1997.

Delivering Value Despite Challenges

Against this backdrop, while we were impacted by higher input costs, 2022 was a breakout year for SABECO, with Profit After Tax surpassing previous records. We were able to grow market share, revenue and achieved a full-year Profit After Tax of VND 5,500 Billion, up 40% from 2021. SABECO being the national pride of Vietnam has continued to make significant progress on various fronts to strengthen our competitiveness, governance and reinforce our position as one of the leading beer players in the region.

As a testament to our commitment to bring out the best of Vietnam by producing the highest quality products and contributing outstandingly to the social communities, we received numerous prestigious awards during the year. Notably, SABECO was the first beverage enterprise to be honored at the Vietnam Glory Awards 2022 for our contributions to the Country's socioeconomic development through sustainable development initiatives.

Moving into 2023, we remain committed to investing in opportunities to drive long-term growth and total shareholder return. This would also allow us to reward shareholders with a sustainable and growing dividend over time, consistent with the Corporation's long-term growth prospects.

In Appreciation

On behalf of the Board of Directors, I would like to extend our sincere gratitude to the Board of Management and all employees for the steadfast leadership, support, hard work and dedication they have demonstrated in steering SABECO to further success even in a difficult and challenging operating environment. We would also like to thank our valued Shareholders, Customers, Partners and other stakeholders for your unwavering trust and support. We look forward to your continued support and be part of our transformation and growth journey for the many more years to come.

Yours faithfully,

Koh Poh Tiong
Chairman of the Board

General Director’s Message

Dear Shareholders,

2022 started on a hopeful note with Vietnam started the reopening of its border. While we saw green shoots appearing, the geopolitical landscape remained challenging. Issues ranged from soaring inflation, rising interest rate and supply chain disruptions may have affected the economic outlook of many countries, including Vietnam.

2022 Business Performance

Despite these challenges, SABECO was able to strengthen our market position, continue to grow market share and drive consumer consumption. Our performance for the year was respectable, we managed to surpass last year’s Revenue and Profit After Tax by 33% and 40% respectively. Notably, this was the highest Profit After Tax in the history of SABECO despite the impact of higher input costs. I am proud to say that this outstanding performance would not have been achieved without the hard work and dedication from each and every one in SABECO.

While delivering solid performance, we continued our efforts in giving back to the societies and communities as this has long been an important corporate culture of SABECO. It was heartening to see we became the first beverage company to be honored at Vietnam Glory Awards 2022 for our contributions to Vietnam’s socioeconomic development through various meaningful CSR and sustainable development initiatives. Some of the notable initiatives we have implemented includes “Light Up the Rural with Solar Energy”, “Fostering Sport”, “Together We Make Tet” and Youth Empowerment Program in strategic collaborations with Ho Chi Minh Youth Union (HCYU).

Strategic Pillars to Building a Resilient Business

2022 marked an important milestone for SABECO as we pivoted into Phase 2 of our transformation journey with 6 strategic pillars namely Sales, Brand and Marketing, Production, Supply Chain, People and Unlock covering various imperatives and underpinned by SABECO 4.0 and Governance which serve as the support foundation we would like to strengthen. Specifically, I would like to highlight a few key achievements we made:

On Sales, in addition to improving our salesforce competencies and professionalism through numerous skills and knowledge enhancement trainings, we continued to enhance brand visibility through placement of billboards and larger signages at strategic locations across the country. We saw good traction in our modern trade and e-commerce business.

On Brand and Marketing, we relaunched Bia Saigon Special with a new taste and refreshed packaging to keep pace with changing consumer tastes and appeal to younger drinkers. This year, we placed more emphasis on innovation. To excite our consumers, we introduced Bia 333 in the bottle format, limited-edition Bia Saigon Coffee Infused Beer, Bia Saigon Gold in sleek cans and continued to roll-out limited-edition 64 Bia Saigon Lager national and provincial cans for Tet.

We built brand equity by leveraging social media platforms, partnered with social media influencers and content partners to generate brand excitement and awareness. Our brand presence and awareness increased through our sponsorships of the Vietnam National Football teams, the 31st SEA Games and Bia Saigon Cup 2022, both domestic and international editions as well as the large-scale brand and music events we organized throughout the country.

On Production, our breweries continued to drive operational efficiencies by reducing the consumption of raw materials and energy. The improvement in production norms has led to significant cost savings. Best performing brewery was continued to be recognized through our annual Best Brewery Award.

In 2022, our commitment to sustainability was evident through the deployment of rooftop solar energy panels for 9 of our breweries. This initiative will replace part of our electricity needs with clean energy thus reducing our electricity costs as well as greenhouse gas emissions.

In addition, we have embarked on streamlining, optimizing and professionalizing our **Supply Chain** infrastructures and capabilities including warehouse operations and transportation services. Since then, we have seen cost savings and service quality improvement.

It is also worth mentioning that this year we have started exploring at various mid to long-term strategic investment initiatives to **Unlock** and maximise the value and potential of our assets, processes, and structures. I hope to be able to announce more good news soon.

Outlook & In Appreciation

Stepping into 2023, the operating environment remains challenging and uncertain. With the intensifying competition landscape coupled with the fear of economic slowdown, we are cautiously optimistic with our business growth and performance. Against this backdrop, we remain committed to deliver our short-term priorities and long-term goals. We will continue to defend and grow market share as well as sales volume, both sustainably and profitably, continue to drive productivity improvements and mitigate input cost pressures. I am confident that with the relentless efforts across SABECO, we will be able to bring SABECO to achieve the next level of success.

Lastly, I would like to thank our Board of Directors for their consistent support and wise guidance. On behalf of the Management team, we proudly commend our colleagues for their dedication and contribution during such challenging times. SABECO would not be where it is today without their commitment and teamwork. We would also like to express our gratitude to our valued Shareholders, Customers, Partners for your unwavering support and trust in SABECO.

Let’s us all continue to work together to bring out the best of Vietnam!

Yours faithfully,

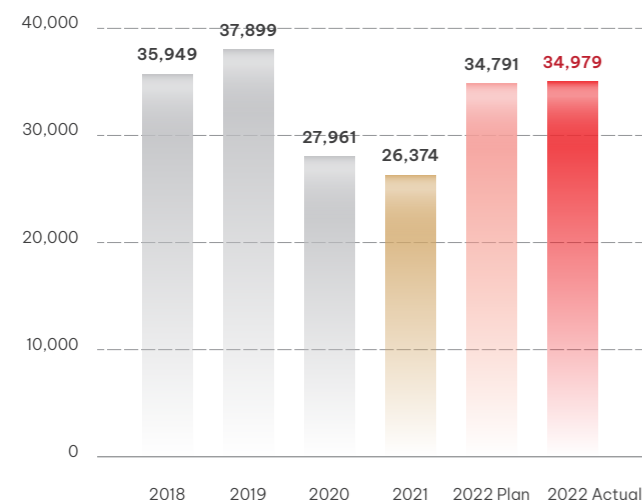
Neo Gim Siong Bennett
General Director



2022 FINANCIAL HIGHLIGHTS

◆ Net sales

(Billion VND)



+0.54%

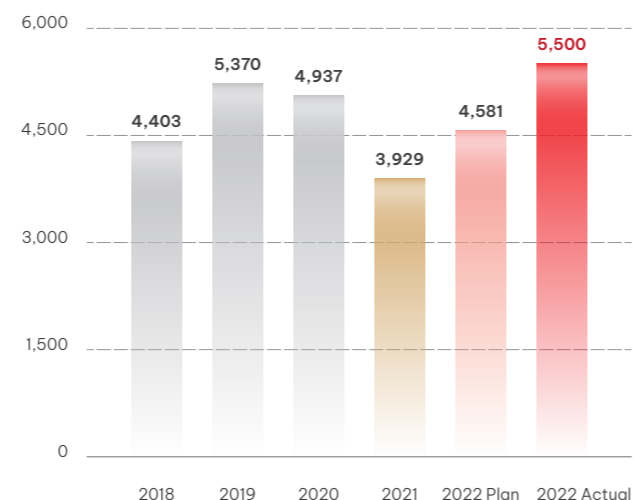
Vs 2022 plan

+32.6%

Vs 2021

◆ Profit after tax

(Billion VND)



+20.1%

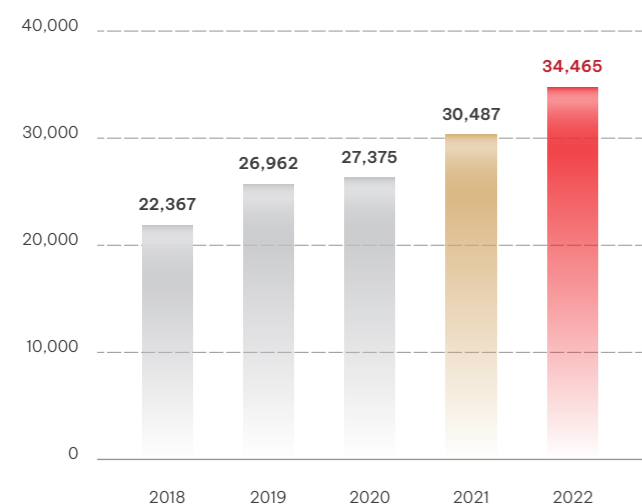
Vs 2022 plan

+40.0%

Vs 2021

◆ Total assets

(Billion VND)

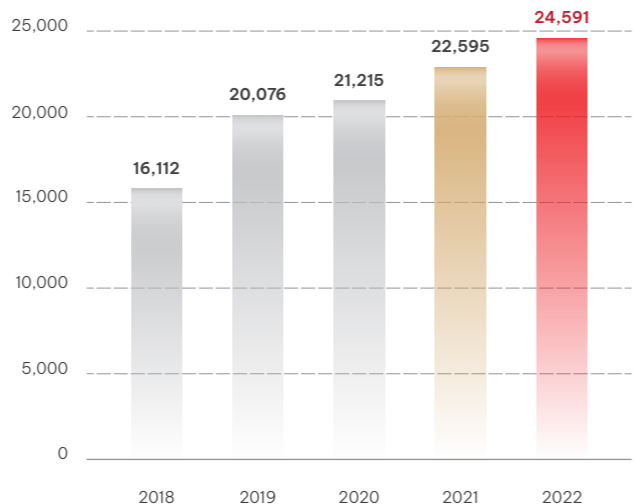


+13.0%

Vs 2021

◆ Owner's equity

(Billion VND)



+8.8%

Vs 2021

2022 AWARDS

◆ Corporate Awards



VIETNAM'S GLORY AWARD

The Vietnam General Confederation of Labor



TOP 25 F&B LEADING BRANDS

Forbes Vietnam



CORPORATE EXCELLENCE AWARD

The Asia Pacific Enterprise Awards (APEA)



INSPIRATIONAL BRAND AWARD

The Asia Pacific Enterprise Awards (APEA)



**EXCELLENT SUSTAINABLE
BUSINESS MARKETING AWARDS**

Kotler Awards



**TOP 10 PRESTIGIOUS COMPANY IN
THE ALCOHOLIC BEVERAGE SECTOR**

Vietnam Report



**BRONZE AWARD FOR
"BRAND EXPERIENCE",**
Smarties Vietnam 2022



**SILVER AWARD FOR
"EXPERIENCE TECHNOLOGY"**
Smarties Vietnam 2022



**SILVER AWARD FOR
"IMPACT MEDIA"**
Smarties Vietnam 2022

◆ Product Awards

BIA SAIGON GOLD

★ World Selection of Beers, Waters and Soft Drinks



Organization	Class
Monde Selection International Quality Institute, Belgium	Pilsen Type

BIA SAIGON CHILL

★ Asia Beer Championship



Organization	Class
The Asia Brewers Network, Singapore	American Lager

BIA SAIGON SPECIAL

★ Brussels Beer Challenge

★ World Beer Awards

Organization	Beer Communication & Events (Becomev)	The Drinks Report
Class	American Style Pilsen	Classic Pilsener



BIA SAIGON EXPORT

★ World Selection of Beers, Waters and Soft Drinks

★ World Beer Awards

Organization	Monde Selection International Quality Institute, Belgium	The Drinks Report
Class	Pilsen Type	International Lager



BIA LAC VIET

★ World Selection of Beers, Waters and Soft Drinks



Organization	Class
Monde Selection International Quality Institute, Belgium	Special or Regional Beer

BIA SAIGON LAGER

★ Asia Beer Championship (Chairman Selection)

★ World Beer Awards (Vietnam Country Winner)

Organization	The Asia Brewers Network, Singapore	The Drinks Report
Class	American Lager	Light



333

★ World Selection of Beers Waters and Soft Drinks

★ World Beer Awards (Vietnam Country Winner)

Organization	Monde Selection International Quality Institute, Belgium	The Drinks Report
Class	Pilsen Type	Classic Pilsener



KEY MILESTONES

1875

A small beer workshop was set up by Mr. Victor Larue, a Frenchman in Saigon

In 1910, the workshop was then developed into a complete brewery, specialized in producing beer, beverages and ice. In September 1927, the brewery was officially incorporated into the French BGI system.

1977

The establishment of Saigon Beer Brewery

On May 17, 1977, the Minister of Food and Foodstuff issued the Decision No. 845/LTTP to place the BGI Company Brewery under management of the Southern Brewery Company. From June 1, 1977, the brewery was renamed as Saigon Beer Brewery.

1985

The launch of Saigon Export cans

In October 1985, Saigon Beer Brewery installed the first canning production line in Vietnam and launched Saigon Export cans with the size of 330ml as part of the Saigon Premium Export brand.

1989

The launch of 333 Export cans

In October 1989, 333 Export cans were produced with the size of 330ml.



1992

The launch of Saigon Lager bottles

In February 1992, Saigon Beer Brewery completely installed and put into operation a new brewing line with a capacity of 30,000 bottles/hour and started using plastic tanks instead of wooden ones. At the same time, 450ml beer bottles with a better-looking and more durable design were launched to replace the old size of 500ml.



1993

Changing from Saigon Beer Brewery to Saigon Beer Company

Saigon Beer Brewery became Saigon Beer Company after merging with Saigon Ice Factory, Beer - Alcohol Mechanical Factory and Da Kai Mineral Water Factory.

1996

The launch of Saigon Export bottles

In June 1996, Saigon Export bottles were initially produced for export purposes, yet due to the increasing domestic demand, these 355ml bottles were then sold in the domestic market.



2000

The launch of Saigon Special bottles

In July 2000, 330ml Saigon Special bottles were launched with a signature design of green glass bottle for high-income consumers.



2003

The establishment of Saigon Beer - Alcohol - Beverage Corporation (SABECO)

Saigon Beer - Alcohol - Beverage Corporation (SABECO) was established with new subsidiaries of Binh Tay Liquor Company, Chuong Duong Beverages Company, Phu Tho Glass Company and Saigon Beer - Alcohol - Beverage Trading Company.

2008

The establishment of Saigon Beer - Alcohol - Beverage Corporation as a joint stock company through equitization

The establishment of Saigon Beer - Cu Chi Brewery, which was the most modern brewery in Southeast Asia.

SABECO was awarded the Labor Hero of the Renovation Period.

2010

SABECO achieved an annual beer consumption rate of 1 billion liters

2016

Listing on HOSE

2017

The launch of Saigon Gold cans

SABECO launched Saigon Gold cans with the size of 330ml and 5% ABV, which represented the most premium beer of SABECO and were produced in limited quantities.



2018

The change in structure of managerial organization of SABECO

Audit Committee was established to replace the Board of Supervisors.

2019

Bia Saigon and 333 relaunches

In August 2019, SABECO relaunched Bia Saigon brand including Bia Saigon Special, Bia Saigon Lager and Bia Saigon Export.

In December 2019, SABECO relaunched 333 cans.



2020

SABECO's 145th anniversary

SABECO celebrated its 145th anniversary with various initiatives throughout the year, including the "Rise with Vietnam" relay, brand-new launches of Bia Lac Viet and Bia Saigon Chill, and the redesigned Bia Saigon Gold.



2021

"Stronger Together"

SABECO prioritized on employees' health and safety, preserved jobs, rolled out vaccination programs, and gave back to the community through various CSR initiatives, including "Community Care", "Collecting Million Stars", and "Tet - One Home" programs, as well as launched the "63 Vietnamese provincial cans" collection and limited edition cans of Bia Saigon Lager.

2022

"Bring out the best of Vietnam"

Leveraging from the economic recovery and market reopening, SABECO is stepping into its Phase 2 transformation journey which covers six strategic pillars: Sales, Brand and Marketing, Production, Supply Chain, People, and Unlock.

SABECO has consistently positioned itself as the pride of Vietnam and committed to bringing out the best of Vietnam by offering the best quality products, promoting the development of Vietnamese sports and giving back to the community through various CSR initiatives.

2022 JOURNEY

March 2022

SAIGON BEER – QUANG NGAI BREWERY EXPANSION

On March 8, 2022, SABECO inaugurated the expansion ceremony of increasing Saigon Beer – Quang Ngai Brewery’s capacity to 250 million liters per year with a total investment of VND650 billion, marking the next success after phase 1, when its canning line with a capacity of up to 60,000 cans per hour was placed into operation in June 2020. Being equipped with modern production lines imported from Germany with various functions and a high level of automation, Saigon Beer – Quang Ngai Brewery is one of the most advanced breweries of SABECO in the Central region, largely contributing to the Corporation’s cost optimization and efficiency improvements in production and business operations.

Capacity of up to

250

million liters per year



RELAUNCH OF THE LEGENDARY BIA SAIGON SPECIAL

On March 29, 2022, Bia Saigon launched a special event, marking the return of the legendary Bia Saigon Special. It was the first among a series of Bia Saigon’s activities in 2022 to bring great experiences to Vietnamese consumers.

For this comeback, in addition to the appearance renewal in a more modern and elegant way, Bia Saigon Special also improved its taste by using premium American Yakima hops as well as adopting a special brewing technique called “dry hopping” for a more refreshing flavor compared to the original.

The rejuvenation of Bia Saigon Special affirmed SABECO’s commitment to offering the best quality products and understanding the preferences and demands of Vietnamese consumers.



The Bia Saigon Special Reborn event was held with various musical performances and consumer engagement activities. At the event, Bia Saigon Special also officially introduced the well-known boy band Da LAB as its brand ambassador.

April 2022

COOPERATION WITH THE CENTRAL COMMITTEE
OF HO CHI MINH COMMUNIST YOUTH UNION

In order to establish a long-term and sustainable strategic cooperation based on mutual interests of the two parties, the Central Committee of Ho Chi Minh Communist Youth Union and SABECO held a signing ceremony for the 2022 – 2024 cooperation program on April 18, 2022. The program will mainly focus on developing Vietnamese talents, promoting Vietnamese culture, sports and tourism, raising awareness for acts of kindness in the community, and sustainable development initiatives in Vietnam.



May 2022

COOPERATION BETWEEN THE MINISTRY OF
CULTURE, SPORTS, AND TOURISM AND SABECO

Following the successful partnership in 2021, the cooperation signing ceremony between the Ministry of Culture, Sports, and Tourism and SABECO was held on May 13, 2022. The program's activities in 2022 will primarily focus on the following areas:

- Culture & art: promoting the quintessential cultural and artistic values of Vietnam to both Vietnamese and international peers, as well as honoring great Vietnamese people.
- Tourism & cuisine: promoting the national tourism and signature cuisines across Vietnam, along with international cuisines.
- Sports: supporting the 31st SEA Games, motivating the Vietnamese Sports Delegation, and developing Vietnamese sports talents through the community initiative of “Vietnam Wins Gold”.

BEING THE DIAMOND SPONSOR FOR
31st SEA GAMES

As the diamond sponsor of the 31st SEA Games held in Vietnam, SABECO and Bia Saigon brand in particular launched a series of activities to celebrate this sporting event. Specifically, the Corporation introduced exclusive limited-edition cans of Bia Saigon Gold, Bia Saigon Export, and Bia Saigon Lager for SEA Games 2022, reflecting the Vietnamese people’s belief in the success of national sport teams. “Vietnam Wins Gold” campaign was implemented to rally national unity to support and motivate Vietnamese athletes during the 31st SEA Games while relaying the pride of Vietnam altogether. Bia Saigon also contributed VND5 billion to support the development of young sport talents.

Accompanying the 31st SEA Games, Bia Saigon continued to reaffirm its commitment to the development of national sports, as well as spreading positive values to Vietnamese communities.



June 2022

DEM SAIGON

The series of Dem Saigon was one of the efforts between Bia Saigon and the Central Committee of Ho Chi Minh Communist Youth Union to promote the recovery and development of Vietnamese culture, cuisine, sports, and tourism. This year, the program returned after Covid-19 and was held in rural areas of 34 provinces and cities across the country with various exciting and meaningful activities, thereby facilitating thousands of people with lively entertaining vibes and spreading the unique street culture of Saigon.



July 2022

TOP STAR PARTNER OF VIETNAM NATIONAL FOOTBALL TEAMS

On July 4, 2022, according to a new cooperation agreement among SABECO, Vietnam Football Federation (VFF) and VTVcab Sport Development Joint Stock Company (VTVcab Sport), Bia Saigon was the top star partner and exclusive sponsor in the beer industry for national football teams, including men, women, and U23 teams from July 2022 to July 2025.

This initiation strongly reinforced Bia Saigon's strategy and determination to bring out the best of Vietnam, as well as the brand's commitment to promoting the development of Vietnamese sports.



BIA SAIGON CHILL SUMMER CAMPAIGN

In order to welcome an exciting summer, SABECO launched a comprehensive summer campaign for Bia Saigon Chill from July 2022 to September 2022 with a series of brand experiential events in key cities. One of the key highlights being the attractive nationwide promotion with the top prize of VND200 million, coupling with extraordinary music festivals for young people with the participation of famous domestic and international artists such as Hay Fest Glamping Music Festival in Hanoi and the EDM Dragon Music Festival in Ha Long.

THE CHILL FEST

The Chill Fest was the first series of music events to "bring summer beach to the city", organized by Bia Saigon Chill in four big cities including Can Tho, Ho Chi Minh City, Da Lat, and Hanoi. Equipped with a grand stage, entertaining music performances from famous local and international artists, along with creative experiences, The Chill Fest engaged more than 20,000 young attendees and became one of the signature events in summer 2022.

Organization in

04 big cities

Engaged more than

20,000 audiences



August 2022

BIA SAIGON COFFEE INFUSED BEER

Being inspired by the idea of combining beer and coffee, two of the most favorite drinks in Vietnam, SABECO's brew masters diligently researched and improved techniques to proudly deliver an innovative product called Bia Saigon Coffee Infused Beer, with its main ingredients including the premium barley and Robusta & Arabica coffee beans from the Central Highlands of Vietnam.

The familiarity yet also novelty in the flavor of Bia Saigon Coffee Infused Beer, along with the youthful packaging design, reflected the efforts of SABECO and Bia Saigon brand in honoring the beverage culture of Vietnamese people, as well as the brand's spirit of pushing boundaries to capture the needs of consumers and enhance the product experience.



FIRST EVER LARGE-SCALE CAMPAIGN FOR BIA LAC VIET

From August 19, 2022, Bia Lac Viet launched a music talent competition of "Star Of Every Fun" in the form of online and on-the-spot with the top prize of VND1 billion. This competition created a vibrant and attractive playground, as well as inspired music lovers across the country.

Prize of up to

VND 1,000,000,000

September 2022

"VIETNAM GLORY AWARD 2022"

During the "Vietnam Glory Award 2022" organized by the Vietnam General Confederation of Labor on September 10, 2022 to honor organizations and individuals with outstanding achievements, SABECO was proud to be the first ever and also the only beverage company among 7 organizations and 6 individuals to be honored with this noble award.

Being strongly committed to business investment together with sustainable development, SABECO always strived to bring positive values through practical actions to the country's socio-economic development. Over the years, the Corporation had worked with the government and social organizations to implement several community initiatives, such as the "Rise with Vietnam" relay, "Community Care", "Tet - One Home", "Vietnam Win Gold", etc., to assist people and the nation in overcoming difficulties, honor the beauty of Vietnamese culture as well as promote the country's tourism and sports.



October 2022

NEW 333 BOTTLES

With 333 being one of the most popular beer brands in Vietnam and having a strong footprint in international markets, SABECO took it a step further and successfully launched 333 premium bottles to bring the best quality products to consumers. Featuring an impressive design, amber brown bottles and elegant silver labels, combined with the excellent taste from German Hallertau hops, long-lasting recipes from France, and brewed by Vietnamese brew masters, these new 333 bottles helped elevate the beer tasting experience for consumers.



December 2022

“TOGETHER WE MAKE TET” CSR PROGRAM

On December 7, 2022, SABECO announced its collaboration with the Vietnam General Confederation of Labor and the Central Committee of Ho Chi Minh Communist Youth Union to jointly roll out the “Together We Make Tet” CSR program to honor and give out 8,000 Tet giftsets with a total value of VND5.6 billion to labors across the country. Besides, the program brought the Tet experience to selected provinces with traditional folk games and various meaningful activities. With this initiative, the Corporation aimed to work in tandem with the government, enterprises, and social organizations to provide a warm and prosper Tet for workers and their families, thereby upholding cultural values and sustainable development.



Give out

8,000 Tet giftsets

Total value of

5.6 billion VND



December 2022

MARKETING STUNT FOR TET 2023

BIA SAIGON GOLD

Being wrapped in a luxurious shiny gold color, Bia Saigon vehicles with "gold bars" paraded stunningly on the main streets of Ho Chi Minh City and Hanoi to promote the after-sales campaign which was exclusive to corporate customers of Bia Saigon Gold, attracting great attention from passers-by and netizens. The grandeur of the "gold bars" delivery convoy to customers not only showed the meticulousity of the brand but also affirmed the image of a premium beer brand, i.e., Bia Saigon Gold.



BIA SAIGON LAGER 64 PROVINCIAL CAN CARTON

Bia Saigon continued to strongly spread the pride of national identity through a collection of 64 cans of Bia Saigon Lager with the message of "Together We Make Tet". Apart from the familiar 63 cans of Bia Saigon Lager featuring signature artworks of 63 Vietnamese provinces and cities, there was one special 64 can with the design of "VN", an abbreviation for "Vietnam".

Bia Saigon promoted this collection with an impressive event by introducing Vietnam's biggest 64-can beer carton with a total length of 30 meters floating on the Saigon river, setting a record verified by the Vietnam Record Association, and became the focal point of discussion on social networks.



"HAPPY CHILL YEAR"
BRAND CAMPAIGN

Bia Saigon Chill launched "Happy Chill Year" brand campaign with its message of "Walking on the Chill side" to celebrate the year-end festival season and greet the new year 2023 with optimism and joy. The campaign started with the launch of a fashion collection called "Chill Inside Out", which was the first collaboration between Bia Saigon Chill and famous designer Vo Cong Khanh to create unique outfits for young people to bring out the positive Chill spirit. Subsequently, Bia Saigon Chill also held a series of events, including the return of The Chill Fest with a new version called The Chill Fest: Runway to New Year in Hanoi, Quy Nhon, and Vung Tau on Christmas and New Year holidays.



BRAND & PRODUCT PORTFOLIO

◆ Beer

BIA SAIGON



Bia Saigon Gold



Bia Saigon Chill



Bia Saigon Special



Bia Saigon Export



Bia Saigon Lager



Bia Saigon Coffee Infused Beer

333



333

BIA LAC VIET



Bia Lac Viet

◆ Alcoholic drinks



Nang Huong Rice Liquor



Lua Thom Rice Liquor



Caravelle Red Rhum



Feel Cocktails



De Binh Tay Rice Liquor



Ruu Nep Binh Tay Rice Liquor

◆ Non - Alcoholic drinks



Sa Xi Chuong Duong



Sa Xi Zero Chuong Duong



Nam Phuong Bird's Nest Aloe Vera



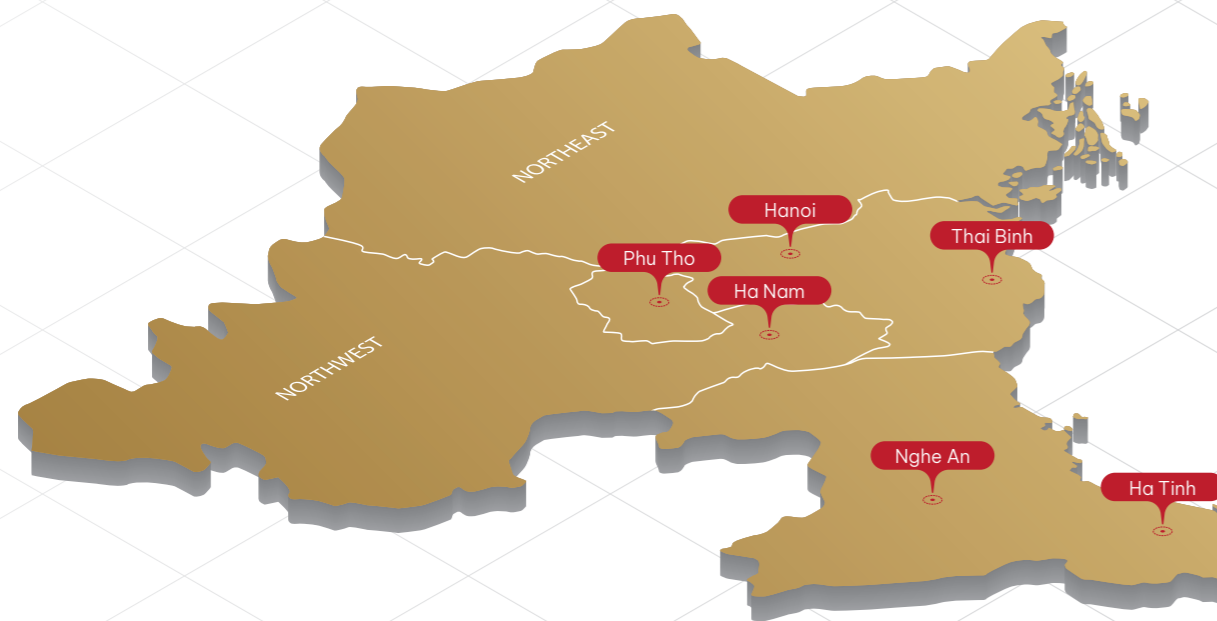
Soda Chuong Duong



Bottled Drinking Water Chuong Duong

BUSINESS LOCATIONS

◆ Breweries Network



26

Breweries

TOTAL PRODUCTION CAPACITY



2.4

billion liters
per year



◆ Distribution Network

01

master trading company

11

regional and nationwide trading companies

30

countries overseas

63

provinces and cities in Vietnam

More than

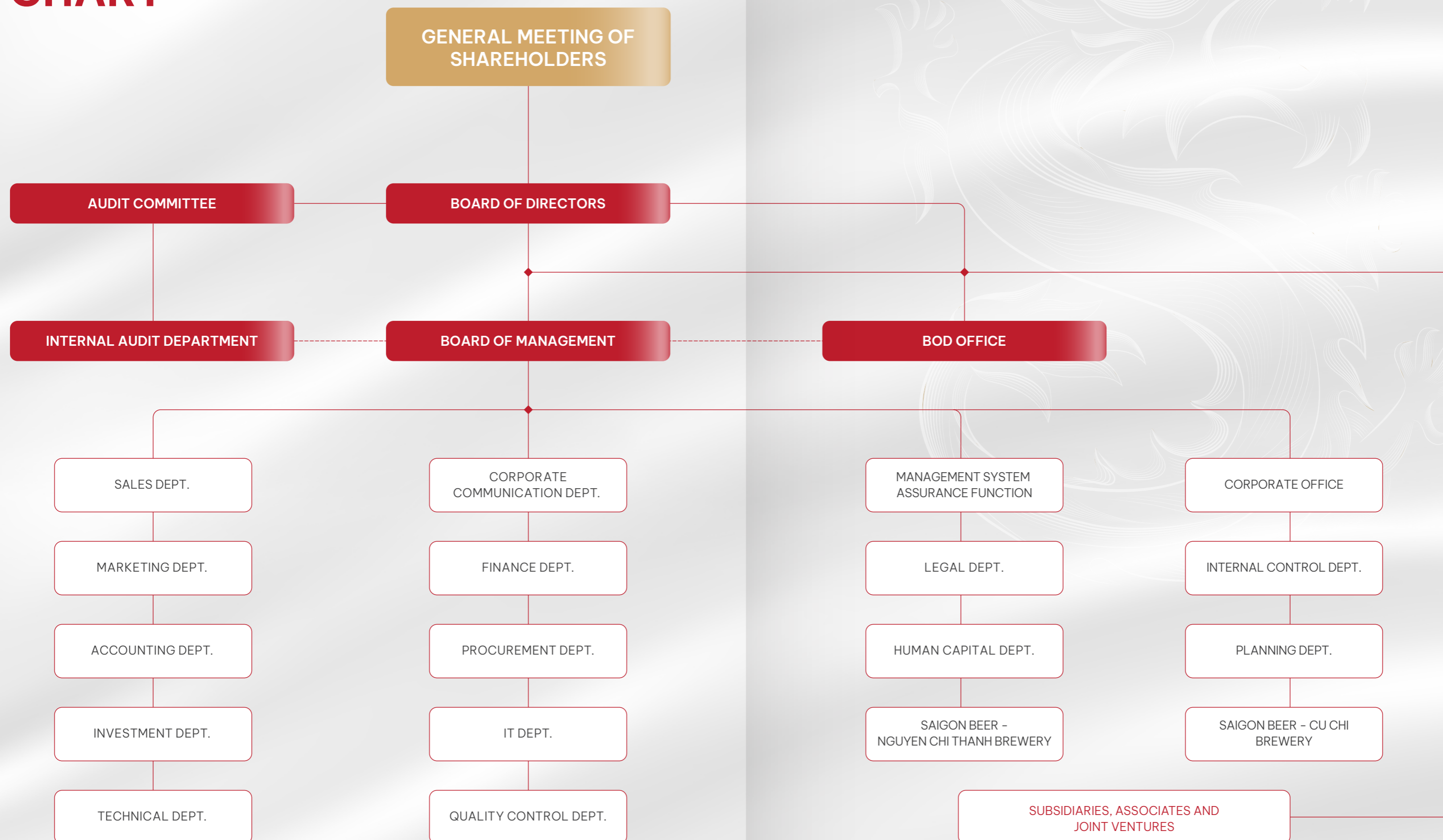
200,000

outlets



No.	Company Name	Location
1	Northern Sai Gon Beer Trading Joint Stock Company	Hanoi
2	Sai Gon Beer Bac Trung Bo Trading Joint Stock Company	Nghe An
3	Saigon Beer Center Trading Joint Stock Company	Ho Chi Minh City
4	Saigon Beer Mien Trung Trading Joint Stock Company	Da Nang
5	Sai Gon Beer Tay Nguyen Trading Joint Stock Company	Dak Lak
6	Saigon Beer Nam Trung Bo Trading Joint Stock Company	Khanh Hoa
7	Sai Gon Beer Eastern Trading Joint Stock Company	Binh Duong
8	Song Tien Saigon Beer Trading Joint Stock Company	Vinh Long
9	Saigon Song Hau Beer Trading Joint Stock Company	Can Tho
10	Sai Gon Beer Northeast Trading Joint Stock Company	Quang Ninh
11	Saigon Beer Group Company Limited	Nationwide

ORGANIZATIONAL CHART



LIST OF SUBSIDIARIES, ASSOCIATES, AND JOINT VENTURES

26

Subsidiaries

18

Associates and Joint Ventures

◆ List of Subsidiaries

No	Company	Type of Business	Location	Paid-up capital (VND)	% of Voting Right	% of Ownership
1	Sai Gon Beer Trading Company Limited	Trading beer, alcohol and beverage	12, Dong Du Street, Ben Nghe Ward, District 1, Ho Chi Minh City	700,000,000,000	100.00%	100.00%
2	Sa Be Co Mechanical Co., Ltd	Manufacturing equipments used in food manufacturing, installing and maintaining machinery system and equipment	215 Dao Duy Tu, Ward 6, District 10, Ho Chi Minh City	59,365,663,690	100.00%	100.00%
3	Sai Gon - Ha Tinh Beer One Member Company Limited	Producing and trading beer, yeasty malt, mineral water, bottled purified water	12th Kilometer bypass of Ha Tinh City, Tan Lam Huong Commune, Thach Ha District, Ha Tinh Province	120,000,000,000	100.00%	100.00%
4	Saigon Beer Company Limited	Wholesale of beer, alcohol and beverage	187 Nguyen Chi Thanh, Ward 12, District 5, Ho Chi Minh City	10,000,000	100.00%	100.00%
5	Saigon Beer Group Company Limited	Wholesale of beer, alcohol and beverage	187 Nguyen Chi Thanh Street, Ward 12, District 5, Ho Chi Minh City	40,000,000,000	100.00%	100.00%
6	Sai Gon Beer Bac Trung Bo Trading Joint Stock Company	Trading beer, alcohol and beverage; providing transportation and warehousing services	Dong Vinh Small Industrial Zone, Dong Vinh Ward, Vinh City, Nghe An Province	40,000,000,000	95.07%	95.07%
7	Saigon Beer Center Trading Joint Stock Company	Wholesale of beer, alcohol drinks; wholesale of non-alcohol drinks, wholesale of other chemicals, alcohol; trading packaging; providing cargo transportation by car	12, Dong Du Street, Ben Nghe Ward, District 1, Ho Chi Minh City	90,000,000,000	94.45%	94.45%
8	Binh Tay Liquor Joint Stock Company	Producing and trading alcohol	621 Pham Van Chi Street, Ward 7, District 6, Ho Chi Minh City	140,000,000,000	93.47%	93.32%
9	Saigon Beer Mien Trung Trading Joint Stock Company	Trading beer, alcohol and beverage; providing warehousing and cargo transportation by car services	No.7 1st Street, An Don Industrial Zone, An Hai Bac Ward, Son Tra District, Da Nang City	60,000,000,000	91.24%	91.24%
10	Sai Gon Beer Eastern Trading Joint Stock Company	Trading beer, alcohol and beverages; providing cargo transportation by road and waterway services	46/19, D1 Street, Binh Phu Hamlet, Binh Chuan Commune, Thuan An Town, Binh Duong Province	40,210,000,000	90.68%	90.68%
11	Sai Gon Beer Northeast Trading Joint Stock Company	Trading beer, alcohol and beverages; providing warehousing and cargo transportation services	No.2A Cai Lan Industrial Zone, Bai Chay Ward, Ha Long City, Quang Ninh Province	40,000,000,000	90.45%	90.45%
12	Saigon Beer Nam Trung Bo Trading Joint Stock Company	Trading beer, alcohol and beverages; providing warehousing and cargo transportation services	National Highway No.1 , Dien Phu Commune, Dien Khanh District, Khanh Hoa Province	60,000,000,000	90.14%	90.14%

No	Company	Type of Business	Location	Paid-up capital (VND)	% of Voting Right	% of Ownership
13	Northern Sai Gon Beer Trading Joint Stock Company	Trading beer, alcohol and beverages; providing transportation and warehousing services	Lot CN 01-05, Ninh Hiep Industrial Zone, Ninh Hiep Ward, Gia Lam District, Hanoi City	40,000,000,000	90.00%	90.00%
14	Sai Gon Beer Tay Nguyen Trading Joint Stock Company	Trading beer, alcohol and beverages; providing warehousing and transportation services	190 Nguyen Van Linh Street, Ea Tu Commune, Buon Ma Thuot City, Dak Lak Province	39,761,600,000	90.00%	90.00%
15	Song Tien Saigon Beer Trading Joint Stock Company	Trading beer, alcohol and beverage; providing warehousing and cargo transportation by road services	No. 11,Tan Vinh Thuan Hamlet, Tan Ngai Commune, Vinh Long City, Vinh Long Province	40,000,000,000	90.00%	90.00%
16	Saigon Song Hau Beer Trading Joint Stock Company	Trading beer, alcohol and beverages; providing cargo transportation by road and waterway services	No.15 – 25, 26 Vo Nguyen Giap Street, Phu Thu Ward, Cai Rang District, Can Tho City	40,290,000,000	90.00%	90.00%
17	Sai Gon Beer Packaging Joint Stock Company	Producing and trading tin lid rings and metal packaging, packaging for food and beverage industry	621 Pham Van Chi Street, Ward 7, District 6, Ho Chi Minh City	71,770,160,000	76.81%	76.81%
18	Saigon – Songlam Beer Joint Stock Company	Producing and trading beer and beverages; importing and exporting related materials	Block 1 Hung Dao Commune, Hung Nguyen District, Nghe An Province	450,000,000,000	68.78%	68.78%
19	Sai Gon – Quang Ngai Beer Joint Stock Company	Producing and trading beer	Quang Phu Industrial Zone, Quang Ngai City, Quang Ngai Province	450,000,000,000	66.56%	66.56%
20	Chuong Duong Beverages Joint Stock Company	Producing and trading beverages, canned food and accessories	606 Vo Van Kiet Street, Cau Kho Ward, District 1, Ho Chi Minh City	85,000,000,000	62.06%	62.06%
21	Sai Gon – Dong Xuan Beer, Alcohol Joint Stock Company	Producing and trading beer, alcohol and soft drinks	Zone 6, Thanh Ba Town, Thanh Ba District, Phu Tho Province	30,000,000,000	56.24%	55.90%
22	Saigon – Nghetinh Beer Joint Stock Company	Producing and trading beer, alcohol and beverages	54 Phan Dang Luu Street, Truong Thi Ward, Vinh City, Nghe An Province	105,000,000,000	54.73%	54.73%
23	Saigon – Lamdong Beer Joint Stock Company	Producing beer, alcohol and beverages	Lot CN 5, Loc Son Industrial Zone, Loc Son Ward, Bao Loc City, Lam Dong Province	200,000,000,000	52.91%	52.91%
24	Sai Gon – Ha Noi Beer Corporation	Producing and trading beer and beverages; importing and exporting related materials	Lot A2-CN8, Tu Liem Industrial Zone, Phuong Canh Ward, Nam Tu Liem District, Hanoi City	180,000,000,000	52.11%	52.11%
25	Western – Sai Gon Beer Joint Stock Company	Producing and trading beer	Tra Noc Industrial Zone, Tra Noc Ward, Binh Thuy District, Can Tho City	145,000,000,000	51.00%	51.00%
26	Saigon Soc Trang Beer One Member Limited Company	Producing and trading beer, yeasty malt, mineral water, bottled purified water	Lot S, An Nghiep Industrial Zone, An Hiep Commune, Chau Thanh District, Soc Trang Province	200,000,000,000	100.00%	51.00%

◆ List of Associates and Joint Ventures

No 1 – 13: Associates | No 14 – 18: Ventures

No	Company	Type of Business	Location	Paid-up capital (VND)	% of Voting Right	% of Ownership
1	Truong Sa Food – Food Business Joint Stock Company	Producing argicultural products and foods	6A Truong Sa Street, Ward 17, Binh Thanh District, Ho Chi Minh City	17,700,000,000	38.98%	38.62%
2	Sai Gon – Mien Trung Beer Joint Stock Company	Producing and trading beer, alcohol, beverages and spare parts	1 Nguyen Van Linh Street, Tan An Ward, Buon Me Thuot City, Dak Lak Province	298,466,480,000	32.41%	32.40%
3	Saigon – Phutho Beer Joint Stock Company	Producing and trading beer, alcohol and beverages	Trung Ha Industrial Zone, Dan Quyen Commune, Tam Nong District, Phu Tho Province	125,000,000,000	33.85%	30.84%
4	Tan Thanh Investment Trading Company Limited	Construction and real estates	66 Tan Thanh Street, Ward 12, District 5, Ho Chi Minh City	250,000,000,000	29.00%	29.00%
5	Thanh Nam Consultant Investment – Engineering and Technology Transfer Joint Stock Company	Providing and consulting construction and designing services	50A, Bui Thi Xuan Street, Ben Thanh Ward, District 1, Ho Chi Minh City	1,400,000,000	28.57%	28.57%
6	Saigon Tay Do Beer – Beverage Joint Stock Company	Producing and trading beer, alcohol and beverages, soya milk and fruit Juice	Lot 22, Tra Noc 1 Industrial Zone, Tra Noc Ward, Binh Thuy District, Can Tho City	200,000,000,000	34.92%	27.62%
7	Mechanical and Industrial Construction Joint Stock Company	Manufacturing, installing machinery, bridges and roads and industrial construction products	929–931, National Highway No.1A , Thoi An Ward, District 12, Ho Chi Minh City	35,999,480,000	26.00%	26.00%
8	Sai Gon – Khanh Hoa Beer Joint Stock Company	Producing and trading beer, alcohol, beverages and spare parts	Dien Phu Industrial section, Dien Phu Commune, Dien Khanh District, Khanh Hoa province	100,000,000,000	26.00%	26.00%
9	Saigon Binh Tay Beer Group Joint Stock Company	”Producing, processing and trading food, beverages, beer and alcohol drinks”	08 Nam Ky Khoi Nghia Street, Nguyen Thai Binh Ward, Distric 1, Ho Chi Minh City	875,245,360,000	22.18%	21.80%
10	Sai Gon – Vinh Long Beer Joint Stock Company	Producing and trading beer, alcohol and beverages	No.11, Tan Vinh Thuan Hamlet, Tan Ngai Commune, Vinh Long City, Vinh Long province	150,000,000,000	20.00%	20.00%
11	Sai Gon – Kien Giang Beer Joint Stock Company	Producing and trading beer, alcohol, beverages and spare parts	D1–D2 Street, Thanh Loc Industrial Zone, Thanh Loc Commune, Chau Thanh District Kien Giang province	115,000,000,000	20.00%	20.00%
12	Saigon – Bentre Beer Joint Stock Company	Producing and trading beer, alcohol and beverages	Phuoc Hau Hamlet, An Phuoc Commune, Chau Thanh District, Ben Tre Province	100,000,000,000	20.00%	20.00%
13	Saigon–Baclieu Beer Joint Stock Company	Producing beer, alcohol and beverage	Lot B5, Tra Kha Industrial Zone, Ward 8, Bac Lieu City, Bac Lieu Province	120,120,000,000	20.00%	10.20%
14	Vietnam Spirits and Wine LTD.	Producing and trading alcohol and alcohol – related products	621 Pham Van Chi, Ward 7, District. 6, Ho Chi Minh City	65,461,973,000	45.00%	45.00%
15	San Miguel Yamamura Phu Tho Packaging Company Limited	Munufacturing and trading metal packaging	1 Le Van Khuong Street, Hiep Thanh Ward, District 12, Ho Chi Minh City	51,882,792,000	35.00%	35.00%
16	Crown Beverage Cans Saigon Limited	Manufacturing aluminium cans	Hanoi Route, Hiep Phu Ward, Thu Duc City, Ho Chi Minh City	256,369,900,000	30.00%	30.00%
17	Malaya – Vietnam Glass Limited	Manufacturing glass products	Suite 11.1, Floor 11, REE Building No. 9, Doan Van Bo Street, Ward 12, District 4, Ho Chi Minh City	322,209,160,000	30.00%	30.00%
18	Me Linh Point Limited	Providing office building leasing and managements services	2 Ngo Duc Ke, Ben Nghe Ward, District 1, Ho Chi Minh City	221,066,150,400	25.00%	25.00%

PROFILES OF THE BOARD OF DIRECTORS AND THE MANAGEMENT

Mr. Koh Poh Tiong
Chairman of the Board of Directors

Year of birth 1946
Nationality Singaporean
Date of first appointment April 23, 2018
Date of last re-election July 21, 2018

Academic and Professional Qualifications
Bachelor of Science, University of Singapore, Singapore

WORK EXPERIENCES

Current positions include:

- Director, Asia Breweries Limited
- Chairman/Chairman - Nominating Committee/ Member - Audit and Risk Management Committee/Member - Remuneration Committee/Member - Project Development Committee, Bukit Sembawang Estates Limited
- Director/Chairman - Remuneration Committee/Member - Audit Committee/Member - Nominating Committee/ Member - Risk Management Committee/Member - Market Sustainability and Strategy Committee, Delfi Limited
- Director and Adviser of the Board/Chairman - Executive Committee/Chairman - Sustainability and Risk Management Committee, Fraser and Neave, Limited
- Independent Director/Member - Board Nominations and Remuneration Committee, Great Eastern Life Assurance (Malaysia) Berhad
- Independent Director/Chairman - Board Nominations and Remuneration Committee, Great Eastern General Insurance (Malaysia) Berhad
- Chairman, Times Publishing Limited
- Chairman/Chairman - Sustainability and Risk Management Committee, BeerCo Limited
- Executive Committee Member, Thai Beverage Public Company Limited

Past positions include:

- Director/Member - Audit Committee/Chairman - Strategy Working Group/Member - Investment Review Working Group, The Great Eastern Life Assurance Company Limited
- Director/Member - Executive Committee/Chairman Nominating Committee/Member - Remuneration and Human Resource Committee, SATS Ltd
- Director/Member - Remuneration Committee, United Engineers Ltd
- Chairman, National Kidney Foundation
- Chairman, Yunnan Yulinquan Liquor Co., Ltd
- Chairman, Singapore Kindness Movement
- Lead Independent Director/Member - Audit and Risk Committee/Member - Nomination and Compensation Committee/Senior Adviser to the Board, Raffles Medical Group Ltd



Mr. Pramoad Phornprapha

Independent Director
Chairman of the Audit Committee

Year of birth 1966
Nationality Thai
Date of first appointment July 21, 2018

- Academic and Professional Qualifications
- Bachelor of Science in Electrical Engineering (Honors), Northwestern University, USA
 - MBA in Marketing (Honors), J.L. Kellogg Graduate School of Management, Northwestern University, USA
 - MPA in Business and Government (Honors), J.F. Kennedy School of Government, Harvard University, USA



WORK EXPERIENCES

Current positions include:

- Independent Director/Chairman – Nomination and Remuneration Committee/Member – Corporate Governance Committee, Amarin Printing and Publishing Public Company Limited
- Independent Director/Member – Corporate Governance Committee/Member – Nominating and Remuneration Committee/Member – Sustainability and Risk Management Committee, Sermsuk Public Company Limited
- Audit Committee/Independent Director, Univanich Palm Oil Public Company Limited
- Managing Partner/Director, Claris Co., Ltd
- Director, Claris EA Co., Ltd
- Director, Danpundao Co., Ltd
- Director, EcoFuture Co., Ltd
- Chairman and Independent Director, Food and Beverage United Co., Ltd
- Non-Executive and Independent Director/Member – Board Executive Committee/Chairman – Remuneration Committee/Chairman – Sustainability and Risk Management Committee, Frasers Property Limited
- Managing Director, myDNA Co., Ltd
- Director, Pornmit Co., Ltd
- Director, Plimboonluck Co., Ltd
- Director, Plim369 Co., Ltd
- Director, PLandscape Co., Ltd
- Director, The Conservatory Company Limited
- Chairman, Talaypu Natural Products Co., Ltd
- Managing Director, Wanwarin and Associate Co., Ltd

Past positions include:

- Independent Director/Member – Audit Committee, Thai Summit Harness Public Company Limited
- Partner/Managing Director, The Boston Consulting Group
- Director, Progress Watch Company Limited

Mr. Nguyen Tien Vy

Independent Director
Member of the Audit Committee

Year of birth 1955
Nationality Vietnamese
Date of first appointment July 21, 2018

- Academic and Professional Qualifications
- Master of Laws



WORK EXPERIENCES

Current positions include:

- Independent Member, Vietnam Engine and Agricultural Machinery Corporation – JSC
- Independent Lawyer, Hanoi Bar Association
- Member of the Standing Committee, Vietnam Beer – Alcohol – Beverage Association

Past positions include:

- Chairman, Vietnam Association for Responsible Drinking (VARD)
- Vice President, Vietnam Beer – Alcohol – Beverage Association
- Advisor of the Board of Directors, Vietnam Electrical Equipment Joint Stock Corporation
- Director, Vietnam Electrical Equipment Corporation
- Member, Board of Enterprise Renovation and Development, Ministry of Industry and Ministry of Industry and Trade
- Director, Legal Department, Ministry of Industry
- Chief of Office, Ministry of Industry
- Chief of Office, Ministry of Industry and Trade
- Director, The Planning Department of Ministry of Industry and Trade

Ms. Tran Kim Nga

Member of the Board of Directors



Year of birth	1961
Nationality	Vietnamese
Date of first appointment	May 9, 2018
Date of last re-election	July 21, 2018

Academic and Professional Qualifications

- Bachelor of Foreign Language
- Bachelor of Business Administrative – Commerce

WORK EXPERIENCES

Current positions include:

- General Director/Legal Representative, Vietnam Beverage Company Limited
 - General Director/Legal Representative, Vietnam F&B Alliance Investment Joint Stock Company
 - Director/Legal Representative, B-S MART Co., Ltd
 - Director/Legal Representative, Victory Link Co., Ltd
 - General Director/Legal Representative, TBC Ball Beverage Can Vietnam Company Limited
 - Member of the Members’ Council/Corporate Development Director, MM Mega Market Vietnam Co., Ltd
- Chief Representative, BJC Resident Representative Office in Ho Chi Minh City
 - Director, SAS-CTAMAD JVC
 - Director/Legal Representative, Lina Investment Company Limited
 - Chairwoman, Phu Thai Food Vietnam Limited
 - Chairwoman, Phu Thai Central Vietnam One Member Limited
 - Chairwoman, Phu Thai Food North Limited
 - Director, Vietnam Logistic and Supply Chain Company Limited
 - General Director, VIETBEV Company Limited
 - Director/Legal Representative, Phu Vina Property Co., Ltd

Past positions include:

- Business Development Manager, Berli Juker Representative Office in Hanoi
- Officer Manager, Vina Glass Industries Limited
- Senior Officer, Itochu Corporation Resident Representative Office in Ho Chi Minh City

Mr. Michael Chye Hin Fah

Member of the Board of Directors
Member of the Audit Committee



Year of birth	1959
Nationality	Singaporean
Date of first appointment	July 21, 2018

Academic and Professional Qualifications

- Bachelor of Business Studies with First Class Honors in Accounting and Finance, Massey University, New Zealand
- Master of Business Studies with Distinction in Accounting and Finance, Massey University, New Zealand
- Fellow, Institute of Singapore Chartered Accountants
- Associate member, The Institute of Chartered Secretaries and Administrators
- Member, The Singapore Institute of Directors
- Associate member, Chartered Secretaries Institute of Singapore

WORK EXPERIENCES

Current positions include:

- Alternate Director, Fraser and Neave, Limited
- Non-Independent and Non-Executive Director, Fraser & Neave Holdings Bhd
- Non-Executive Director, Vietnam Dairy Products Joint Stock Company
- Director, Alliance Asia Investment Private Limited
- Director, Alliance Strategic Investments Pte. Ltd.
- Director, Asia Breweries Limited
- Director, ASM International Limited
- Director, Beer Chang International Limited
- Chairman of the Board of Directors, BeerCo (Cambodia) Co., Ltd
- Director, BeerCo Limited (Hong Kong)
- Director/CEO, BeerCo Limited (Singapore)
- Director, BevCo Limited (Hong Kong)
- Director, BevCo Limited
- Director, Chang Beer Company Limited
- Director, Chang Beer UK Limited
- Director, Chang Corporation Co., Ltd.
- Director, Chang Holding Co., Ltd.
- Director, Chang International Co., Ltd.
- Director, F&N Retail Connection Co., Ltd.
- Director, Grand Royal Group International Company Limited
- Director, Havi Food Distribution (Thailand) Co., Ltd.
- Director, Havi Logistics (Thailand) Limited
- Non-Executive Director, Heritas Capital Management Pte. Ltd.
- Non-Executive Director, IMC Pan Asia Alliance Corporation
- Non-Executive Director, InterBev (Singapore) Limited
- Director, InterBev (Singapore) 2019 Limited
- Non-Executive Director, International Beverage Holdings Limited
- Director, International Beverage Holdings (Singapore) Pte. Limited
- Director, International Beverage Holdings (UK) Limited
- Director, International Beverage Trading (Hong Kong) Limited
- Director, International Breweries Limited
- Director, InterF&B Pte. Ltd.
- Director, Inver House Distillers Limited

- Director, Inver House Distillers (ROI) Limited
- Director, Max Asia Food and Beverage (Thailand) Co., Ltd
- Director, Myanmar Supply Chain and Marketing Services Company Limited
- Non-Executive Director, Prudence Holdings Limited
- Director, SEA Logistics & Technology Pte. Ltd.
- Director, Siam Breweries Limited
- Director, So Water Company Limited
- Director, South East Asia Logistics Pte. Ltd.
- Director, Super Beer Brands Limited
- Non-Executive Director, Super Brands Company Pte. Ltd.
- Director, Super Food Brands Company Pte. Ltd
- Director, Thai Breweries Limited
- Executive Committee/Chief Beer Product Group, Thai Beverage Public Company Limited
- Director, VietBev Company Limited
- Legal representative/Director, Vietnam Beverage Company Limited
- Legal representative/Chairman of Board of Management, Vietnam F&B Alliance Investment Joint Stock Company
- Director, Vietnam Logistics and Supply Chain Company Limited
- Director, Wellwater Limited

Past positions include:

- Director, Sermasuk Beverage Co., Ltd
- Director, Sermasuk Holdings Co., Ltd
- Director, Sermasuk Public Company Limited
- Director, Wrangyer Beverage (2008) Company Limited
- Director, CAC Co., Ltd
- Executive Vice President of Finance and Accounting Group/Deputy Group CFO/Chief Finance Officer – International Business/Brand Investment Management, Thai Beverage Public Company Limited
- Director, International Beverage Trading Limited
- Director, Marketing Magic Pte. Ltd

Mr. Le Thanh Tuan

Member of the Board of Directors

Year of birth	1979
Nationality	Vietnamese
Date of first appointment	April 28, 2021

- Academic and Professional Qualifications**
- Master of Finance, University of Sydney, Australia



WORK EXPERIENCES

Current positions include:

- Deputy General Director, State Capital Investment Corporation
- Capital Representative at SABECO, State Capital Investment Corporation
- Chairman, Vietnam Steel Corporation

Past positions include:

- Head of Investment Department 4, State Capital Investment Corporation
- Chairman, Dien Bien Tourism – Trade – Services Joint Stock Company
- Chairman, Vietnam Electronics and Informatics Corporation
- Chairman, Electric Machine Joint Stock Company
- Deputy Head, Investment Department 4, State Capital Investment Corporation
- Deputy Head, Investment Department 3, State Capital Investment Corporation

Ms. Ngo Minh Chau

Member of the Board of Directors

Year of birth	1988
Nationality	Vietnamese
Date of first appointment	April 28, 2021

- Academic and Professional Qualifications**
- Master of Finance – Investment, University of Edinburgh, UK
 - CFA Charterholder, CFA Institute



WORK EXPERIENCES

Current positions include:

- Capital Representative at SABECO, State Capital Investment Corporation
- Specialist, Investment Department 3, State Capital Investment Corporation

Past positions include:

- Member of the Supervisory Board, Benovas Cancer Drugs Joint Stock Company

Mr. Neo Gim Siong Bennett

General Director



Year of birth 1969
Nationality Singaporean
Date of first appointment August 1, 2018

Academic and Professional Qualifications

- Bachelor of Engineering in Mechanical and Production, Nanyang Technological University, Singapore
- Heineken International Senior Management Course, Insead Business School (Fountainbleu – France)
- SEM Singapore Executive Program, Tsinghua University, Beijing, China

WORK EXPERIENCES

Current positions include:

- Chairman, Sai Gon Beer Company Limited
- Chairman, Chuong Duong Beverages Joint Stock Company
- Chairman, Western – Sai Gon Beer Joint Stock Company
- Chairman, Me Linh Point Limited
- Chairman, Malaya – Vietnam Glass Limited
- Chairman, Sai Gon Beer Trading Company Limited
- Chairman, Saigon – Songlam Beer Joint Stock Company
- Director, Ebenezer NDT Service Pte Ltd
- Director, Ebenezer Holdings Pte. Ltd.
- Director, Koi Marine Engineering Services Pte Ltd
- Director, Eliezer Pte. Ltd.
- Director, BNeo Consultants Pte. Ltd.
- Director, Climb Asia Pte. Ltd.

Past positions include:

- Chairman, Saigon Song Hau Beer Trading Joint Stock Company
- CEO – Food, Fraser and Neave Limited
- CEO, YCH Group
- CEO – Marine, EMAS Offshore Services Pte Ltd
- Regional Director, Asia Pacific Breweries Ltd (Singapore)
- General Director, ExxonMobil Unique (Vietnam) Co., Ltd
- Board Member, National Kidney Foundation (Singapore)

Mr. Koo Liang Kwee Alan

Deputy General Director in charge of Accounting, Finance and other support functions



Year of birth 1970
Nationality Singaporean
Date of appointment October 1, 2021

Academic and Professional Qualifications

- Master of Business Administration, Macquarie Graduate School of Business, Australia
- Bachelor of Accountancy, Nanyang Technological University, Singapore
- Ordinary member, Singapore Institute of Directors
- Heineken International Management Executive Course, Insead Business School
- Leadership Excellence in Action Program (Heineken Asia Pacific), Insead Business School
- Afton Chemical Leadership Development Course
- Novartis HBS Finance Excellence Program, Harvard Business School
- Non-Practising CPA, Institute of Singapore Chartered Accountants

WORK EXPERIENCES

Current positions include:

- Chairman, Saigon Beer Group Company Limited
- Chairman, Song Tien Saigon Beer Trading Joint Stock Company
- Chairman, Sai Gon – Quang Ngai Beer Joint Stock Company
- Chairman, Saigon – Lamdong Beer Joint Stock Company
- Board Member, Sai Gon – Kien Giang Beer Joint Stock Company

Past positions include:

- Senior Vice President (Group Finance)/Board Member, Yeo Hiap Seng Subsidiaries
- Group Chief Financial Officer/Board Member of 2 joint ventures and 3 Malaysian subsidiaries, Delfi Limited
- Finance Director (China)/Board Member/Legal Representative of 2 trading companies, Heineken Asia Pacific Pte Ltd
- Finance Director (Vietnam)/Board Member of 3 breweries, Heineken Asia Pacific Pte Ltd
- Finance Director (Asia Pacific), Afton Chemical Asia Pte Ltd
- Financial Controller (North China Cluster), Asia Pacific Breweries Limited
- Financial Controller (Asia Pacific), Novartis Consumer Health Group
- Regional Business Planning and Analysis Manager, Novartis Consumer Health Group

Ms. Venus Teoh Kim Wei

Deputy General Director in charge of Marketing

Year of birth 1974
Nationality Malaysian
Date of appointment April 1, 2021

- Academic and Professional Qualifications
- Bachelor of Business in Finance and Marketing, University of Southern Queensland, Australia
 - Senior Leadership Program, Insead Business School (France)



WORK EXPERIENCES

Current positions include:

- Chairman, Saigon Song Hau Beer Trading Joint Stock Company
- Chairman, Binh Tay Liquor Joint Stock Company

Past positions include:

- International Brand Director (Tiger Beer), The Heineken Company
- Marketing Director, Asia Pacific Breweries (Singapore) Pte Ltd
- Head of Global Brands, Innovation and Mainstream Brands (Asia Pacific), The Heineken Company
- Regional Marketing Manager (Asia Pacific), The Heineken Company
- Senior Marketing Manager, Asia Pacific Breweries Limited
- Tiger Brand Development Manager, Asia Pacific Breweries Limited
- Channel Development Manager, Asia Pacific Breweries Limited
- Product and Marketing Manager, Philip Lighting
- Trade Marketing Manager, Sara Lee Household and Body Care (Malaysia)
- Category Analyst, Sara Lee Household and Body Care (UK)
- Key Account Executive, Sara Lee Household and Body Care (Malaysia)

Mr. Ng Kuan Ngee Melvyn

Deputy General Director in charge of Sales

Year of birth 1969
Nationality Singaporean
Date of appointment July 1, 2018

- Academic and Professional Qualifications
- Bachelor of Business in Marketing, Monash University, Australia



WORK EXPERIENCES

Current positions include:

- Chairman, Saigon Beer Center Trading Joint Stock Company
- Chairman, Sai Gon Beer Northeast Trading Joint Stock Company
- Chairman, Sai Gon Beer Tay Nguyen Trading Joint Stock Company
- Chairman, Sai Gon - Ha Tinh Beer One Member Company Limited

Past positions include:

- Area Business Director Asia, Warsteiner International KG (Singapore)
- General Manager, Heineken Asia Pacific Brewery (Guangzhou)
- Commercial Director, Hainan Asia Pacific Brewery
- Marketing Manager, Riche Monde (Moet-Hennessy) Pte Ltd

Mr. Lam Du An

Deputy General Director in charge of Technology - Production

Year of birth 1967
Nationality Vietnamese
Date of appointment October 18, 2017

- Academic and Professional Qualifications
- Mechanical Engineer, University of Technology



WORK EXPERIENCES

Current positions include:

- Director, Saigon Beer - Nguyen Chi Thanh Brewery
- Chairman, Sai Gon - Ha Noi Beer Corporation
- Chairman, Sa Be Co Mechanical CO., LTD
- Director, Sai Gon - Vinh Long Beer Joint Stock Company
- Chairman, Sai Gon - Mien Trung Beer Joint Stock Company
- Chairman, Saigon - Nghetinh Beer Joint Stock Company

Past positions include:

- Director, Sai Gon - Vinh Long Beer Joint Stock Company
- Project Manager of plant construction of Saigon Beer - Bac Lieu Brewery
- Project Manager of plant construction of Saigon Beer - Vinh Long Brewery

Mr. Tran Nguyen Trung

Chief Accountant

Year of birth 1967
Nationality Vietnamese
Date of appointment September 1, 2018

- Academic and Professional Qualifications
- Bachelor of Economics



WORK EXPERIENCES

Current positions include:

- Chairman, Saigon Soc Trang Beer One Member Limited Company
- Member of Board of Supervisors, Saigon Beer Center Trading Joint Stock Company
- Director, Sai Gon - Quang Ngai Beer Joint Stock Company
- Director, Western - Sai Gon Beer Joint Stock Company
- Director, Saigon - Bac Lieu Beer Joint Stock Company
- Chief Accountant, Saigon Beer Company Limited
- Chief Accountant, Saigon Beer Group Company Limited

Past positions include:

- Deputy Chief Accountant, Saigon Beer - Alcohol - Beverage Corporation
- Head of Board of Supervisors, Saigon Beer Center Trading Joint Stock Company
- Head of Board of Supervisors, Sai Gon - Kien Giang Beer Joint Stock Company
- Head of Board of Supervisors, Sai Gon - Quang Ngai Beer Joint Stock Company

Mr. Nguyen Hoang Giang
General Director – SATRACO

Year of birth	1966
Nationality	Vietnamese
Date of first appointment	August 6, 2018



Academic and Professional Qualifications

- Navigation Engineer, University of Vietnam Maritime, Hai Phong, Vietnam
- Program on Investment Appraisal (Distinction), Inservice Training College and Harvard Institute for Int'l Development, Ho Chi Minh City, Vietnam
- Course on Shipping and Port Management (Excellent Certificate), Shipping Transport College/Int'l Maritime Transport Academy Rotterdam Holland
- Customer service and operation practice, P&O Nedlloyd Singapore Office
- Refresher course of Shipping and Port Management, Vietnam Maritime/Int'l Maritime Transport Academy
- Document and revenue system, P&O Nedlloyd Singapore Office
- Course on Finance operation and customer service, P&O Nedlloyd Singapore Office
- Soft skills training on negotiation, project management and leadership
- Project management, IKEA ASEA training
- Supply chain, IKEA training
- Leadership, IKEA global training
- Inventory management, IKEA global training
- Art of Sales, Dale Carnegie
- Leadership skill, Dale Carnegie

WORK EXPERIENCES

Current positions include:

- Chairman, Sai Gon Beer Packaging Joint Stock Company
- Chairman, Sai Gon Beer Eastern Trading Joint Stock Company
- Chairman, Sai Gon Beer Bac Trung Bo Trading Joint Stock Company
- Chairman, Bia Saigon Mien Trung Trading Joint Stock Company
- Chairman, Saigon – Phutho Beer Joint Stock Company
- Director, Sai Gon – Khanh Hoa Beer Joint Stock Company

Past positions include:

- CEO, Vinafoco Joint Stock Company
- Regional Logistic Manager of South East Asia Area, IKEA Trading South East Asia Area
- National Manager Customer Service and Operations, Toll Vietnam Limited



DEVELOPMENT PLANNING

SABECO has continued to boost business activities towards effectiveness and sustainability to affirm its market leading position.

◆ Points of Focus:

SALES	 <ul style="list-style-type: none">• Boost domestic and export market sales.• Diversify distribution channels, expand e-commerce.• Improve capacity and operational efficiency of the distribution system.• Improve salesforce competencies.
BRANDS & MARKETING	 <ul style="list-style-type: none">• Focus on brand expansion and innovations.• Enhance corporate sustainability development.
PRODUCTION	 <ul style="list-style-type: none">• Ensure and improve product quality.• Enhance the efficiency of breweries.• Continuous improvement on production norms.
SUPPLY CHAIN	 <ul style="list-style-type: none">• Rationalize warehouses and transportation.• Optimize route planning.• Improve delivery services.



PEOPLE	 <ul style="list-style-type: none">• Enhance employees engagement.• Promote open and transparent communications.• Develop policies to manage and evaluate work effectiveness.• Strengthen employees' performances through annual training programs.• Implement a performance-based salary structure.• Implement succession planning.
UNLOCK	 <ul style="list-style-type: none">• Unlock the value of strategic assets.• Enhance Corporation's image, position and share value.• Process optimization and reengineering.
SABECO 4.0	 <ul style="list-style-type: none">• Transform the way of working by standardization, simplification and centralization.
GOVERNANCE	 <ul style="list-style-type: none">• Strengthen corporate governance.• Implement Manual of Authority (MOA).• Enhance risk management and sustainability initiatives.

KEY RISKS

◆ Raw Material Risks

The tense geopolitical situation in Europe has not only created a humanitarian crisis but also led to extensive shortages of the global food supply. At the same time, energy prices rocketed due to sanctions being imposed on Russia, causing high inflations across the globe, and in turn raising input costs including malt, aluminum, and labels. In addition, the world also had to deal with supply chain disruptions, especially container shortages due to China's zero-Covid policy.

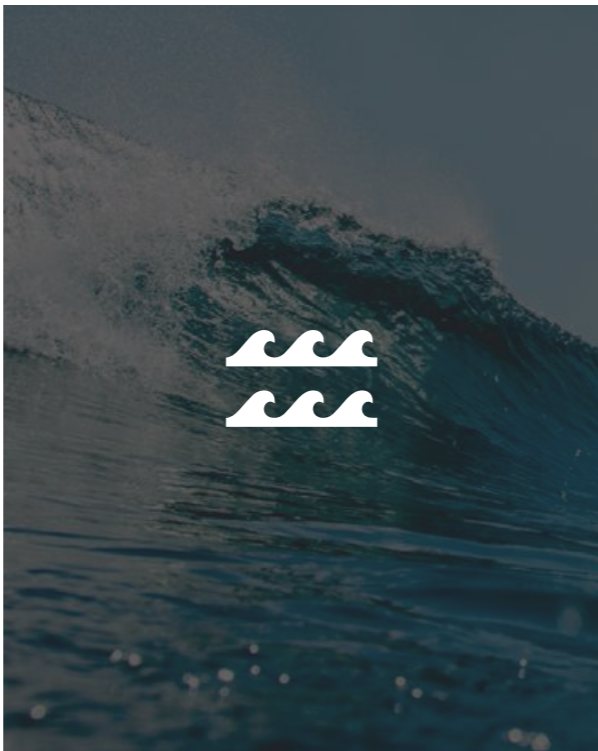
Despite those challenges, SABECO managed to control input costs by jointly procuring for selective raw materials and hedging key raw materials in advance to mitigate price volatilities. Besides, the Management made efforts to come up with timely and appropriate plans to ensure sufficient supplies for production in 2022 without any shortages.



◆ Environmental Risks

In general, SABECO and other businesses have been facing the risks of climate change, rise of sea level and saltwater intrusion. Being one of the leading companies in environmental protection and sustainable development, the Corporation has implemented various solutions to cope with different climate change scenarios such as:

- Adopting the RO (reverse osmosis) water treatment technology.
- Switching from fossil fuel boilers (coal, oil, etc.) to BIOMASS boilers using plant-based fuels (rice husks, sawdust, leaves, etc.) in order to save on costs and reduce greenhouse gas emissions.
- Installing solar panels at nine breweries for energy saving and environmental protection.



◆ Market Risks

The Covid-19 pandemic has caused a huge impact on consumption channels, especially on-trade such as restaurants and bars. On the other hand, this challenge has also created numerous potentials for the growth of e-commerce channels, where consumers are becoming more familiar and adopting new shopping behaviors. This proves to be the new area for beer businesses to step in to expand their consumption channels besides traditional channels, which are heavily affected by consumers' hesitation on eating out. During recent years, SABECO has focused on accelerating its presence and product availability on leading e-commerce platforms to mitigate the impact from on-trade as well as to reach out to more consumers.

In the context of reopening the economy after Covid-19, the food & beverage, entertainment and tourism industries returning to normal activities along with increasing consumer demand has brought about a recovery and positive growth for the Vietnamese beer industry. However, the level of competition among beer enterprises has become more and more fierce. Besides, market penetration and competition from well-branded and financially capable competitors from overseas, who possess vast international experience and expertise is one of the most significant market challenges. They have continued to invest heavily in marketing and sales activities to capture more market share. The mainstream segment, which has always been one of the Corporation's strengths, has therefore faced intense competition recently.

In addition, consumers have been increasingly concerned about health safety, so they tend to consume more non-alcohol and healthy beverage products. These may lead to a change in competitive dynamics in the beer market. Despite being the leader in Vietnam market, SABECO has come up with plans to counter this market risk by improving product quality, promoting R&D to diversify the Corporation's product portfolio, and further strengthening Bia Saigon brand.



◆ Exchange Rate Risks

Being effective since October, the State Bank of Vietnam has decided to widen the USD/VND spot exchange rate band from +/-3% to +/-5%, as a response to the US Federal Reserve and many major central banks having tightened their monetary policies and raised interest rates over the course of 2022.

The fluctuation of the exchange rate may directly affect the cost of imported raw materials and SABECO's profit. However, given positive macroeconomic prospects and a policy of stabilizing the domestic currency maintained by the State Bank of Vietnam, the risk of exchange rate for SABECO has been lessened.



◆ Interest Rate Risks

Global inflation remains high and the US Federal Reserve has raised its interest rates quite a number of times this year, with more hikes expected in 2023. Compared to other economies, Vietnam is one of the few countries that managed to keep macroeconomic uncertainties and negative impacts from the international financial market in check. Whereas central banks worldwide started tightening their monetary policies and kept raising their interest rates from the beginning of 2022, the State Bank of Vietnam started to hike interest rates from September and wrap up the year with such rates only increased twice by one percentage point at a time.



◆ Tax Risks

Special sales tax (SST) is a form of excise tax that applies to selected goods and services including cigars/cigarettes, spirits, wine and beer, automobiles, motorcycles, air conditioners, airplanes, petrol, etc. The National Assembly has recently ratified a new law of amending and supplementing a number of provisions under certain laws, including the Law on SST. The Ministry of Finance (MOF) has started collecting comments in regard to the proposal on revising the Law on SST to further promote the role of this tax, expecting promulgation by mid-2024. MOF also considers imposing an additional special sales tax on products that are not beneficial to health or the environment such as sugary drinks, barley and non-alcoholic beverages, new cigarettes, and online video games.



◆ Policy Risks

SABECO has been directly impacted by changes from government policies and regulations in response to specific socioeconomic situations. The Vietnamese government has also amended and issued new legal regulations to further improve the legal framework for investments and businesses, and prevent the social consequences of consuming unhealthy products.

The Law on Prevention and Control of Harmful Effects of Alcoholic Beverages and Decree 100, which relate to the sanctioning of alcohol level violations, have been in effect for more than 2 years. Recently, the government and police officers have aggressively carried out alcohol testing campaigns across the country, from cities to rural areas, even remote areas, and also applied to all means of transportation, including bicycle riders. Alcohol testing for officers in state agencies during working hours has also become more severe.

Besides, many policies on environmental protection have also been issued. In the coming months, the Ministry of Natural Resources and Environment will propose packaging recycling fees, which will further increase production and sales costs of enterprises.

As a result, SABECO should continue to review and amend its production norms and internal regulations in order to better respond to the current legal system, thereby improving production and consumption, increasing revenue and profit, and solidifying the Corporation's leading position in the market.

OPERATIONAL REPORT



REPORT OF THE BOARD OF DIRECTORS

◆ Assessment of 2022 Performance

OVERVIEW



MACROECONOMICS

- The World Economic Outlook report of the International Monetary Fund (IMF) states that the world has been in a period of many fluctuations, and economic and geopolitical changes to affect the global outlook. Inflation has risen to its highest level in decades, forcing governments to tighten monetary policy, and prompting households to squeeze the spending amid declining financial support related to the Covid-19 pandemic. Many low-income countries have been facing financial difficulties. Although the impact of the pandemic has diminished in most countries, the prolonged waves of the pandemic have continued to disrupt economic activities, especially in China.
- According to the World Bank (WB), the conflict in Ukraine has significantly disrupted trade and production of energy commodities, exacerbating the existing energy markets, particularly in Europe.

In 2022, the pandemic eased the impact on the supply and demand of goods globally. However, the war between Russia and Ukraine may be prolonged, exacerbating the supply-demand disruption and leading the cost-push inflation.

- According to the IMF, global growth in 2022 reached 3.2% (unchanged from the forecast for July 2022), 0.4 percentage points lower than the forecast given in April 2022.
- The commodity market has continued to fluctuate strongly. Brent crude oil prices fell mainly due to slowing global economic activities. Metal prices fell sharply due to decreased Chinese demand decrease and weak global growth. Global food price inflation, in evidence in low-income countries, particularly grain prices, was due to the impact of the Ukraine conflict and export restrictions in some countries.
- The IMF also said that the global inflation partly rose due to rising food and energy prices. Inflation in 2022 was forecasted to increase by 6.6% in developed economies and 9.5% in emerging markets.



- The IMF concluded that world economic growth has been hindered by the following significant risks:

- 01

The conflict in Ukraine leading to rising energy prices.
- 02

High inflation across the globe, leading central banks to raise interest rates and thereby raising food and energy prices, causing hardship, hunger, and economic instability as a result.
- 03

Tighter financial conditions, causing debt distress in emerging markets and developing economies.
- 04

China's continued slowdown in growth that would affect other economies.
- 05

Fragmentation of the global economy.

VIETNAMESE ECONOMY AND THE BEER MARKET



2022 was an abnormal year with many opportunities and challenges altogether for the market in general and the beer industry in particular,



- According to the World Bank, Vietnam's economy has been recovering as pandemic restrictions are eased. Vaccination campaigns have been widely deployed but faced domestic challenges and disadvantages from the global economic environment in the short and medium term.

- Vietnam's economy has shown good growth with increasing Gross Domestic Product (GDP), rising per capita income, and urbanization. The population is also growing and amongst the youngest in the region. These factors will drive the consumption demand and support future growth for the beer industry in Vietnam.

- Vietnam is witnessing rapid changes in population and social structure. Its population is expected to grow to 110 million by 2050. Although strongly affected by the Covid-19 wave, the population structure of Vietnam still showed signs of growth. The population structure shifted positively, the population distribution was more reasonable, the population of working age increased rapidly, and the population's quality was improved. According to GSO's latest data, Vietnam's population will reach more than 99.3 million in 2022.

- According to the General Statistics Office of Vietnam (GSO), the economic growth rate in Q4 2022 increased by 5.92% compared to the same period last year, higher than the average rate of 4.7% and 5.17% of the same period in 2020 and 2021 respectively. This proved that production and business activities have been recovering strongly and gradually regaining growth momentum compared to the time before the Covid-19 pandemic, and also showed that the Government's socio-economic recovery and development policies have been effective. Accordingly, the economic growth rate in 2022 reached 8.02%.

- Due to the unstable world political situation, the US has "exported" inflation to most countries in the world, but the studies and judgments of the world's major economic groups still show that the potential for strong development and Foreign direct investment (FDI) will continue to flow to Asia, especially Vietnam in the coming years; thereby, free trade agreements (FTA), and exchange rates will be more stable than neighboring countries, economic development focus, and building trust with foreign investors for the future.

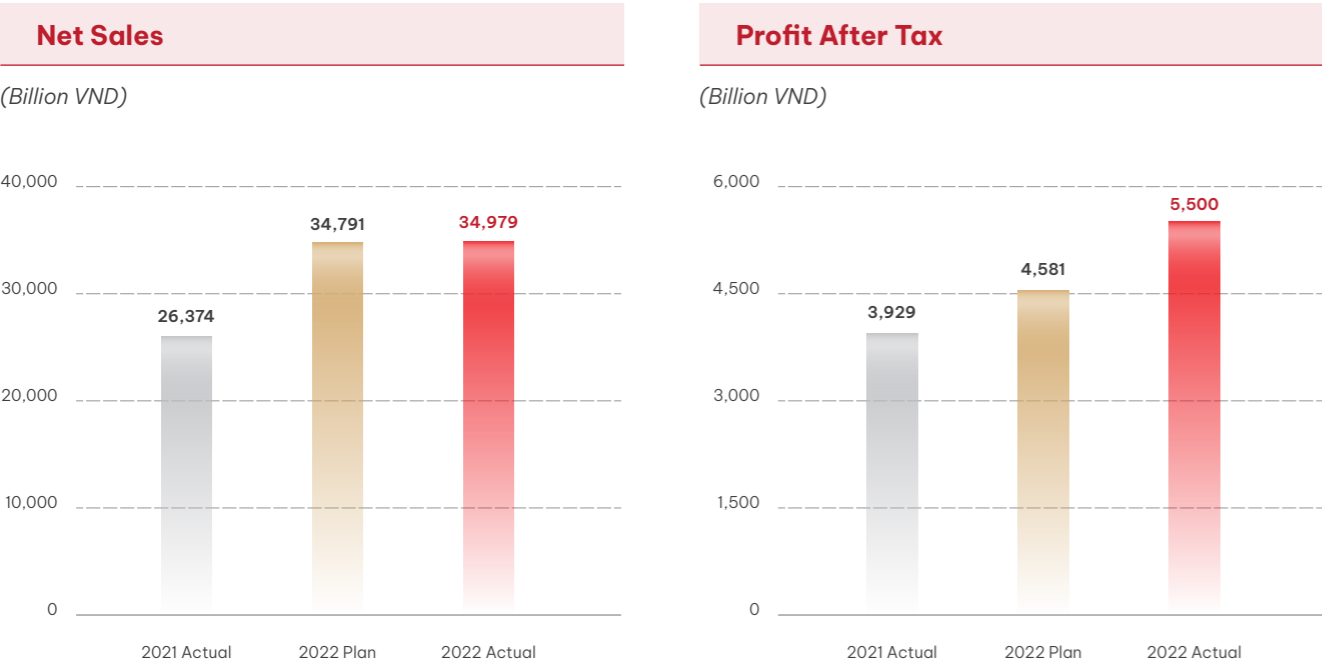
- Compared to 2021, in 2022, the Covid-19 pandemic has been under-controlled, food and entertainment services, restaurant services, karaoke, etc., were resumed. The ease of traveling, the resumption of international flights, the gradual return of international tourists, as well as the series of SEA Games 31 events held in Hanoi caused the tourism and service industry to recover strongly, boosting domestic consumer demand, and leading to a strong recovery of entertainment, accommodation, and dining activities, also increasing the consumption of beverage products in general and beer in particular, food and beverage industries such as beer and drinks, have signs of growth again.

- Vietnam's beer industry was affected by the price storm for petroleum, natural gas, and the conflict between Russia and Ukraine that extensively involved the supply of raw materials for the beverage industry, sharply increasing the import price of input materials of 40-50% compared to the same period in 2021 such as malt, aluminum, flavoring, plastic packaging, bottle caps, etc.

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

BUSINESS PERFORMANCE IN 2022

In 2022, the Board of Directors operated in accordance with the Law, the Corporation’s Charter, and relevant regulations and delivered commendable results as follows:



Earnings and Dividend:

The accomplishments from our disciplined execution across all business areas included relatively satisfactory earnings and sustainable dividend payouts. Our relatively stable operational performance allowed a dividend payment of up to 35% of par value to shareholders, meeting the plan approved at the 2022 AGM, and an additional special dividend payment of 15% of par value pending for approval at the 2023 AGM.



THE BOARD OF DIRECTORS ACTIVITIES IN 2022

In 2022, the Board of SABECO held five (05) physical meetings and meetings via video conference to facilitate the implementation of the company’s strategic plans and to supervise the business activities of SABECO and its group of companies.

Besides regular BOD meetings, the Board also approved resolutions through circular resolutions for urgent business decisions under the authority of the Board of Directors.

05 meetings
hybrid meetings

REMUNERATION

Remuneration for Board members was approved in the 2022 AGM. Hence, they received the amount in accordance with the Corporation’s regulations and policies.

PERFORMANCE ASSESSMENT
OF THE BOARD AND COMMITTEES

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



Additionally, BOD members have actively participated in training courses organized by the Vietnam Institute of Directors (VIOD) to improve and strengthen coordination in bilateral activities and constantly update and improve necessary skills for BOD members in Vietnam.

Activities of Committees:

The AC reviewed financial statements and SABECO’s internal control system, and related party transactions which might lead to a conflict of interest, supervising compliance and fraud prevention, overseeing and evaluating internal audit performed in accordance with the International Standards for the Professional Practice of Internal Auditing, and approving audit plans as well as assessing independent auditing services.

Mr. Nguyen Tien Vy, an independent BOD member, oversaw human resources (HR) activities and ensured remuneration policies were in accordance with the Law and the Corporation’s Charter and relevant regulations in order to support the Board on these matters. In this connection, prior to consideration of the Board, he reviewed and put forward the Corporation-specific recommendations related to HR, including, but not limited to, the organizational structure and the appointment of senior executives of SABECO and its group of companies.



BUSINESS TRANSACTIONS BETWEEN SABECO AND ITS RELATED PERSONS

All RPTs that occurred were subject to strict reviews and approval processes following the pre-defined approval matrix according to SABECO's Charter. AC then reviewed and discussed with the Independent Auditor and the Management any complex and unusual related party transactions, if necessary and required.

Members of the Board and the Management were required to disclose to the Board whether they, directly, indirectly, or on behalf of third parties, had a material interest in any transaction or matter which directly affected the Corporation. The Board must ensure that transactions between related parties are carried out on standard commercial terms and are not detrimental to the interests of the Corporation.

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

Company	TBC-Ball Beverage Can Vietnam Ltd	Me Linh Point Limited
Transaction Detail	Buying cans	Consultant services
Board's approval	Resolution No.07/2022/NQ-HDQT dated 15 February 2022. Resolution No.79/2022/NQ-HDQT dated 24 October 2022.	Resolution No.30/2022/NQ-HDQT dated 05 April 2022.

SELF-ASSESSMENT OF THE BOARD

As required by Securities Law, the Board performance review by Independent Directors was conducted by circulation based on seven (06) assessment criteria such as (1) Board Composition, (2) Strategy and Performance, (3) Governance – Board risk management and internal controls, (4) Board Function – Information management, (5) Top Management Performance and Succession Planning, (6) Director development. The assessment form used contains questionnaires with a 5-level rating scale.

As per the results, in 2022, the overall rating was “exceed expectations”. The Board operated in accordance with Law and SABECO's Charter aimed at achieving positive results for the corporation. The instructions under the Board's authority regarding governance, strategic supervision, master plans of action, risk management, annual budgets, nomination, and remuneration have been executed professionally. Besides, the Board has ensured adequate communications with shareholders, investors, regulators, and the general public by pursuing a transparent and effective disclosure policy. The suggestions of the Board for performance improvement have been noted for implementation in 2022.

SUPERVISION AND ASSESSMENT OF THE MANAGEMENT

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

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

A summary of the Board's supervising activities is outlined below:

Organizational Excellence

- Applied new salary structure from the parent company to trading subsidiaries.
- Implemented Digital transformation project “SABECO 4.0,” aiming to centralize, standardize and simplify the way of working across SABECO, its breweries and trading companies nationwide in order to strengthen SABECO market leadership in the Vietnam Beer Market.
- Implemented Manual of Authority (MOA) to support coordination and alignment between different levels as well as between the Head office and subsidiaries.

Sales and Marketing Activities

- Reviewed product portfolio and improved market share and brand health tracking.
- Satisfied customers' requirements and needs in each market segment.
- Monitored and guided the sales support programs to increase effectiveness and ensure consistency throughout the system to achieve targeted sales volume.
- Focused on key distributors and distribution channels to meet market demand, considering the pricing strategies and market competitiveness.
- Focused on strengthening its vital market segment, the famous and sub-premium product lines, to create momentum before targetting the premium segment.
- Expanded modern commerce channels and e-commerce channels.
- Leveraged Music Events for Brand Building & Boost Consumer Awareness, such as “Mega Dem Saigon” and the Chill Fest “Runway to New Year”.



Sales and Marketing Activities



- Launched Bia Saigon Coffee Infused Beer – made from the combination of two (02) most beloved familiar beverages in Vietnam, beer and coffee.
- Launched limited edition Bia Saigon Gold (330ml sleek cans), Bia Saigon Lager, and Bia Saigon Export exclusively for SEA Games 2022.
- Be the diamond sponsor for SEA Games 2022.
- Supported the Vietnam Sports Delegation at the 31st SEA Games; accompanied and sponsored the national football teams; supported the capacity building program for Vietnam’s outstanding athletes through the Vietnam Win Gold program.
- Sponsored the 7-man football tournament Bia Saigon Cup 2022.
- Signed a new cooperation agreement with VFF and VTVcab Sport. Accordingly, SABECO officially became the leading and exclusive partner of the national football team, including the men’s and national teams. Women’s football and U23 team for three years, from July 2022 to July 2025.
- Implemented corporate social responsibility (CSR) commitments such as sponsoring the Vietnam Food and Culture Festival in Korea in 2022, the 2022 Ooc-Om-Bok festival in Soc Trang, a celebration of 250th birthday anniversary of poetess Ho Xuan Huong, Thailand CHAO Art Exhibition 2022, “Together We Make TET” CSR program in collaboration with Vietnam General Confederation of Labour (VCGL) and Ho Chi Minh Communist Youth Union (HCYU).



Sales and Marketing Activities



- Launched the collection of beer cans from 63 provinces for Tet 2023.
- Won the MMA Vietnam Smarties Award 2022 for Saigon Beer Program with Tet 2022 in the following categories: Bronze Award for “Brand for Experience,” Silver Award for “Technology Experience” in “Geo – Targeting” (marketing by customer location), and Silver Award for “Communication Impact” for the category “Cross Platform” (multimedia marketing).
- Became the first beverage company awarded the Vietnam Glory Award 2022 by the Vietnam General Confederation of Labour.
- Named the Top 10 prestigious Food and Beverages Companies by Vietnam Report Joint Stock Company.
- Honored in the category of “Corporate Excellence Award” and “Brand Inspirational Award” at the Asia Pacific Enterprise Award (APEA) 2022.
- Received the Sustainable Business Award (Philip Kotler Award).
- Hold the position of Top 25 leading Food and Beverage (“F&B”) company brands as voted by Forbes Vietnam Magazine.

Production and Supply Chain Activities



- Maintained the highest standards for product quality by improving the procurement process of raw materials and production process.
- Closely monitored the price movement of raw materials and ensured timely purchasing of production materials to optimize production costs as well as ensuring sufficient supply.
- Enhanced efficiency and capabilities for the supply chain within SABECO system.
- Strengthened quality management, machinery, and equipment management programs, improved expertise and training for workers to ensure quality and food safety.
- Managed research and beer analysis activities at testing laboratories of the Corporation's system, developed documentation, and maintained and improved the laboratory management system ISO 17025:2005.
- Invested in R&D activities and applied innovative technologies to diversify product portfolio, improve product quality and reduce manufacturing costs: the brewery's operational procedures center health, the environment, and sustainable development.
- Restructured warehousing processes and network, developed transportation roadmap and progressively optimized transport activities, centralized the operation of long-range transport, diversified transportation methods, and ensured adequate supply during peak occasions.
- Achieved remarkable achievements in the international arena such as (1) Silver Award for Saigon Gold Beer product line recognized by Monde Selection International Quality Institute, Belgium, (2) Gold Award for Bia Saigon Chill recognized by the Asia Brewers Network, Singapore, (3) Silver Award for Bia Saigon Special recognized by Beer Communication & Events ("Becomev"), (4) Bronze Award for Bia Saigon Export recognized by Monde Selection International Quality Institute, Belgium, (5) Silver Award for Bia Lac Viet recognized by Monde Selection International Quality Institute, Belgium, (6) Silver Award for 333 recognized by Monde Selection International Quality Institute, Belgium, and many other significant awards.

Investment Activities

- Ensured compliance with the Law and SABECO's regulations while implementing capital investment projects.
- Invested in projects for expansion of production capacity in order to meet business needs.
- Inaugurated the expansion ceremony for Saigon Beer - Quang Ngai Brewery.

Human Resources Activities

- Reviewed and developed the Corporation's structure to streamline the organization and increase the effectiveness of business management and operation by reviewing the functions and duties of various sections of the corporation and subsidiaries and standardizing job descriptions to evaluate staff capabilities properly.
- Strengthened the management structure by combining international management experience, understanding local practices and networks, and further developing expertise throughout the organization.
- Issued the "Corporate Occupational Health and Safety Policy", "Human Right Policy", "Whistleblowing Policy", and "Anti-Corruption Policy" to perform SABECO's business and strengthen future compliance and sustainable development with fairness and commit to the "Business Ethics and Code of Conduct" of SABECO.



Subsidiaries, Associates, and Joint Ventures' Activities

- Reviewed and developed the Corporation's structure to streamline the organization and increase the effectiveness of business management and operation by reviewing the functions and duties of various sections of the corporation and subsidiaries and standardizing job descriptions to evaluate staff capabilities properly.
- Strengthened the management structure by combining international management experience, understanding local practices and networks, and further developing expertise throughout the organization.
- Issued "Corporate Occupational Health and Safety Policy," "Human Right Policy," and "Anti-Corruption Policy" to perform SABECO's business and strengthen future compliance and sustainable development with fairness and commit to the "Business Ethics and Code of Conduct" of SABECO.

REPORT OF THE INDEPENDENT DIRECTORS

◆ Organizational Structure of the Audit Committee

The AC under the BOD comprises three Directors as follows:

Mr. Pramoad Phornprapha
Independent member of the BOD, AC Chairman

Mr. Nguyen Tien Vy
Independent member of the BOD, AC member

Mr. Michael Chye Hin Fah
BOD member, AC member



◆ Remuneration, Operation Expenses, and Other Benefits of the Audit Committee

The AC members had received remuneration, operation expenses, and other benefits in accordance with the Law on Enterprises, the Charter, and the regulations of the Corporation.

◆ Meetings of the Audit Committee

During the fiscal year ended December 31, 2022, the AC held five meetings, and each committee member's attendance is presented below:

No	Members of the Audit Committee	Position	Number of meetings attended	Attendance rate	Voting rate	Reasons for absence
1	Mr. Pramoad Phornprapha	Chairman	5/5	100%	100%	
2	Mr. Nguyen Tien Vy	Member	5/5	100%	100%	
3	Mr. Michael Chye Hin Fah	Member	4/5	80%	80%	Absence due to personal reasons

◆ The Supervision of the BOD and Management

- Supervising the activities of the BOD and Management directly through meetings, discussions, and communications with them as well as with Internal Audit and the Independent Auditor.
- Having regular meetings with Internal Audit and Management to discuss SABECO's issues.
- Supervising Management's activities in terms of compliance with the BOD's resolutions (if any).

◆ Coordination between the Audit Committee and the BOD, Management, and shareholders

- The AC always coordinates well with BOD members and Management within the scope of work of the AC.
- The AC received full support from the BOD and Management to fulfill its duties for 2022.
- The AC periodically reports the supervision results to the BOD.
- The AC supervises the periodic financial statements and financial performance results.

◆ The Audit Committee's Supervision Results



FINANCIAL STATEMENTS

The AC had reviewed quarterly, semi-annual, and annual financial statements before Management submitted them to the BOD, and then to shareholders at the AGM, or for public release as required by the law, and assessed whether they were presented fairly, completely, and timely in accordance with current accounting standards and regulations and legal requirements. For 2022, the results of the review showed that:

- There were no major changes in accounting policies, accounting standards, or tax policies during the year, which had material impact(s) on the financial position and Financial Statements.
 - Although it is not required by the law, Q1 2022 and Q3 2022 Financial Statements were reviewed by the Independent Auditor, who helped improve the reliability and credibility of the reports before being disclosed.
 - No material errors were found regarding accounting estimates (provisions, goodwill valuation, etc.).
- Quarterly and annual financial statements were prepared and disclosed in accordance with current accounting standards and regulations.
 - Some comments in the management letter to improve SABECO's internal control system, which were made by the Independent Auditor, had been reviewed and considered by the AC as not having a significant impact on the preparation and disclosure of the Financial Statements. The AC also agreed with Management and relevant stakeholders on measures for improvement.

RELATED PARTY TRANSACTIONS

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

COMPLIANCE AND FRAUD PREVENTION

The AC would supervise the effectiveness of SABECO's internal controls to prevent fraud and ensure compliance with the law and the Corporation's charter and regulations. The AC would focus on the efficiency of internal audit and risk management systems. The AC reviewed SABECO's internal control system every quarter based on the audit report of the Internal Audit Department. The report included recommendations to improve some internal controls so that the Corporation's business operations would be adequate, effective, and appropriate. In addition, the AC supported SABECO in reviewing the whistleblowing policy, amending the Internal Audit Charter, and other compliance procedures.

INTERNAL AUDIT FUNCTION

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

INDEPENDENT AUDIT SERVICES

The AC found that the proposed 2022 audit plan and its implementation by the Independent Auditor were suitable to meet the Corporation's requirements in terms of scope, objectives, methodology, and timeline while ensuring the auditing service quality and independence with no conflict of interest.

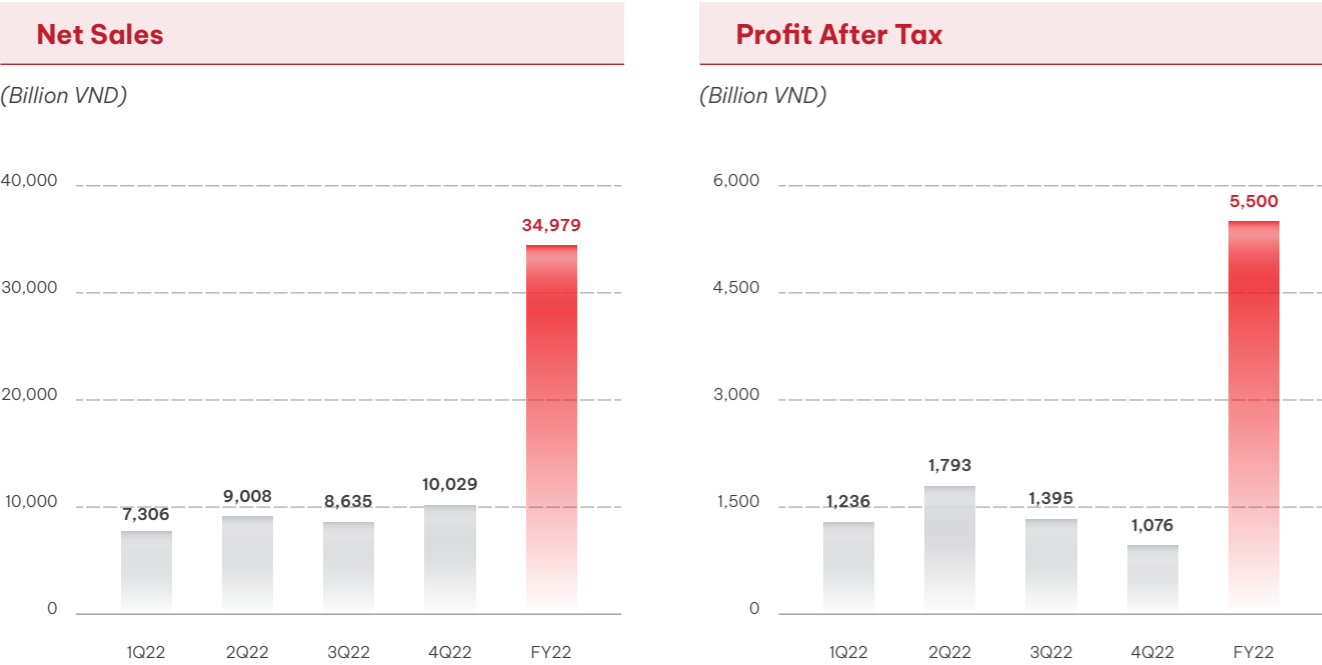
In implementing the 2022 audit plan, KPMG successfully fulfilled its tasks as the Independent Auditor, met the AC's expectations, and ensured the reliability and integrity of the financial statements disclosed to shareholders and relevant stakeholders.

For the financial year 2023, the BOD will submit the proposal of selecting an independent auditing firm to the AGM for approval.

REPORT OF THE BOARD OF MANAGEMENT

◆ Evaluation of 2022 Business Performance

After dealing with challenges caused by the prolonged Covid-19 pandemic, SABECO’s business has generated a healthy recovery since Vietnam fully emerged from lockdowns and markets across the country were reopened. In order to strengthen competitive advantages, the Corporation has embarked on its Phase 2 of transformation journey covering six strategic pillars, including Sales, Brand & Marketing, Production, Supply Chain, People, and Unlock, supported by SABECO 4.0 and Governance initiatives.



SALES PERFORMANCE

SABECO’s beer sales achieved a robust performance compared to 2021 due to (1) a stronger consumer demand post-reopening, (2) the return of on-premises consumption, and (3) improvements in the Corporation’s brand health and awareness. Despite the intensifying competition, SABECO managed to gain market share thanks to effective consumer promotions for both on-trade and off-trade channels as well as vibrant marketing campaigns being launched across Bia Saigon and 333 brands.

Net sales reached VND34,979 billion, increased by 33% YOY, coming from better volume performance with a higher proportion of mass premium that contributed to the better brand mix, and the favorable impact of price increases.

GROSS PROFIT

Gross profit reached VND10,771 billion, increased by 42% YOY due to higher volume and net sales offsetting higher material costs.

OPERATING EXPENSES

G&A expenses were VND741 billion, increased by 24% YOY mainly due to the increase in staff expenses and professional fees for various strategic projects. Selling expenses were VND4,532 billion, increased by 29% YOY as a result of deploying more commercial firepower into marketing and promotional activities, particularly during the aggressive pre-Tet period in January 2023.

PROFIT AFTER TAX

Profit after tax reached VND5,500 billion, increased by 40% YOY, resulting from higher sales and gross profit.

ASSETS

Total assets were VND34,465 billion, increased by 13% YTD.

Current assets were VND26,860 billion, increased by 17% YTD, due to higher short-term investments and transfer from cash & cash equivalent on the back of a stronger business performance. In addition, the increase in inventories was expected in anticipation of pre-Tet sell-in in January 2023. Short-term receivables also increased, mainly from higher account receivable and higher interest income receivable.

Long-term assets were VND7,605 billion, slightly decreased by 0.1% YTD, mainly from depreciation during the period.

LIABILITIES

Liabilities were VND9,874 billion, increased by 25% YTD, mainly coming from dividend payable, higher payable for marketing and promotion expenses, and more short-term borrowings at the end of the year.

OWNERS’ EQUITY

Owners’ equity was VND24,591 billion, increased by 9% YTD as a result of a strong profit contribution for the period.

INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

As of December 31, 2022, SABECO wholly owned 5 companies, 21 subsidiaries with more than 50% of ownership, and 18 associates and joint ventures. SABECO’s subsidiaries, associates and joint ventures, which operated in the main business (e.g., beer production and sales) and those in related businesses (e.g., packaging and mechanics), generally achieved positive results given the economic recovery and market reopening. In addition to the Corporation’s ongoing capacity expansion plan to further meet consumer needs across various regions, SABECO has always explored opportunities for future M&A deals and breweries consolidation

CONSOLIDATED FINANCIAL INDICATORS

Financial Ratio	Unit	2021	2022
Growth Ratio			
• Net Revenue	%	-5.7%	32.6%
• Gross Profit		-10.5%	41.6%
• Net Profit		-20.4%	40.0%
• Total Asset		11.4%	13.0%
• Equity		6.5%	8.8%
Liquidity Ratio			
• Current Ratio	Time	3.15	2.92
• Quick Ratio		2.90	2.65
• Cash Ratio		2.84	2.55
Turnover Ratio			
• Inventory Turnover Ratio	Time	11.44	12.02
• Receivable Turnover Ratio		309.74	159.42
• Payable Turnover Ratio		9.26	9.37
• Total Asset Turnover Ratio		0.91	1.08
Operating Profitability Ratio			
• Gross Margin	%	28.8%	30.8%
• Net Margin		14.9%	15.7%
• ROE		17.9%	23.3%
• ROA		13.6%	16.9%
• Cost of Goods Sold/Net Sales		71.2%	69.2%
• G&A/Net Sales		2.3%	2.1%
• Selling Expense/Net Sales		13.3%	13.0%
Risk Ratio			
• Debt Equity Ratio	Time	0.32	0.38
• Interest Coverage Ratio		112.13	163.02

2022 HIGHLIGHTS

◆ Sales

Riding on the recovery momentum since the easing of Covid-19 restrictions, SABECO has accelerated Bia Saigon brand visibility and penetration in both on-premises and off-premises, especially in modern trade and e-commerce channels.

In 2022, the Corporation also managed to sustain its market share in the economy and mainstream segments while boosting its mass premium segment through a number of large-scale end-consumer promotions across all brands to achieve better sell-out, along with the premiumization strategy for Bia Saigon Chill and Bia Saigon Special.

In addition, various sales training courses were organized for sales teams and promoter agents, at the same time digitizing the sales operation through Distribution Management System (DMS) and Sales Force Automation (SFA) solutions to enhance the productivity and consumer experience.

◆ Brand & Marketing

SABECO continued to invest aggressively in brand identity improvement through better positioning and proactive marketing initiatives.

One of the highlights in 2022 was the rejuvenation of the legendary beer, Bia Saigon Special, in April 2022 with its new look, new taste, and new positioning, which in turn contributed to Bia Saigon's sales volume growth and market share gain.

SABECO also focused on product portfolio expansion and innovations to solidify the Corporation's leading position in the market. In addition to the introduction of new 333 bottle and Bia Saigon Gold sleek can, SABECO has launched Bia Saigon Coffee Infused Beer as limited edition in August 2022, the first ever coffee infused beer which combined two of the most favorite beverages in Vietnam, thereby demonstrating the Corporation's R&D capabilities and sensitivity to the market.



In order to increase penetration into rural areas, SABECO launched an upgraded version of Dem Saigon with a stronger emphasis on Bia Saigon brand image and more captivating Saigon nightlife experiences.



The Corporation also leveraged music events on a much bigger scale in key cities throughout the year for brand building and raising consumer awareness, especially with the Lac Viet singing competition and a series of The Chill Fest music festivals, which attracted tens of thousands of audiences per event.



The sponsorship for Vietnam national football teams was renewed when Bia Saigon became the diamond sponsor for SEA Games 2022, Top Star Partner for Vietnam national football teams from 2022 – 2025, and the main sponsor for Vietnam Premier League also known as Bia Saigon Cup 2022, thereby reinforcing Bia Saigon’s positioning as the Pride of Vietnam.



In order to celebrate the new year of 2023, SABECO carried out comprehensive Tet campaigns for both Bia Saigon and 333 brands. Apart from “The Chill Fest – Runway to New Year” with countdown celebrations, the Corporation also introduced Vietnam’s biggest 64-can cartons of Bia Saigon Lager with the message of “Together We Make Tet”, awarded by the Vietnam Record Associate, as well as brought back “gold” pickup trucks to deliver Bia Saigon Gold in the shape of limited edition shiny gold bars to corporate customers, which generated wide coverages on the news and social media.



◆ Production

One of the top priorities in 2022 was the continuous improvement on production norms by enhancing production quality and efficiencies, along with managing raw materials and energy consumption in the brewing process.

SABECO also optimized its brewery capacity planning to meet the increasing market demand, upgraded infrastructures such as wastewater treatment and rooftop solar systems as part of the Corporation's sustainability efforts, and implemented brewery expansion projects. In March 2022, SABECO completed the expansion of Saigon Beer - Quang Ngai Brewery with an increasing production capacity to 250 million liters/year, representing the second largest brewery within the system.



◆ Supply Chain

The Corporation's logistics has benefited greatly from the digital transformation journey. Streamlining warehouses and transportation, optimizing and improving transportation services were key goals of SATRACO in 2022, including:

- Enhancing the efficiency and supply chain capabilities for the whole system through optimization, standardization, and automation of processes.
- Restructuring the warehouse system for cost optimization purposes, building route maps, focusing on the transportation management, and diversifying means of transportation to ensure adequate supplies during peak seasons.
- Improving the direct shipping process to distributors to provide beer products to the market quickly and with the finest quality.

With the objective of “Technology innovation, digital transformation, and supply chain diversification” for the 2022 – 2023 period, the Corporation seeks to develop its supply chain to be more sustainable and highly adaptable to market fluctuations, thereby ensuring stable production activities and effectively participating in the global value chain.

◆ People

In 2022, SABECO continued to expedite the rollout of its performance-based salary structure for the whole group of companies, as well as re-evaluate the competitiveness of salary ranges and employee benefits to attract and retain good talents. The Corporation also reviewed and issued internal Human Capital policies to ensure a healthy and safe working environment for employees, such as Corporate Occupational Health Safety, Human Right Policy, and Anti-Corruption Policy.



◆ Unlock

There were multiple initiatives identified under the Unlock pillar focusing on mid to long-term strategies. One of the key focuses was to review business processes to be more efficient in the way of work by utilizing digital solutions. Other areas of focus were on unlocking existing businesses and assets to generate value for the Corporation.

◆ SABECO 4.0 and Governance

During the past few years, SABECO rolled out several digital initiatives, such as Track & Trace, Warehouse Management System (WMS), Transportation Management System (TMS), Sales Force Automation (SFA) and Distribution Management System (DMS). For 2022 and beyond, the Corporation has planned for a strong pipeline of other initiatives to further transform its business, including but not limited to Sales and Operations Planning (S&OP) to systemize the production planning, Enterprise Resource Planning (ERP) to standardize processes and data management, and Manufacturing Production System to improve the efficiency of production lines and quality management.

In terms of governance, the Board and the Management have focused on enhancing risk management and sustainability standards, as well as strengthening the Corporation's governance through implementing the Manual of Authority (MOA) across the group.

2023 OUTLOOK

◆ Macroeconomics Overview and the Beer Market in 2022

OVERVIEW

- According to forecasts from IMF, the world’s three largest economies, including China, European Community, and the United States, are forecasted to slow down in 2023, reflecting risks that have become realities: (1) tightening global financial conditions in most regions, (2) expectations of more robust interest rate by major central banks to mitigate the effects of inflation; (3) a more pronounced decline in growth in China due to the prolonged lockdown and the worsening real estate market crisis; (4) effects from the conflict in Ukraine with gas supplies from Russia to Europe tightening.
- The World Bank argues that the growth of exports and domestic demand will slow down. Vietnam’s exports are hit by weaker external demand. Post-Covid consumption may not recover quickly as earlier anticipated. Besides, tighter financial mobilization conditions and rising inflation may affect the domestic market as well.
- The Organization for Economic Cooperation and Development (OECD) stated that the global outlook is also increasingly tilted in favor of Asia’s emerging large-market economies, accounting for nearly three-quarters of global GDP growth by 2023, reflecting a slowdown in the economic outlook for the United States and Europe.
- With regard to Vietnam’s economic growth forecast for 2023, international organizations state that Vietnam’s economy is still developing at a reasonable rate, although it has been forecasted to decrease compared to the previous one: IMF forecasts that Vietnam’s economic growth in 2023 will reach 6.2%; The World Bank estimates that Vietnam’s economic growth in 2023 will reach 6.7%; The Asian Development Bank (ADB) estimates that Vietnam’s economic growth in 2023 will get 6.3%.
- The National Assembly of Vietnam has set a growth target of 6.5% in 2023, lower than the 2022 result of 8.02%, but this is also a challenge in the context of common difficulties around the world as well as in Vietnam.
- According to the U.S. Federal Reserve System – Fed report, domestic growth is expected to be around 4.0% (compared to 3.2% in 2022), while the borrowing rates are expected to rise to 1.5%. Foreign exchange (USD/VND) will remain volatile in 2023.
- According to the World Bank, Vietnam remains an attractive destination for investors in the medium term. Vietnam’s strong fundamentals will help investors hedge against short-term volatility caused by the Covid-19 pandemic. Internally, domestic consumption and public investment will still play an essential role in the recovery of economic growth in 2023.
- With the newly amended Enterprise Law, Investment Law, Securities Law, and other regulations to enhance transparency in the investing environment, especially for foreign investors, Vietnam hopes to increase the stock market’s capitalization equal to the country’s GDP in 2023. Larger market capitalization would help Vietnam move from a frontier market to an emerging market.

BEER MARKET IN 2023

- In 2022, when the COVID-19 pandemic has gradually been controlled along with supporting policies from the Government, it has helped beverage businesses (including Beer, Alcohol/ Wine, and Beverage) to recover. However, in recent times, companies are facing significant impacts on production and business activities from the energy crisis and rising raw and fuel prices as a result of the conflict between Russia and Ukraine when input costs have increased sharply, the decline in demand for export markets due to the global economic downturn cycle, high inflation, etc. Therefore, the Vietnam Beer – Alcohol – Beverage Association (VBA) sent a letter to the Government in December 2022 on the consideration of continuing to extend the 2% VAT reduction policy according to Resolution No.43/2022/QH15 and Decree No.15/2022/ND-CP until 2023 and can be considered applying it to all businesses to continue supporting businesses to recover.
- The trend of consuming mass premium beer brands will continue to grow over the long run. However, potential consumers’ downtrading may impact 2022 sales due to their income being affected by the lingering Covid-19 pandemic.
- The competition continues to intensify, with every beer manufacturer vying for a higher market share.
- In order to realize the goal of reducing traffic accidents involving drivers of vehicles violating alcohol content when participating in traffic, the Prime Minister signed Public Power No.488/CD-TTg on 03/06/2022 on the observance of regulations on prevention, against the harmful effects of alcohol, beer. In particular, the Public Power clearly stated that ministries, state agencies, and relevant units (1) strengthen the implementation and strict implementation of the Law on Prevention and Control of Harmful Effects of Alcohol and Beer and Decree 100/2019/ND-CP (2) strictly handle drivers of vehicles with alcohol content in their blood and breath, (3) strengthen the handling of violations of the Law on Prevention and Control of Harmful Effects of Alcohol and Beer in accordance with Decree No.117/2020/ND-CP, (4) strengthen propaganda on the Law on Prevention and Control of Harmful Effects of Alcohol, Beer and Traffic Accidents due to alcohol content violations to raise people’s awareness, earnestly implement “Drink beer – don’t drive.”
- Alcoholic beverages in Vietnam are subject to 3 taxes: import tax (from 5-80% depending on the type of FTA), value added tax – VAT (10%), and special consumption tax – SST (an increase from 50% to 65% in 2018).

2023 marks “golden” opportunities for Vietnam’s beer industry:

Golden population structure, fast income.

More consumption from younger people.

More consumption from females.



◆ 2023 Planning

Recognizing the opportunities and challenges ahead, in 2023, SABECO's Board of Directors continues to set sustainable growth goals to create tangible action for the long-term development of SABECO.

KẾT VÀ CÔNG BỐ
CHƯƠNG TRÌNH HỢP TÁC 2022
GIỮA BỘ VĂN HÓA, THỂ THAO VÀ DU LỊCH
VÀ TỔNG CÔNG TY CP BIA - RƯỢU - NƯỚC GIẢI KHÁT SÀI GÒN
KHỞI ĐỘNG CHƯƠNG TRÌNH CỘNG ĐỒNG
"VIỆT NAM THẮNG VÀNG" HƯỚNG ĐẾN SEA GAMES 31
HÀ NỘI, NGÀY 13/5/2022



The Board has provided guidance in the following areas:

- Implementing resolutions of the General Meeting of Shareholders, including achieving the 2023 business plan.
- Focusing resources on branding and marketing activities, including developing brand positioning, production and distribution strategies to meet market needs, professional distribution network restructuring, and effective supporting channels and product segment control.
- Maintaining the domestic market and reaching out to the international market.
- Promoting research and development initiatives to improve product quality and new product offerings.
- Applying SABECO 4.0 digital system in administrative and business activities for SABECO and its group of companies.
- Enhancing capabilities and efficiency of SABECO's supply chain system.
- Integrating effective methods of HR management and applying the Key Performance Indicators (KPIs) reward system.
- Focusing on radical reforms to increase investment and operational efficiencies and reduce costs, thereby increasing productivity.
- Focusing on E-commerce/online and the on-off premise channels according to the changing trend.
- Adopting renewable and solar energy systems for cost-effectiveness and reducing the effects of climate change.
- Committing to a sustainable development model revolving around four key objectives: Consumption, Conservation, Country and Culture (4Cs) encompassing social activities, community support, and environmental protection programs.
- Leveraging both local and international expertise to preserve SABECO values and the Corporation's brands while constantly adapting to the dynamic market with its ever-changing business environment.



CORPORATE GOVERNANCE

REPORT ON CORPORATE GOVERNANCE

◆ Responsibilities of the Board of Directors

PRINCIPLE 1

ESTABLISHING CLEAR ROLES, RESPONSIBILITIES, AND COMMITMENTS OF THE BOARD

The Board has always act on an informed basis and in good faith with loyalty, integrity, and diligence, for the best interests of the Corporation and all shareholders, in which:

Roles, responsibilities, and accountabilities of the Board are specified in the Charter, Internal Regulation on Corporate Governance, and Operation Regulation of the Board of Directors. These regulations were approved during AGM 2021 and then published on SABECO's website. In addition, the Board also approved the Corporation's Business Ethics and Code of Conduct.

The Board has recognized its crucial duties to administer SABECO businesses and oversee operations in the best interest of the Corporation. This includes the administration of subsidiaries to be in line with the Corporation's core business plans to ensure legal compliance and commitment to shareholders' resolutions, relevant laws and regulations, and the Corporation's business objectives. The Board has also been responsible for determining SABECO's vision and business strategies, monitoring the Management's performance in accordance with the Corporation's policies, and reporting financial statements and general information to shareholders and investors in an accurate and timely manner.

All Board members have participated in quarterly meetings and effectively communicated through written opinions. For the fiscal year ended December 31, 2022, the Board has organized a total of five meetings in the form of physical and hybrid meetings.



No.	Board member	Position	Attendance	Percentage
1	Mr. Koh Poh Tiong	Chairman	5/5	100%
2	Mr. Pramoad Phornprapha	Independent Director	5/5	100%
3	Mr. Nguyen Tien Vy	Independent Director	5/5	100%
4	Ms. Tran Kim Nga	Director	5/5	100%
5	Mr. Michael Chye Hin Fah	Director	5/5	100%
6	Mr. Le Thanh Tuan	Director	5/5	100%
7	Ms. Ngo Minh Chau	Director	5/5	100%

As of December 31, 2022, the Board has issued **99 resolutions**

In addition to the meetings above, the Board has discussed and voted by circulation on a number of business matters throughout the year.

List of 2022 resolutions:

No	Resolution	Date	Content
1	01/2022/NQ-HĐQT	06/01/2022	Approved the revisions to SABECO's Manual of Authorities
2	02/2022/NQ-HĐQT	10/01/2022	Approved the bank loans to finance the project, a short-term working capital supplement of Chuong Duong Beverages Joint Stock Company
3	03/2022/NQ-HĐQT	24/01/2022	Approved the contents to vote at San Miguel Yamamura Phu Tho Packaging company Limited's Members Council Meeting
4	04/2022/NQ-HĐQT	26/01/2022	Approved the organization of 2022 AGM of SABECO
5	04A/2022/NQ-HĐQT	26/01/2022	Approved 3-year Internal Audit plan (2022-2024)
6	05/2022/NQ-HĐQT	08/02/2022	Approved 04 new policies of SABECO
7	06/2022/NQ-HĐQT	14/02/2022	Approved the dividend payment in advance of 2021 in cash
8	07/2022/NQ-HĐQT	15/02/2022	Approved the signing aluminum can contract with TBC-Ball Beverage Can Vietnam Ltd for 2022 production plan
9	08/2022/NQ-HĐQT	21/02/2022	Approved 2022 budget plan
10	09/2022/NQ-HĐQT	03/03/2022	Abstained from continuing the investment project of Saigon Packaging Group Joint Stock Company
11	10/2022/NQ-HĐQT	03/03/2022	Approved the proposal to convene EGM of Sai Gon Beer Packaging Joint Stock Company
12	11/2022/NQ-HĐQT	07/03/2022	Approved the contents to vote at Sai Gon - Quang Ngai Beer Joint Stock Company's AGM in 2022
13	12/2022/NQ-HĐQT	07/03/2022	Approved proposal on personnel matters at subsidiaries and associates of SABECO
14	13/2022/NQ-HĐQT	14/03/2022	Approved proposal for Sai Gon Beer Packaging Joint Stock Company on the investment in new printers
15	14/2022/NQ-HĐQT	16/03/2022	Approved the contents to vote at Sai Gon Beer Northeast Trading Joint Stock Company's AGM in 2022
16	15/2022/NQ-HĐQT	21/03/2022	Approved the contents to vote at Binh Tay Liquor Joint Stock Company's AGM in 2022
17	16/2022/NQ-HĐQT	21/03/2022	Approved the additional contents to vote at Binh Tay Liquor Joint Stock Company's AGM in 2022

No	Resolution	Date	Content
18	17/2022/NQ-HĐQT	23/03/2022	Approved proposal on personnel matters at Saigon Beer Mien Trung Trading Joint Stock Company
19	18/2022/NQ-HĐQT	23/03/2022	Approved the contents to vote at Saigon Beer Mien Trung Trading Joint Stock Company's AGM in 2022
20	18A/2022/NQ-HĐQT	23/03/2022	Approved the contents to vote at Malaya - Vietnam Glass Limited's Members Council Meeting
21	19/2022/NQ-HĐQT	24/03/2022	Approved the contents to vote at Sai Gon Beer Tay Nguyen Trading Joint Stock Company's AGM in 2022
22	20/2022/NQ-HĐQT	24/03/2022	Approved SABECO's Supplier Code of Practice
23	21/2022/NQ-HĐQT	24/03/2022	Approved SABECO's Procurement policy of goods and services
24	22/2022/NQ-HĐQT	25/03/2022	Approved the contents to vote at Saigon - Phutho Beer Joint Stock Company's AGM in 2022
25	23/2022/NQ-HĐQT	26/03/2022	Approved the contents to vote at Sai Gon Beer Bac Trung Bo Trading Joint Stock Company's AGM in 2022
26	24/2022/NQ-HĐQT	28/03/2022	Approved proposal on personnel matters at Sai Gon - Kien Giang Beer Joint Stock Company and Sai Gon - Ha Noi Beer Corporation
27	24A/2022/NQ-HĐQT	29/03/2022	Approved the draft of 2022 SABECO AGM Agenda, POA, and Invitation
28	24B/2022/NQ-HĐQT	29/03/2022	Approved the draft of audited Financial Statements 2021 of SABECO
29	25/2022/NQ-HĐQT	31/03/2022	Approved divestment of investment at Phuong Dong Petroleum Tourism Joint Stock Company
30	26/2022/NQ-HĐQT	01/04/2022	Approved the contents to vote at Saigon Beer Nam Trung Bo Trading Joint Stock Company's AGM in 2022
31	27/2022/NQ-HĐQT	04/04/2022	Approved proposal on personnel matters at Western - Saigon Beer Joint Stock Company
32	28/2022/NQ-HĐQT	04/04/2022	Approved proposal on personnel matters at Saigon Tay Do Beer - Beverage Joint Stock Company and Saigon Packaging Group Joint Stock Company
33	29/2022/NQ-HĐQT	04/04/2022	Approved the contents to vote at Northern Sai Gon Beer Trading Joint Stock Company's AGM in 2022
34	30/2022/NQ-HĐQT	05/04/2022	Approved an appendix for renewal, amendment to the consultancy services with Me Linh Point Limited

No	Resolution	Date	Content
35	31/2022/NQ-HĐQT	05/04/2022	Approved the contents to vote at PVI Joint Stock Company's AGM in 2022
36	32/2022/NQ-HĐQT	05/04/2022	Approved the contents to vote at Sai Gon - Kien Giang Beer Joint Stock Company's AGM in 2022
37	33/2022/NQ-HĐQT	05/04/2022	Approved the content of 2022 AGM of SABECO
38	34/2022/NQ-HĐQT	07/04/2022	Approved the contents to vote at Saigon Song Tien Beer Trading Joint Stock Company's AGM in 2022
39	35/2022/NQ-HĐQT	07/04/2022	Approved Proposal on banking loans of Sai Gon - Quang Ngai Beer Joint Stock Company
40	36/2022/NQ-HĐQT	08/04/2022	Approved the contents to vote at Sai Gon - Dong Xuan Beer Alcohol Joint Stock Company's AGM in 2022
41	37/2022/NQ-HĐQT	08/04/2022	Approved the contents to vote at Sai Gon Beer Packaging Joint Stock Company's AGM in 2022
42	37A/2022/NQ-HĐQT	08/04/2022	Approved the additional content of 2022 AGM of SABECO
43	38/2022/NQ-HĐQT	12/04/2022	Approved the contents to vote at Saigon Beer Center Trading Joint Stock Company's AGM in 2022
44	39/2022/NQ-HĐQT	12/04/2022	Approved the contents to vote at Saigon - Nghetinh Beer Joint Stock Company's AGM in 2022
45	40/2022/NQ-HĐQT	13/04/2022	Approved the contents to vote at Saigon - Songlam Beer Joint Stock Company's AGM in 2022
46	41/2022/NQ-HĐQT	13/04/2022	Approved proposal on personnelmatters at Saigon - Songlam Beer Joint Stock Company
47	42/2022/NQ-HĐQT	14/04/2022	Approved the contents to vote at Saigon Song Hau Beer Trading Joint Stock Company's AGM in 2022
48	43/2022/NQ-HĐQT	14/04/2022	Approved the contents to vote at Saigon Beer Eastern Trading Joint Stock Company's AGM in 2022
49	44/2022/NQ-HĐQT	14/04/2022	Approved the contents to vote at Sai Gon - Mien Trung Beer Joint Stock Company's AGM in 2022
50	45/2022/NQ-HĐQT	14/04/2022	Approved the contents to vote at Sai Gon - Lamdong Beer Joint Stock Company's AGM in 2022
51	46/2022/NQ-HĐQT	15/04/2022	Approved the contents to vote at Saigon Tay Do Beer - Beverage Joint Stock Company's AGM in 2022

No	Resolution	Date	Content
52	47/2022/NQ-HĐQT	18/04/2022	Approved the contents to vote at Saigon - Bac Lieu Beer Joint Stock Company's AGM in 2022
53	48/2022/NQ-HĐQT	18/04/2022	Approved the contents to vote at Sai Gon - Vinh Long Beer Joint Stock Company's AGM in 2022
54	49/2022/NQ-HĐQT	20/04/2022	Approved the contents to vote at Chuong Duong Beverages Joint Stock Company's AGM in 2022
55	50/2022/NQ-HĐQT	20/04/2022	Approved the contents to vote at Western - Saigon Beer Joint Stock Company's AGM in 2022
56	51/2022/NQ-HĐQT	21/04/2022	Approved the contents to vote at Sai Gon - Ha Noi Beer Corporation's AGM in 2022
57	52/2022/NQ-HĐQT	21/04/2022	Approved the contents to vote at Saigon - Bentre Beer Joint Stock Company's AGM in 2022
58	53/2022/NQ-HĐQT	21/04/2022	Approved the contents to vote at Sai Gon - Khanh Hoa Beer Joint Stock Company's AGM in 2022
59	54/2022/NQ-HĐQT	22/04/2022	Approved proposal on personnel matters at Saigon Tay Do Beer - Beverage Joint Stock Company
60	55/2022/NQ-HĐQT	27/04/2022	Approved the contents to vote at Mechanical and Industrial Construction Joint Stock Company's AGM in 2022
61	57/2022/NQ-HĐQT	27/04/2022	Approved proposal on new product launch
62	58/2022/NQ-HĐQT	16/05/2022	Approved proposal on investment project of Crown Beverage Cans Saigon Limited
63	59/2022/NQ-HĐQT	20/05/2022	Approved proposal on banking mandate at 2 breweries and subsidiaries
64	59A/2022/NQ-HĐQT	25/05/2022	Approved the draft Charter of Saigon - Ha Tinh Beer One Member Company Limited
65	59B/2022/NQ-HĐQT	25/05/2022	Approved to add Business lines of Saigon - Ha Tinh Beer One Member Company Limited
66	59C/2022/NQ-HĐQT	25/05/2022	Approved to add Business lines of Saigon - Ha Tinh Beer One Member Company Limited
67	60/2022/NQ-HĐQT	30/05/2022	Approved the contents to vote at Saigon Packaging Group Joint Stock Company's AGM in 2022
68	61/2022/NQ-HĐQT	13/06/2022	Approved proposal on personnelmatters at Sai Gon - Mien Trung Beer Joint Stock Company

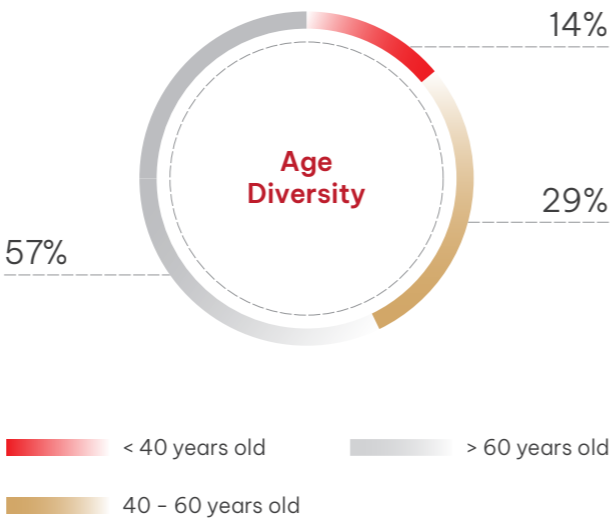
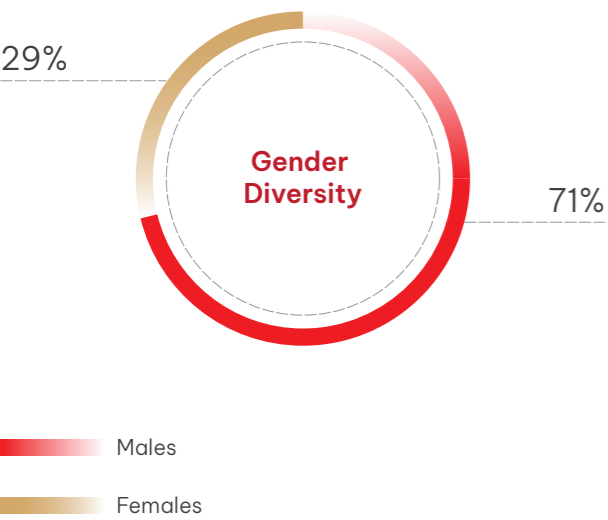
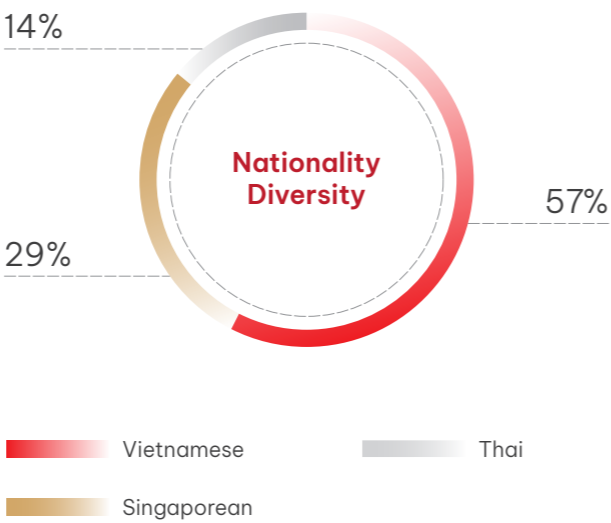
No	Resolution	Date	Content
69	62/2022/NQ-HĐQT	23/06/2022	Approved to select Independent Auditor for SABECO and its group of companies' financial statements and other businesses upon request for the fiscal year 2022, Q1/2023, and all relevant periods as deemed necessary
70	63/2022/NQ-HĐQT	27/06/2022	Approved the contents to vote at Dai Viet Securities Joint Stock Company's AGM in 2022
71	64/2022/NQ-HĐQT	04/07/2022	Approved new policies of SABECO
72	65/2022/NQ-HĐQT	05/07/2022	Approved proposal of SABECO's Management on seeking opinion content of Saigon Beer Transportation Joint Stock Company
73	66/2022/NQ-HĐQT	08/07/2022	Approved the contents to vote at Saigon Binh Tay Beer Group Joint Stock Company's AGM in 2022
74	66A/2022/NQ-HĐQT	27/07/2022	Approved the launch of a 330ml bottle of 333
75	67/2022/NQ-HĐQT	29/07/2022	Approved the utilization of banking credit facilities to accommodate business operation of Sai Gon Beer packaging Joint Stock Company
76	68/2022/NQ-HĐQT	01/08/2022	Approved Regulation on the Management of Capital representatives in SABECO's contributed capital enterprises
77	69/2022/NQ-HĐQT	26/08/2022	Approved the audited half-year Financial Statements 2022
78	70/2022/NQ-HĐQT	26/08/2022	Approved in principle the proposed increase of the charter capital of Chuong Duong Beverages Joint Stock Company
79	71/2022/NQ-HĐQT	26/08/2022	Approved the proposal regarding the Cu Chi land development plan and CAPEX
80	72/2022/NQ-HĐQT	26/08/2022	Approved the project Bubble
81	73/2022/NQ-HĐQT	22/09/2022	Approved the proposal of SABECO's Management on liquidation of filtration system of Sai Gon - Kien Giang Beer Joint Stock Company
82	74/2022/NQ-HĐQT	26/09/2022	Approved the change of Director of BOD Office of SABECO
83	75/2022/NQ-HĐQT	26/08/2022	Approved the new Policy and Regulation of SABECO
84	76/2022/NQ-HĐQT	26/08/2022	Approved SABECO's regulation on Management of Finance
85	77/2022/NQ-HĐQT	20/10/2022	Approved the dividend payment in advance of 2022 in cash

No	Resolution	Date	Content
86	78/2022/NQ-HĐQT	20/10/2022	Approved the proposal of Management on extension of the office lease agreement
87	79/2022/NQ-HĐQT	24/10/2022	Approved the signing aluminum can contract with TBC-Ball Beverage Can Vietnam Ltd for 2023 and 2024 production plan
88	80/2022/NQ-HĐQT	24/10/2022	Approved draft of the Whistleblowing Policy
89	81/2022/NQ-HĐQT	17/11/2022	Approved increasing charter capital of Saigon Beer Company Limited
90	82/2022/NQ-HĐQT	17/11/2022	Approved the Training Policy
91	83/2022/NQ-HĐQT	20/04/2022	Approved a short-term loan from SABECO to Chuong Duong Beverages Joint Stock Company
92	84/2022/NQ-HĐQT	21/04/2022	Approved the contents to vote at Dai Viet Securities Joint Stock Company's EGM in 2022
93	85/2022/NQ-HĐQT	21/04/2022	Approved the 2nd advance payment of 2022 dividend in cash
94	86/2022/NQ-HĐQT	21/04/2022	Approved utilization of banking credit facilities to accommodate business operations for Head Office, Nguyen Chi Thanh Brewery, Cu Chi Brewery, and Subsidiaries (Breweries Group)
95	87/2022/NQ-HĐQT	22/04/2022	Approved proposal on personnel matters at subsidiaries, Sai Gon - Vinh Long Beer Joint Stock Company, Truong Sa Food - Food Business Joint Stock Company
96	88/2022/NQ-HĐQT	27/04/2022	Approved amending on Charter of Saigon Beer Center Trading Joint Stock Company
97	89/2022/NQ-HĐQT	27/04/2022	Approved SABECO's Regulations on Investment Management
98	90/2022/NQ-HĐQT	16/05/2022	Approved proposal on SABECO's office renovation
99	91/2022/NQ-HĐQT	20/05/2022	Approved proposal to write off the long-term outstanding debts

PRINCIPLE 2 ESTABLISHING A COMPETENT AND PROFESSIONAL BOARD

The Board is currently comprised of seven members with a five-year term from 2018 – 2023, representing a diversified and broad range of viewpoints, expertise, skills, and competencies in order to provide effective leadership and oversight for SABECO, while committing to the Corporation’s best interests and maximizing shareholder value.

Board member	Position
Mr. Koh Poh Tiong	Chairman
Mr. Pramoad Phornprapha	Independent Director
Mr. Nguyen Tien Vy	Independent Director
Ms. Tran Kim Nga	Director
Mr. Michael Chye Hin Fah	Director
Mr. Le Thanh Tuan	Director
Ms. Ngo Minh Chau	Director



All members of the Board are non-executive Directors who possess necessary qualifications to effectively participate in securing business objectives, independent judgments on corporate affairs, and carrying out proper checks and balances. The Board seeks to maintain an appropriate balance of expertise, skills, and attributes among the Directors, including relevant competencies in areas such as accounting, finance, legal, trading, industry knowledge, and strategic planning.

At SABECO, the rights and obligations of the person in charge of corporate governance are currently implemented by the Board of Directors Office, an independent department under the Board of Directors. However, in order to fully comply with the law and apply best practices to corporate governance, the Corporation is in the process of appointing a qualified person to be in charge of corporate governance.

Board members have been participating in at least one corporate governance or director training program organized by the Vietnam Institute of Directors (VIOD), an accredited and professional organization that aims to raise awareness and contribute to promoting the application of good corporate governance standards and practices in Vietnamese enterprises, in order to ensure high standards of business ethics and transparency and keep track of the latest governance trend and requirements.

PRINCIPLE 3 ENSURING EFFECTIVE BOARD LEADERSHIP AND INDEPENDENCE

The Board has endeavored to exercise objective and independent judgments on all corporate affairs and prevent conflicts of interest by not participating in discussions or decisions in which they may have an interest. Board members have never served as paid consultants or advisors to the Corporation.

Two members of the Board are Independent Directors, including Mr. Pramoad Phornprapha and Mr. Nguyen Tien Vy, who have been on board for less than 5 years and possess the necessary qualifications and full eligibility to hold such positions.

The Chairman of the Board and the General Director are not the same person to ensure appropriate checks and balances, accountability, and greater capacity for the Board to make independent decisions.



PRINCIPLE 4 ESTABLISHING BOARD COMMITTEES

The Board has set up specialized sub-committees to help the Board fulfill its inherent functions and avoid any conflicts of interest.



After changing the corporate governance structure in AGM 2018, the Board has established the Audit Committee and appointed three members as follows:

Member	Board position	AC Position
Mr. Pramoad Phornprapha	Independent Director	Chairman
Mr. Nguyen Tien Vy	Independent Director	Member
Mr. Michael Chye Hin Fah	Director	Member

The AC consists of three non-executive Board members, of whom two out of three members, including the Chairman of AC, are Independent Directors of the Board. All AC members have sufficient knowledge in terms of internal audit, IFRS and VAS accounting standards, compliance, financial reporting and control.

The roles and responsibilities of AC are covered in a separate Charter which has been approved by the Board. The authorities, composition, and working procedures specified in the AC Charter have been developed as a practical benchmark to measure and evaluate AC performance. In 2021, the AC Charter has been revised to reflect changes in current laws and regulations.

In addition, Mr. Nguyen Tien Vy, an Independent Director, has been assigned to be in charge of activities on human resources and remuneration in accordance with the law, Charter, and relevant regulations to oversee the appointment of key personnels within SABECO group of companies, and other key human resources related matters.

Other sub-committees of the Board could be established in the near future if deemed necessary.

PRINCIPLE 5 ENSURING EFFECTIVE BOARD PERFORMANCE

The determination of levels and pay grades for members of the Board and the Management has been linked to SABECO's business performance, fulfillment of duties and responsibilities, as well as individual performance and compliance with applicable laws. Remuneration for members of the Board and the Management shall be included in business expenses of the Corporation and recorded as a separate item under audited full-year financial statements.

Remuneration packages for the Board and the Management of SABECO for the year ended December 31, 2022 are presented in the form of percentage breakdown which includes the following categories: (1) Salary; (2) Remuneration; and (3) Bonus paid based on the Corporation's performance.

Name	Position	Salary	Remuneration	Bonus	Total
The Board of Directors					
Mr. Koh Poh Tiong	Chairman	-	-	-	-
Mr. Pramoad Phornprapha	Independent Director	-	100%	-	100%
Mr. Nguyen Tien Vy	Independent Director	-	100%	-	100%
Ms. Tran Kim Nga	Director	-	100%	-	100%
Mr. Michael Chye Hin Fah	Director	-	100%	-	100%
Mr. Le Thanh Tuan	Director	-	100%	-	100%
Ms. Ngo Minh Chau	Director	-	100%	-	100%
The Board of Management					
Mr. Neo Gim Siong Bennett	General Director	80%	-	20%	100%
Mr. Koo Liang Kwee Alan	Deputy General Director	80%	-	20%	100%
Ms. Venus Teoh Kim Wei	Deputy General Director	80%	-	20%	100%
Mr. Ng Kuan Ngee Melvyn	Deputy General Director	80%	-	20%	100%
Mr. Lam Du An	Deputy General Director	80%	-	20%	100%
Mr. Tran Nguyen Trung	Chief Accountant	80%	-	20%	100%

(*) Mr. Koh Poh Tiong, Chairman of the Board, waived his remuneration in 2022.

PRINCIPLE 6 ESTABLISHING AND MAINTAINING AN ETHICAL CORPORATE CULTURE



A Code of Conduct and Business Ethics formalizing ethical values has been an important tool to instill an ethical corporate culture that pervades throughout the Corporation. The main responsibility is to create and design a Code of Conduct and Business Ethics which is suitable to the needs of the Corporation and its organizational culture. Currently at SABECO, the Board has approved the Code of Conduct and Business Ethics which has been put into practice since 2021.

◆ Control Environment

PRINCIPLE 7 ESTABLISHING A SOUND RISK MANAGEMENT AND CONTROL ENVIRONMENT

The Board has recognized its responsibility to ensure a sound system of risk management and internal control to safeguard shareholders’ investments and the Corporation’s assets.

The Board has established the Internal Audit Department which provides objective assurance and consultancy in order to add value and improve the Corporation’s operations. IA authorities, compositions, remunerations, annual budgets, working processes and other relevant matters have been regulated under a separate IA Charter which has been approved by the Audit Committee. The Director of IA, who is a senior executive of the Corporation but not a member of the Management, is directly reporting to AC. The appointment of IA Director was also approved by AC.

In addition, the Audit Committee provides the Board with recommendations in respect of selecting the Independent Auditor, as well as engagement fees and overall terms of services to be provided by the Independent Auditor.

During SABECO AGM 2022, shareholders approved the Board’s proposal to select KPMG Vietnam to be in charge of auditing SABECO’s Financial Statements for the fiscal year of 2022 and all relevant periods as deemed necessary. Moreover, all SABECO subsidiaries and some of its associated companies also opted for KPMG Vietnam as the Independent Auditor.

◆ Disclosure and Transparency

PRINCIPLE 8 STRENGTHENING DISCLOSURE PRACTICES

SABECO has ensured adequate communications with shareholders, investors, regulators, and the general public by committing to a transparent and effective disclosure policy, which has been carried out by the Corporation’s Investor Relations Department.

The published information has complied with the regulations of listed companies. SABECO has always published information in two languages including Vietnamese and English, and usually after trading hours. The Corporation’s disclosure system has guaranteed fair access to information for shareholders, investors, and other stakeholders while not supporting any abuse of internal information or insider trading.

All quarterly financial statements were published within 30 days of the end of each quarter. The audited first half financial statements were published within 60 days of the end of the second quarter, while the audited full year financial statements were released within 90 days of the end of the fiscal year. SABECO has always complied with all information disclosure deadlines in 2022.



Information disclosure	Latest deadline by the law	Actual date of disclosure
Q1 2022 Financial Statements	30/04/2022	26/04/2022
Q2 2022 Financial Statements	30/07/2022	27/07/2022
Audited H1 2022 Financial Statements	29/08/2022	26/08/2022
Q3 2022 Financial Statements	30/10/2022	21/10/2022
Q4 2022 Financial Statements	30/01/2023	30/01/2023
Audited FY 2022 Financial Statements	31/03/2023	30/03/2023
2022 Annual Report	20/04/2023	18/04/2023

◆ Shareholders’ Rights

PRINCIPLE 9

ESTABLISHING A FRAMEWORK FOR THE EFFECTIVE EXERCISE OF SHAREHOLDERS’ RIGHTS

Shareholders’ rights

SABECO has acknowledged and respected the rights of all shareholders, who are the Corporation’s owners.

The Corporation has ensured equal and fair treatments towards every shareholder through its accurate, transparent, and timely disclosure of information. SABECO has also paid great attention to the sufficiency and accuracy of information disclosed so that shareholders would be able to make well-informed decisions at AGM, including casting their votes and expressing their opinions on the Corporation’s changes, proposals, and the election of members of the Board.

Convening the Annual General Meeting of Shareholders

The 2022 AGM was held on April 27, 2022. The invitation was sent to shareholders at least 21 days before the AGM date. The Corporation also posted all relevant information on HOSE’s and SABECO’s websites for easy access and shareholders to have sufficient time to carefully study those documents. All AGM documents were presented simultaneously in Vietnamese and English.

At AGM 2022, all Board members and the Management were available to address shareholders’ concerns at the meeting. The Corporation’s Independent Auditor, KPMG Vietnam, also participated to report on their auditing preparations and contents of these audited reports. During the meeting, shareholders were encouraged to make inquiries and express their opinions as well as offer recommendations.

The AGM Minutes were accurately and fully recorded in a timely manner as required by the law, including live questions and answers at the meeting, vote counting results with specific numbers and percentages of approval. The AGM Minutes were then disclosed together with the AGM Resolution to SSC, HOSE, and posted on SABECO’s website within 24 hours of the AGM date, and eventually sent to each shareholder via post within 15 days of the AGM date, thereby ensuring full compliance with current laws and regulations.

Dividend payout

SABECO has paid all declared dividends within six months of the AGM date.

In 2022, per the AGM Resolution on 2022 dividend plan and the Corporation’s performance, the Board of Directors has approved the 2022 advance dividend payment in cash, including the first payment of 25% in January 2023 and the second payment of 10% in March 2023.

Year	Payment type	Payout ratio
2018	By cash	50%
2019	By cash	35%
2020	By cash	35%
2021	By cash	35%
2022 (Plan)	By cash	35%

All shareholders shall be treated equally

Shareholders’ votes have been on a “one share, one vote” basis. All rights pertaining to each class of shares were also publicly disclosed. In addition, AGM materials such as invitation letters, documents, the Resolution and Minutes, were provided in both Vietnamese and English to facilitate all shareholders including foreigners.

Business transactions between SABECO and its related persons

All RPTs occurred were subject to strict reviews and approval processes by following the pre-defined approval matrix under the Charter of SABECO. The AC would then review and discuss with the Independent Auditor and the Management in regard to any complex and unusual related party transactions if necessary and required.

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

In 2022, excluding transactions within SABECO group of companies, the following transactions between SABECO and other related parties were carried out on the basis of approved resolutions from the Board of Directors:

Company	Relationship with SABECO	Transaction	Resolution
TBC-Ball Beverage Can Vietnam Ltd	Related person of internal person	Procurement of aluminum cans for 2022	07/2022/NQ-HĐQT
		Procurement of aluminum cans for 2023 and 2024	79/2022/NQ-HĐQT
Me Linh Point Limited	Related person of internal person	Consultancy services	30/2022/NQ-HĐQT





Stock transactions

Name	Position	Number of shares owned	Percentage
The Board of Directors			
Mr. Koh Poh Tiong	Chairman	-	0%
Mr. Pramoad Phornprapha	Independent Director	-	0%
Mr. Nguyen Tien Vy	Independent Director	-	0%
Ms. Tran Kim Nga	Director	-	0%
Mr. Michael Chye Hin Fah	Director	-	0%
Mr. Le Thanh Tuan	Director	-	0%
Ms. Ngo Minh Chau	Director	-	0%
The Board of Management			
Mr. Neo Gim Siong Bennett	General Director	-	0%
Mr. Koo Liang Kwee Alan	Deputy General Director	-	0%
Ms. Venus Teoh Kim Wei	Deputy General Director	-	0%
Mr. Ng Kuan Ngee Melvyn	Deputy General Director	-	0%
Mr. Lam Du An	Deputy General Director	-	0%
Mr. Tran Nguyen Trung	Chief Accountant	1,700	0.0003%

Stock trading of internal persons: None
Stock trading of related persons: None

PRINCIPLE 10BUILDING EFFECTIVE STAKEHOLDER ENGAGEMENTS

The Board has always considered and taken into account all stakeholders’ interests, who would be affected by the Corporation’s operations and decisions. The Board has also ensured that the Corporation would respect all legitimate interests and rights of stakeholders as established by the law or contractual commitments. The Board has already come up with interactive plans for different stakeholders, in hope of demonstrating the Corporation’s commitments to stakeholder engagements in the Code of Conduct and Business Ethics.

In order to do that, SABECO would adopt a transparent and publicly accessible communication procedure which allows the Corporation to:

- 01Receive and acknowledge communication from external stakeholders.
- 02Recognize issues and come up with responses.
- 03Provide relevant documents if necessary.



The Corporation has also continued to focus on strengthening and expanding investor relations functions to ensure benefits for shareholders and meet the increasing demand of engagement from domestic and international investors. After disclosing quarterly financial statements, the Investor Relations Department usually organized meetings for investors and analysts to have the opportunities for direct conversations with the Management to address related concerns. In 2022 when Covid-19 restrictions were lifted, four meetings were held in total in the form of online and hybrid meetings, along with engaging side events including brewery tours, dinners, and market visits.

In addition, SABECO’s website and its latest Annual Report have also been updated in terms of contents, design, and format in order to be in line with the corporate identity and market’s best practices, thereby providing investors with reliable data and a comprehensive picture of the Corporation’s current business activities. Many other interactive initiatives such as press releases, analyst reports, and quarterly presentations have been put into place as part of the Corporation’s efforts to meet the ever-increasing demand of investors.

RISK MANAGEMENT

◆ The Purpose of Risk Management

Through identifying and assessing risks, control measures would be provided to manage potential opportunities effectively as well as prevent and mitigate damages incurred at the lowest level, including:



- Develop standards to control and implement plans consistently.
- Contribute to the effective allocation and use of SABECO's resources.
- Minimize errors in all activities of SABECO.
- Minimize damages arising in cases where risks cannot be prevented.
- Assist in decision making, planning, and prioritizing work based on the knowledge of business activities, opportunities, and challenges.
- Protect intellectual properties with respect to images, trademarks, tradenames, industrial designs, copyrights, and make good use of intellectual property assets.
- Optimize operational efficiency and enhance competitive advantages.

◆ Evaluation of Risk Management

RISK IDENTIFICATION AND ANALYSIS

At the present, risks have been identified through:

Periodical data reporting and tools such as the accounting software.

The analysis of management system on Quality – Food Safety – Environment of SABECO.

Performing internal audits to assess the compliance of current rules, regulations, and processes.

METHODS

- Organize a management structure with relevant functions to execute the workflow appropriately and professionally.
- Strengthen coordination and cross-checking to minimize risks when making decisions and performing work.
- Establish a system of internal rules and regulations as the basis for implementing activities as well as review, revise, and update them to facilitate internal and external changes.
- Apply the manual of authority (MOA) system to ensure systematization in the management process of SABECO.
- Enhance performance through processes, guidelines, and training programs as per the annual plan.
- Apply technologies to enhance efficiency and improve productivity.
- Organize evaluation programs, internal controls, and internal audits to review the compliance as well as the effectiveness of the system.
- Apply management standards of ISO 9000, ISO 14000, ISO 22000, ISO 17025, ISO 50000 throughout the entire SABECO system.
- Prepare the business continuity plan (BCP) as well as other preparations such as fire drills, environmental troubleshooting, etc., to improve risks forecasting and responses to emergencies.

PARTICIPATION IN RISK MANAGEMENT

Currently, the participation in risk control of relevant units has been assigned in relation to their functions and tasks. All units have been involved in the process with different roles which could be divided into three groups as follows:

Execution



Units/individuals, who directly perform, will control risks related to their works and ensure expected outcomes.

Inspection



Units/individuals, who are assigned with inspection and control, will carry out inspections to ensure works as planned.

Coordination and planning



Units/individuals, who are assigned to coordinate and participate in the decision making and implementation processes upon their functions.

COMMON RISKS

Factors involved in risk control processes:

Human | Technology | Regulations and procedures

Specific risks as follows:

Market risks	 <p>Decreased market demand due to the impact of Covid-19, war and inflation, brand positioning, intense competition, cross-territory sales and risk of losing market share.</p>
Production risks	 <p>Increasing input costs, defective products, broken equipment, labor accidents, inappropriate production planning, food safety and environmental incidents.</p>
Financial risks	 <p>Slow account receivables collection, high costs, violations of tax regulations.</p>
Data management risks	 <p>Inaccurate and delayed information as well as information leakage.</p>
Internal management risks	 <p>Incomplete internal management of synchronized policies and vertical entities, resulting in various risks in sales activities, cost management, cash flow, transportation and warehouse management.</p>

Legal and compliance risks



Contractual disputes, violations of legal requirements on corporate governance (e.g., information disclosures, RPTs, appointments of related persons), lack of compliance in performance, lack of law acknowledgment, copyright and trademark disputes, violations of conformity announcement and regulations in advertising and promotion.

In addition, legal regulations have imposed higher requirements on the food and beverage business, including regulations related to the production and trading of beer and alcoholic beverages. The law on prevention of alcoholic beverage harms was passed to grant the State more control in the field of alcoholic beverage management and to mitigate the harmful effects of beer and alcoholic beverages. Therefore, SABECO had to review its internal regulations to comply with the law as well as disseminate law acknowledgment to all employees to limit law violations.

Other risks



The imbalance between production and consumption by region, work stagnation due to lack of coordination, and poor performance.

OVERALL ASSESSMENT ON RISK MANAGEMENT

- The Management has received awareness training on their responsibilities of risk management. The risk management competencies should be further trained.
 - Information technology has been applied in a number of fields to improve work efficiency and control.
 - Risk identification has not been implemented in a comprehensive and systematic way.
- The IA Department, who works directly under the AC, is currently in charge of SABECO internal audit coverage in terms of corporate governance, compliance, risk management and internal control processes, as well as any significant issues which may arise from the audit reviews and the Management's responses and actions.

◆ Measures to Prevent and Minimize Risks

Risk management should be considered as one of the top priorities which needs to be improved further in the following years. SABECO has taken measures to prevent and minimize risks as follows:

PRINCIPLES

Risk management should be implemented thoroughly and consistently for the entire system.

Risk control measures should be established on the principle of prevention and linked to the Corporation's value chain.

The Management would direct and appoint persons in charge of risk management in each area.

The risk management system should be established with the use of information technology and efficient working procedures.

MAIN SOLUTIONS

Appoint personnel for risk management and assessment as well as inspection and supervision in the entire system.

Finalize internal governance documents including risk management policies, disseminate and train relevant people for implementation.

Develop a comprehensive risk management system with regular and periodic assessment plans, establish an information management system and grant access to relevant personnel to review the operational information in order to detect and timely prevent potential risks, which would be a basis for:

- Organize a system of risk identification and analysis.
- Develop standards and uniform risk assessment methods.
- Organize risk identification, analyze, classify, and develop a risk matrix to provide appropriate management measures.
- Establish and implement risk control measures.
- Establish plans and organize internal evaluation and control programs.

◆ Action Plans for 2023

Amend and complete internal regulations.

Conduct trainings on legal documents and internal regulations.

Organize periodic assessments.

Address risks and provide related mitigations.





SUSTAINABLE DEVELOPMENT REPORT

OVERVIEW

◆ Introduction

Sustainable Development Report is prepared on an annual basis to present and disclose official information on sustainable development objectives, planning, and activities of SABECO.

Throughout this report, SABECO commits to the transparency in announcing sustainable development contents, thereby strengthening the trust of stakeholders and affirming the Corporation’s leading position.

OBJECTIVES



The report confirms the inter-relationship between the sustainable development objectives of SABECO and its stakeholders, thus providing innovative strategies and measures to enhance the Corporation’s values as well as stakeholders’ benefits by measuring and evaluating indicators annually.

METHOD OF COMPOSING



The report is developed in accordance with Global Reporting Initiative (GRI) standards and the Guideline of Information Disclosure on Environment and Society from the State Securities Commission of Vietnam (SSC) and International Finance Corporation (IFC).

In preparation for the report, SABECO takes into account its activities and impacts as well as interests and expectations of stakeholders in relation to the Corporation’s strategies on the operation and sustainable development.

SCOPE OF THE REPORT



The report is presented independently as part of the SABECO Annual Report and includes the Corporation’s results and achievements related to its sustainable development strategies from January 1, 2022 to December 31, 2022, as well as plans and objectives for the future. The report covers the entire operation scope of SABECO and its subsidiaries and associates when applicable.

RELIABILITY OF THE REPORT



SABECO consults and applies national and international standards for presenting and disclosing information in the report. In addition, some of the eligible third parties who guarantee the reliability and accuracy of the Corporation’s information and data are as follows:

- 2022 Financial Statements were audited by KPMG Limited Vietnam.
- Certificates in the fields of quality management, food hygiene, and safety were evaluated and granted by top assessment organizations.

CONTACT INFORMATION



SABECO is making efforts to satisfy those expectations of its stakeholders in terms of information disclosure and transparency. Therefore, the Corporation looks forward to receiving everyone’s sincere comments on sustainable development. If you have any suggestions or inquiries, please contact:

Investor Relations Department

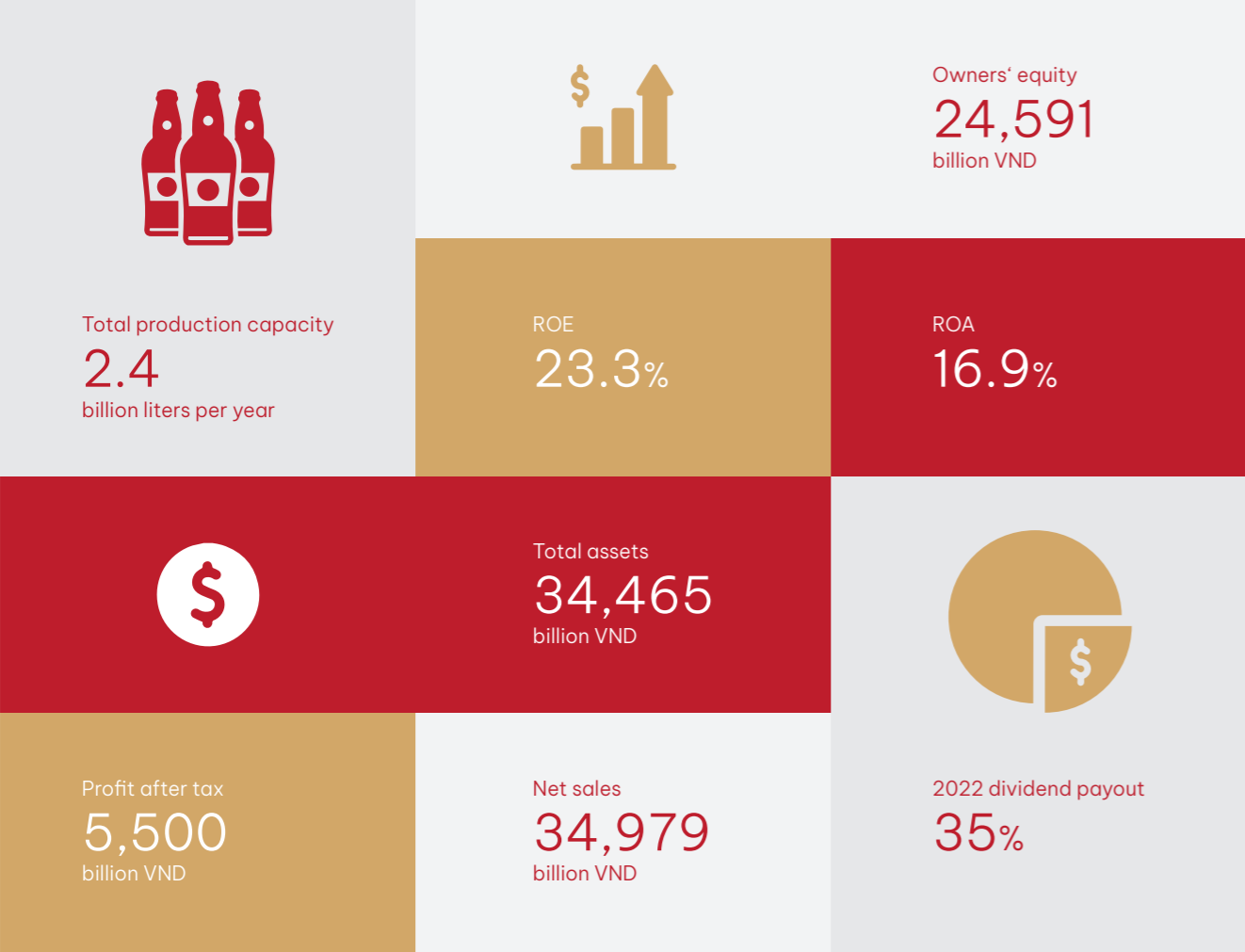
Tel: (+84) 28 3829 4081 (Ext: 504)

Email: ir@sabeco.com.vn

Address: 5th Floor, Vincom Center, 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam

SUSTAINABLE DEVELOPMENT INDICATORS

◆ Financial Indicators



◆ Non-financial Indicators

HUMAN CAPITAL



8,550 employees
(as of December 31, 2022)

COMMUNITY



2022 CSR Contribution
28.2 billion VND

2022 AWARDS



TOP 10 PRESTIGIOUS COMPANY IN THE ALCOHOLIC BEVERAGE SECTOR
Vietnam Report



VIETNAM'S GLORY AWARDS
The Vietnam General Confederation of Labor



EXCELLENT SUSTAINABLE BUSINESS MARKETING AWARDS
Kotler Awards



INSPIRATIONAL BRAND AWARD & CORPORATE EXCELLENCE AWARD
The Asia Pacific Enterprise Awards (APEA)



TOP 25 F&B LEADING BRANDS
Forbes Vietnam

SMARTIES VIETNAM 2022

- 01 BRONZE AWARD**
Brand Experience
- 01 SILVER AWARD**
Experience Technology
- 01 SILVER AWARD**
Impact Media

THE ASIA BEER CHAMPIONSHIP

The Asia Brewers Network, Singapore

- 01 GOLD MEDAL**
Bia Saigon Chill
- 01 CHAIRMAN SELECTION**
Bia Saigon Lager

THE BRUSSELS BEER CHALLENGE

Beer Communication & Events (Becomev)

- 01 SILVER MEDAL**
Bia Saigon Special

THE WORLD BEER AWARDS

The Drinks Report

- 02 VIETNAM COUNTRY WINNER**
Bia Saigon Lager and 333
- 02 VIETNAM SILVER**
Bia Saigon Special and Bia Saigon Export

THE MONDE SELECTION 2022

The International Quality Institute

- 03 SILVER MEDALS**
Bia Saigon Gold, Bia Lac Viet and 333
- 01 BRONZE MEDALS**
Bia Saigon Export

SUSTAINABLE DEVELOPMENT STRATEGIES

◆ Vision

Develop SABECO to become the leading beverage group in Vietnam, having a firm foothold in regional and international markets.



◆ Main Principles



Keep the balance of economy, society and environment, including stakeholders who are working towards the implementation of sustainable growth of the business.



Reduce the impacts from the implementation of the Corporation's value chain to align with the growth of the business by covering dimensions of society, environment, and occupational health and safety.



Adhere to the good conduct of its business and risk management by covering all dimensions that have an impact on an appropriate manner in business operation and compliance with applicable laws & regulations.



Recognize the importance of natural resources and the environment by encouraging the use of resources effectively along with developing innovation and technologies in order to increase efficiency and reduce any environmental impact.



Commit & conduct sustainable performance transparently for continuous development.



Support the development of innovation & technologies to sustain operations, deliver growth & shape the future for the Corporation.



Place importance on and care of the quality and safety of the food chain by serving consumers healthy and safety products, with the responsibility to society and environment.



Be aware of compliance with the sustainability policy throughout the Corporation's value chain.

◆ Corporate Social Responsibility Policy

SABECO and its subsidiaries have committed to maintaining the highest standards of corporate social responsibility in business activities through the following principles:

Create product excellence and provide consumers with better and higher standard products.

Enlarge opportunities for employees.

Create greater value and deliver more sustainable returns to shareholders.

Focus on the development of corporate excellence, i.e., creating values and being a role model for the society and all stakeholders.

SABECO has applied this policy through activities with different short-term and long-term strategic goals in order to promote positive changes to the society, community and environment, improve SABECO's credibility, and support sustainable business operations. The Corporation would operate a corporate management system aiming to achieve social responsibility values.

◆ Main Objectives of the Policy

- Affirm that corporate social responsibility is an indispensable component of SABECO's core business operations, which will bring about benefits to the community, business partners, the government, non-governmental organizations, shareholders, and the Corporation.
- Integrate citizen's rights with social responsibility that align with the Sustainable Development Goals (SDG) and the comprehensive strategy of SABECO, including the environmental policy, principles applicable to the supply chain, and the Code of Conduct applying to all business sectors of the Corporation.
- Become a Global Citizen Company through contributions to the sustainable development of communities where SABECO has business operations.
- Encourage the participation of the Board, the Management, and employees in community activities, charity programs as well as all social activities or programs sharing common objectives.
- Constantly develop, innovate and/or comply with SABECO's regulations on managing, measuring, supervising, and reporting the progress of the Corporate Social Responsibility Policy's impact on the satisfaction of relevant parties, at the same time improving the responsibility and awareness of the Board, the Management, & employees regarding the Corporation's commitments and actions for sustainable development.
- Respect and support internationally recognized human rights standards in every place where SABECO has business operations and take all measures to prevent all actions considered to be in violation of human rights.
- Consider the balance between economic, environmental, and social factors in making business decisions for SABECO, on the basis of sustainable development principles.
- Regularly address the Corporation's management track records related to social and environmental issues, including those that impact its business operations.

4Cs COMMITMENT

To become an industry-leading business and a pioneer in innovation for positive development and common prosperity, the Corporate Social Responsibility Policy focuses on the following **4Cs** commitment:

CONSUMPTION



SABECO commits to cooperating with government authorities and relevant partners in raising the consumers' awareness of responsible drinking, and delivering fresh products to meet different consumers' tastes and needs while ensuring compliance with environmental and labor safety regulations.

CONSERVATION



SABECO emphasizes cutting costs and reducing water and energy consumption in business operations, also utilizing sustainable resources such as solar energy and environmentally friendly packaging materials.

COUNTRY



SABECO encourages the creativity and efforts of the Vietnamese. SABECO supports the rising spirit of Vietnam through various activities to promote the working capability of talents in Vietnam, while continuing to invest in the Corporation's brands and products to create positive values which will contribute to the overall development and prosperity of the country, thereby bringing pride to Vietnam.

CULTURE



SABECO supports activities to preserve and promote the traditional cultural values of Vietnam. SABECO has committed to implementing the policy with its view of bringing benefits to all relevant parties, not only improving the connection between SABECO and customers/consumers but also promoting positive changes for the society and raising cultural standards of the Corporation

◆ Management of Sustainable Development

THE BOARD OF DIRECTORS

- Provide an overall strategy and approve key objectives and plans for sustainable development.
- Take the highest responsibility for the sustainable development strategies of SABECO.

THE BOARD OF MANAGEMENT

- Research, build, and propose key objectives and plans for sustainable development based on the Board guidance.
- Communicate objectives and detailed plans to member companies and functional departments through task assignments and supervising the implementation.

MEMBER COMPANIES AND FUNCTIONAL DEPARTMENTS

- Implement sustainable development tasks assigned by the Board and the Management.

RISK MANAGEMENT OF SUSTAINABLE DEVELOPMENT

- Integrate business strategies and objectives into a sustainable development model.
- Identify and analyze short-term and long-term risks on a regular basis including risks from changes in the environment and society, and evaluate the frequency and extent of those risks in order to provide the Management with appropriate and timely recommendations.

STAKEHOLDER ENGAGEMENT

SABECO has been building and strengthening its collaborative and close engagement with all stakeholders based on trust, transparency, and mutual benefits. A strong stakeholder engagement will form a solid foundation for pursuing and maintaining the Corporation’s sustainable development.

◆ Customers / Consumers

Main concerns	SABECO's action	Results in 2022	Interactive channels
Products' quality and safety	<ul style="list-style-type: none">• Apply advanced science and technology to improve products 'quality and designs• Comply with production standards and regulations	<ul style="list-style-type: none">• Beer freshness was ensured in the market	<ul style="list-style-type: none">• Annual distributors conference• SABECO website and social networks• Via phone and emails• Market visits• Surveys
Customer care	<ul style="list-style-type: none">• Launch limited edition products• Expand the distribution• Launch various attractive consumer promotions• Collect feedback from consumers• Conduct research to meet the dynamic market demands	<ul style="list-style-type: none">• SABECO received various positive feedback from consumers• SABECO products were easy to find• Brand awareness and brand equity were improved	
Sales policies for distributors	<ul style="list-style-type: none">• Apply motivated incentive schemes	<ul style="list-style-type: none">• Distributors were encouraged to invest in SABECO and their own businesses	

◆ Shareholders/Investors

Main concerns	SABECO's action	Results in 2022	Interactive channels
Information transparency	<ul style="list-style-type: none">• Comply with regulations of information disclosure	<ul style="list-style-type: none">• Information was disclosed timely and sufficiently	<ul style="list-style-type: none">• Quarterly Investor Briefings• AGM• SABECO website• Third-party conferences• Market visits/company events• Via phone and emails• Surveys
Benefits for shareholders and investors	<ul style="list-style-type: none">• Maintain dividend payout• Ensure fairness for all shareholders and investors	<ul style="list-style-type: none">• The 2022 dividend payout was maintained at 35%	
Management capability and corporate value	<ul style="list-style-type: none">• Continue to restructure and improve corporate governance• Enhance the overall operational efficiency	<ul style="list-style-type: none">• SABECO received awards and recognitions for its corporate brand and products• The Corporation's leading position was reaffirmed	

◆ Suppliers/Partners

Main concerns	SABECO's action	Results in 2022	Interactive channels
Long-term partnership, fairness, and openness in cooperation	<ul style="list-style-type: none">• Involve legal consulting in all contracts• Ensure data confidentiality for all suppliers• Select suppliers based on their qualifications, experience, and reputation• Resolve conflicts on the basis of goodwill and respect• Maintain and strengthen the long-term partnership between SABECO and suppliers• Information sharing for better work efficiency• Forward buying of raw materials for hedging purposes	<ul style="list-style-type: none">• SABECO was considered a reliable partner for various suppliers in the market• Close and mutually beneficial relationships were maintained and developed• Stable and high-quality sources of raw materials were ensured• Pricing was competitive and transparent	<ul style="list-style-type: none">• Suppliers network within SABECO group of companies• Negotiation meetings• Virtual meetings• Via phone and emails



◆ Employees

Main concerns	SABECO's action	Results in 2022	Interactive channels
Remuneration, welfare, training, and promotion policies	<ul style="list-style-type: none">• Apply a performance-based salary structure to ensure the competitiveness and fairness• Recognize and evaluate contributions and achievements of employees• Organize training courses to improve the professionalism for employees• Communicate viewpoints and aspirations of employees to the Communist Party and Labor Union	<ul style="list-style-type: none">• Employees' security and motivation were maintained• Employees were supported in developing their career paths• Work efficiency was comparable to salary and bonus	<ul style="list-style-type: none">• Bi-annual Town Hall Meetings• Annual training courses• SABECO website• Internal newsletters• Meetings with the Communist Party and Labor Union
Working environment	<ul style="list-style-type: none">• Ensure a professional, collaborative, safe, and clean working environment• Organize regular discussions and talks between the Management and employees• Apply open-door policy• Issue policies related to Corporate Occupational Health Safety, Human Rights, and Anti-Corruption• Issue the Whistleblowing policy• Conduct conflict of interest declaration	<ul style="list-style-type: none">• Safety and wellness of employees were ensured• Employee's communication and bonding were improved throughout the Corporation• Employees were encouraged to raise their voices on suspected practices, and protected from any dangers of doing so	

◆ Authorities/Government/Associations

Main concerns	SABECO's action	Results in 2022	Interactive channels
Compliance with the law and regulations	<ul style="list-style-type: none">• Comply with laws and regulations related to SABECO businesses• Update relevant legal documents	<ul style="list-style-type: none">• SABECO was considered one of the largest contributors to the State budget• The Corporation's brand reputation and value were maintained	<ul style="list-style-type: none">• Conferences and forums hosted by State agencies, including provincial governments• Activities organized by VBA and VCCI
Support for State policies and activities	<ul style="list-style-type: none">• Participate in programs and activities launched by authorities• Partnership with the Vietnam National Administration of Tourism• Sponsorship for the Vietnam national football team• Contribute to improving provincial economies	<ul style="list-style-type: none">• SABECO created stable jobs for local people, promoted the beauty of the country, as well as brought pride to Vietnam• SABECO was considered one of the most active enterprises in supporting State activities	

◆ Press/Media

Main concerns	SABECO's action	Results in 2022	Interactive channels
Information and image of SABECO	<ul style="list-style-type: none">• Issue and implement regulations on public speeches and information to be given to the press• Increase the number of high-quality articles given to the press and media• Build and maintain strong relationships with the media, especially local newspapers	<ul style="list-style-type: none">• SABECO news was released timely, accurately, and transparently• Clear messages of SABECO were conveyed• The reputation of the Corporation was strengthened	<ul style="list-style-type: none">• Press releases• Press conferences• SABECO website and social networks• Interviews

◆ Community

Main concerns	SABECO's action	Results in 2022	Interactive channels
Contributions to the society	<ul style="list-style-type: none">• Launch various large-scale CSR activities• Focus on the development of young talents through training and sponsorships	<ul style="list-style-type: none">• SABECO's reputation and Bia Saigon brand was strengthened within local communities• Young talents had more opportunities to improve their capability, contributing to their hometown's development	<ul style="list-style-type: none">• Meeting with provincial authorities• Projects of sustainable development
Environmental protection	<ul style="list-style-type: none">• Comply with regulations on environmental protection• Conduct various initiatives to cut down on raw materials, energy, and natural resources• Raise awareness of environmental protection among employees	<ul style="list-style-type: none">• Environmental impacts were minimized	<ul style="list-style-type: none">• CSR activities• National and local media and social networks



KEY HIGHLIGHTS OF 4Cs COMMITMENT

◆ Consumption

PRODUCT QUALITY ASSURANCE

With a system of breweries and distribution nationwide, SABECO has always been aware of its crucial duty to ensure the consistency of product quality in order to bring the best products to consumers. In the case of brewing ingredients, they are imported from Europe, Australia, and the US, and strictly managed based on the following methods:




- Maintain the best quality for all raw materials to produce high-quality products that meet the increasing demands and expectations of consumers as well as the Corporation's requirements of improving the effectiveness of the quality management system.
- Understand the product requirements on health and safety for consumers and control raw materials, semi-finished goods, and finished goods through strict technical requirements for each type.
- Issue rigorous requirements to all raw materials, based on Vietnam's applicable laws, regulations, standards, international practices, and reference information from specialized organizations in the field of food and beverage such as the European Brewery Convention (EBC), Mitteleuropäische Brautechnische Analysenkommission (MEBAK), American Society of Brewing Chemists (ASBC), and Deutsches Institut für Normung (DIN). Ingredients that affect product quality, food hygiene and safety such as barley malt, hops, cans, ends, bottles, crown corks, etc., have been purchased directly from suppliers, which means the quality control of raw materials has been assured before re-distributing to breweries. Auxiliary ingredients, which do not affect the beer quality, food safety and hygiene, have been purchased by breweries in accordance with the list of suppliers, brands, and technical requirements approved by SABECO.
- Continuously update if there are any changes in production (e.g. new materials, new production technique...) and sustain production efficiency.
- Work closely with suppliers to ensure the source of raw materials with stable quality.
- Set up specialized laboratories with a full range of modern equipment to fully analyze the technical requirements of input materials such as Skalar malt analyzer, HPLC, GC and Trumac nitrogen analyzer. All inputs have been subject to "Qualified" certification issued by the Quality Control Department before being put into use. This "Qualified" certification has taken into account the right supplier, the right country/origin of production under the approved list, and requirements of quality, food safety, and environment under relevant regulations.
- Conduct relevant risk management for the Corporation's supply chain, including periodically reviewing suppliers at their manufacturing sites to ensure process compliance among the related parties.



The Corporation has issued and applied a self-contained and highly automated production process which is managed by a team of experienced technical engineers and brew masters to ensure product quality. Several technical staffs attended Brew Master courses in the United States and Germany.

2022



The total number of Brew Masters

+2

New Brew Masters

49

people

SABECO has also invited many reputable organizations and specialists to provide technical training for managers and plant operators to improve their skills. In addition, technicians also participated in advanced training courses on yeast propagation, chemical and microbiology analysis, beer sensory analysis, maintenance and management systems and management systems according to international standards, along with technical seminars the on beer and beverage industry to access and continuously update advanced techniques around the world.

26 BREWERIES have achieved

The certificates of ISO 9001

(Quality Management System)

The certificates of ISO 14001

(Environmental Management System)

The certificates of ISO 22000

(Food Safety Management System)

The certificates of HACCP


(Hazard Analysis and Critical Control Points)

In addition, the breweries have had laboratories accredited with ISO 17025 to ensure beer quality throughout the entire system.

SABECO is focusing on improving standards and the advanced management system as well as carrying out relevant works to achieve ISO 50001 (Energy Management System) for its breweries in the 2022 – 2023 period. In addition, all employees have been trained frequently on labor safety, food hygiene and safety as required by the law.



With great beer flavors coupled with an efficient production process, SABECO's products are now recognized in the international arena.



WORLD BEER AWARDS

VIETNAM COUNTRY WINNERS

Bia Saigon Lager and 333



ASIA BEER CHAMPIONSHIP

GOLD MEDAL

Bia Saigon Chill



MONDE SELECTION

SILVER MEDALS

Bia Saigon Gold, Bia Saigon Export, and Bia Lac Viet

Thereby showing relentless efforts of the Corporation and its employees to deliver the best beer products to consumers as well as bring pride to Vietnam.



◆ Conservation

ENVIRONMENTAL PROTECTION

CLIMATE CHANGE

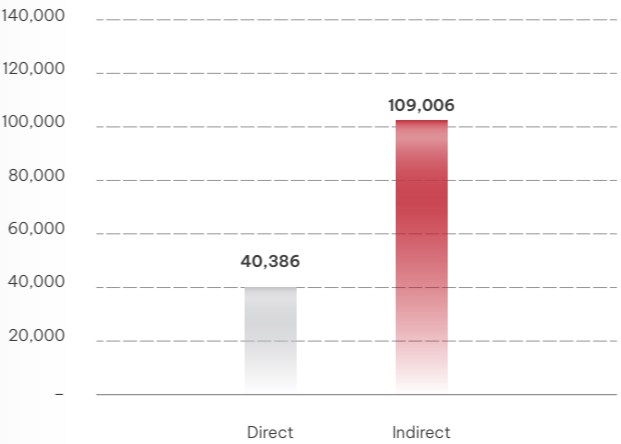


As an enterprise that commits to investing in business activities together with sustainable development, SABECO has always focused on its roles and responsibilities in environmental protection, especially in the context of climate change being one of the biggest challenges of the world. Therefore, the Corporation has proactively implemented various green initiatives as well as encouraged stakeholders to mitigate short-term and long-term negative impacts on the environment through the following guidelines:

- Continuously review and rectify the Corporation's performance which may affect the environment, especially the matter which may affect nature and climate change.
 - Implement the sustainable development of packaging by using returnable glass bottles, recycled cullet and aluminum can, & eco-friendly packaging design, reducing the materials consumption from natural resources.
 - Issue internal regulations to guide good environmental management, implement manners to reduce the impact of climate change, and do the best practices among companies in the group.
 - Ensure compliance with environmental legislation.
- Set a clear target for environmental protection manners such as reduction of water consumption, energy consumption, pollutant emissions, effluents and waste.
 - Develop and implement the environmental protection policy and have the environmental management system in accordance with national and international standards.
 - Encourage to continuously improve the environmental management of the production process to prevent and mitigate negative impacts on the environment and climate change.
 - Encourage the efficient and conservative use of natural resources to keep the balance of the environment and society.



The total amount of greenhouse gas emissions from SABECO breweries in 2022 (unit: tCO2e)

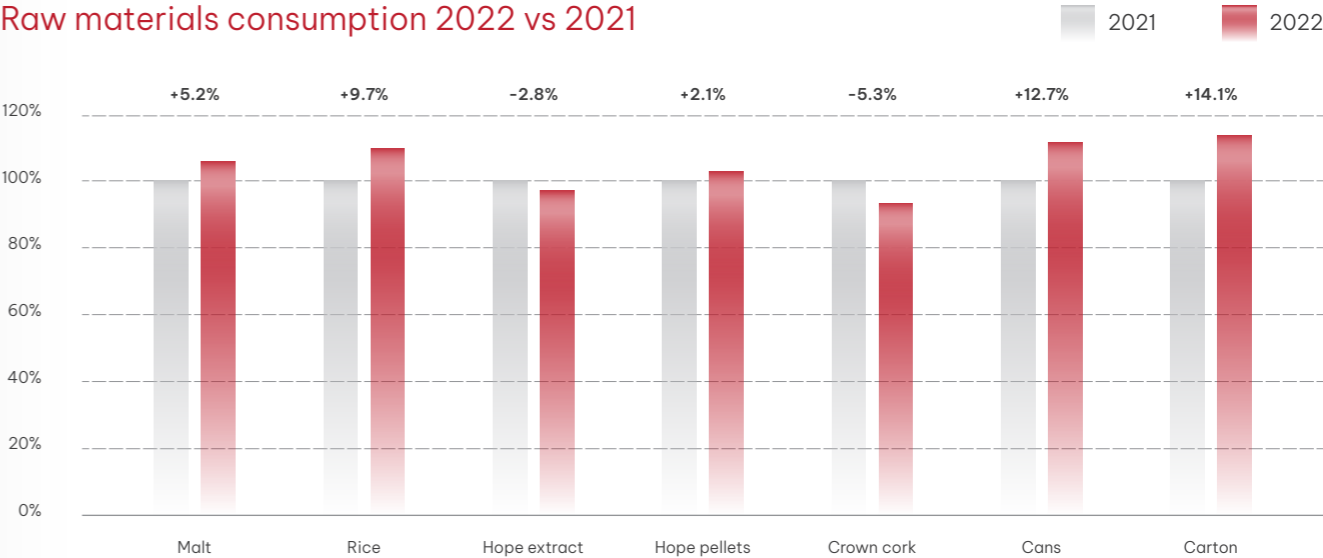


Initiatives for reducing greenhouse gas emissions

- Switch from diesel forklifts to liquefied petroleum gas forklifts which are eco-friendly.
- Use BIOMASS boilers instead of fossil fuel boilers.
- Invest in solar energy for breweries within the system.
- Utilize downgauging and recyclable packaging

RAW MATERIALS CONSUMPTION

Raw materials consumption 2022 vs 2021



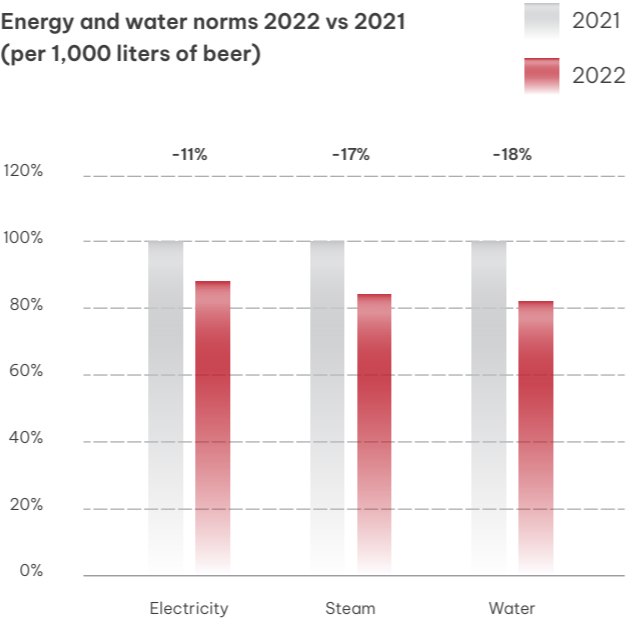
Most raw materials and packaging consumption in 2022 were higher than in 2021 mainly due to higher volume production. Despite higher volume and a shortage of raw materials given the economic recession and political instability in Europe, the key raw materials consumption in 2022 only slightly increased between 2% - 14%, reflecting the Corporation's effective raw materials management. In addition, SABECO's Production division was active and determined to optimally control the number of raw materials used during the production process, improve production quality, and avoid wastages. All experts and engineers in the system have worked together in dealing with arising problems in a flexible and timely manner, thereby maximizing the operational efficiency and bringing positive values to the whole system. When facing external challenges, the breweries also proactively made appropriate operating plans, combined with continuous improvements to ensure rational raw materials uses.



ENERGY AND WATER



In 2022, SABECO made efforts to research and apply various saving initiatives to reduce energy and water norms (calculated per 1,000 liters of beer) compared to 2021.



INITIATIVES FOR SAVING ENERGY

- Maintain and upgrade machinery, technology, and infrastructure to save energy.
- Adjust the aeration time of aeration tanks in the wastewater treatment area.
- Use compressed air to blow dry the bottom of cans in the extraction area.
- Automatically stop the wrapping machine when there is no load.
- Maintain the number of empty fermentation tanks to reduce power loss during operation.
- Invest in a high-pressure plate-frame press to save on electricity and costs of transporting and treating sludge.
- Optimize the operation of the compressed air system, separate the compressed air system to remove dust to save electricity.
- Invest in the inverter running air compressor.
- Reduce the evaporation rate of wort boiling kettles.
- Pipes insulation and heat exchangers.
- Utilize the exhaust fumes of coal boilers to dry the waste filter powder from the beer filtration system.
- Use BIOMASS boilers from plant materials (e.g., rice husks, sawdust, cashew shells and leaves).
- Invest in solar power systems.
- Streamline the operating process of the CO₂ capture system.
- Produce cold water during off-peak and normal hours for peak-hour use.
- Streamline the process of boiling the wort to reduce the evaporation rate of the boiling pot.
- Insulate the hot chamber of the bottle/can sterilizer to save steam.
- Recover residual heat from the boiling pot and raise the temperature of hot water.
- Circulate and reuse water in surge chamber.

INITIATIVES FOR SAVING WATER



- Recover and reuse water.
- Recover and reuse rainwater.
- Renovate the vacuum pump cooling system.
- Adopt the improved cleaning-in-place (CIP) system to reduce water usage compared to the initial CIP process.
- Reduce the water pressure of the bottle washer to an appropriate level to clean bottles and save water.
- Reuse wastewater and excess hot water.
- Apply advanced hygiene regimes for equipment.
- Use heat pumps to limit the discharge of water in pasteurizers.
- Recover all condensates and return to the boiler.

SABECO has developed plans for the efficient use of energy and water sources for each brewery with specific criteria, as well as applying the 3R (Reduce – Reuse – Recycle) formula to appropriately save energy and water, bringing high economic efficiencies to the system. Wastewater treatment systems for reuses of plant watering and cleaning have been invested to meet SABECO’s goal of enhancing water protection. In addition to controlling the actual use of energy and water, the Corporation has invested in modern equipment and technology systems that consume less energy during operation and production processes.

To invest in renewable energy and protect water sources, SABECO has approached sustainable development programs of the United Nations as well as aggressively invested in projects to make use of renewable energy sources and reuse water in the production process. By the end of 2022, 9 breweries have installed rooftop solar panels, which contributed greatly to electricity savings at those breweries.

In addition, SABECO successfully organized the seminar of “SABECO – Sustainable Development and Efficient Production 2022” in Quang Ngai with the participation of the world’s leading corporations in the beer and renewable energy industries such as Krones, Novozymes, Pentair, Siemens, Sopura, Singapore Power, etc., to present modern equipment systems, technologies and efficient solutions in production to optimize the use of energy and water resources for the whole system.

ADVANCED TECHNOLOGY



One of the factors leading to SABECO’s success today is its boldness in investing and applying science and technology to production and environmental protection. Placing technologies and techniques as foundations of the Corporation’s competitive and development strategies, SABECO breweries have been equipped with state-of-the-art machinery and equipment imported from European industry leaders such as Krones AG, KHS, etc., integrated into a highly automated production system to reduce energy consumption.

SABECO has been constantly improving and applying modern technology and equipment in production processes. Since 2017, the breweries have been equipped with equipment for checking bottles, codes, testing labels, and CO₂ stripping equipment to ensure the quality of fresh beer being delivered to consumers. Investments have been made in membrane filtration systems (without the use of filter aid powder) to reduce solid waste emissions to the environment, protect operators’ health, and reduce the consumption of inputs (e.g., electricity, water, chemicals, solvents, etc.)

The Corporation has applied a system of uniform standards and regulations to all breweries, and to the entire production process from raw materials to finished goods to meet both Vietnamese and SABECO’s standards of beverage products.



INVESTMENT IN WASTEWATER AND WASTEWATER TREATMENT SYSTEM

Wastewater from all breweries has met the QCVN 40:2011/BTNMT standard (type A or B) before being discharged into the environment or the wastewater collection systems of industrial zones. The monitoring of the wastewater environment has been regularly conducted to be in line with the approved frequency as stated in environmental impact assessment reports.

In addition, the breweries have had silos containing spent grains and scrap packaging. Domestic waste has always been stored in covered bins and waste storage before being processed. For hazardous waste, there are contractors who deal with transport and treatment. The system of collecting and fermenting microorganism sludge from the wastewater treatment system has also been invested to generate electricity and make compost.

ENVIRONMENTAL MANAGEMENT SYSTEM

All breweries have been approved for the Environmental Impact Assessment/Environmental Protection Commitment/Environmental Protection Scheme, and achieved the certificate of the environmental management system according to ISO 14001:2015.

Environmental documents including procedures, appendices, and instructions for control and operation related to the environment have been issued and are required for all member companies to commit to and organize periodical audits to ensure compliance.

◆ Country

ACCOMPANYING THE DEVELOPMENT OF SPORTS IN VIETNAM

THE NATIONAL 7-A-SIDE FOOTBALL - BIA SAIGON CUP 2022

Being the exclusive sponsor in the beer industry for Vietnam national football teams, Bia Saigon was proud to continue to fulfill its commitment to support the development of Vietnamese football by becoming the main sponsor of the National 7-A-Side Football - Bia Saigon Cup - Season 3 in June 2022 after being delayed for more than two years due to the Covid-19 pandemic. With the companion of Bia Saigon brand, the tournament was expanded to 5 cities, including Hanoi, Ho Chi Minh City, Dak Lak, Nha Trang, and Can Tho. It was also the tournament's first debut in the West and Central Highlands, thereby marking the strong presence of this tournament as well as Vietnamese 7-a-side football in general.



THE INTERNATIONAL 7-A-SIDE FOOTBALL - BIA SAIGON CUP 2022

Following the success of the National 7-A-Side Football - Bia Saigon Cup 2022, Bia Saigon collaborated with other parties to organize the first International 7-A-Side Football - Bia Saigon Cup 2022 in December 2022 in Hanoi. The tournament kick-started with four teams representing Vietnam, Thailand, Indonesia, and Malaysia, aiming to create opportunities for these Southeast Asia's teams to compete and exchange knowledge, while bringing the Vietnamese football culture to the region and potentially to the international arena.



“ FOSTERING SPORTS ”

With a commitment to accompany and promote the development of Vietnamese sports, and at the same time encourage healthy lifestyles in the community, especially in rural areas, Bia Saigon brand was honored to cooperate with the Central Committee of Ho Chi Minh Youth Union to implement the community project called "Fostering Sports".

Particularly in 2022, the project focused on supporting 10 provinces and cities including Khanh Hoa, Dong Thap, Soc Trang, Dak Lak, Binh Dinh, Thanh Hoa, Tuyen Quang, Bac Giang, Nghe An, and Thai Binh. In addition, various items from football fields to outdoor sports kits, houses and public landscape systems were equipped, thereby helping improve the physical health and spiritual cultural life for people in remote and isolated areas, especially children.

The project has supported

4.5 billion VND

to build local community sports playgrounds in 30 provinces and cities across the country within a period of 03 YEARS



“ VIETNAM WINS GOLD ”

As part of a series of activities jointly deployed by SABECO and the Ministry of Culture, Sports, and Tourism in regard to the 31st SEA Games being held in Vietnam, a community program called "Vietnam Wins Gold" aimed to call for support of the Vietnamese community for the Vietnamese sports delegation during the 31st SEA Games, thereby encouraging all athletes' will and confidence to win, and at the same time showing the love for sport and enthusiasm of the whole nation. In addition, the Corporation also sponsored VND5 billion for training, coaching, and developing sports talents for international achievements.



SUPPORTING THE DEVELOPMENT OF VIETNAMESE YOUNG TALENTS

A SERIES OF PROGRAMS FOR RURAL YOUTHS TO DEVELOP ECONOMICS

SABECO and the Central Committee of Ho Chi Minh Youth Union jointly organized a series of training activities, seminars, and business networking for rural youths in many provinces across the country.

The program was held with the participation from various experts in the fields of business management, economics, agricultural technology, together instructing, consulting, and sharing experiences to rural youths, thereby bringing opportunities to rural youths to promote the local economic potential and actively contribute to building a new and sustainable rural area.



LUONG DINH CUA AWARD



Luong Dinh Cua Award is an annual event to recognize, praise, and honor rural youths with outstanding achievements in production, business, technology, occupational development, environmental protection, and rural construction.

In 2022, SABECO cooperated with the Central Committee of Ho Chi Minh Communist Youth Union and the People's Committee of Lam Dong province to organize the 17th Luong Dinh Cua Award Ceremony and award the Startup Project Contest of Rural youth in 2022 in Da Lat, Lam Dong, thereby standing side by side with rural young people in starting up a business and creating a strong motivation for them to effectively utilize their homeland's resources.

Not only bringing experts to the program, SABECO also committed to supporting the agricultural connection activity for 32 winners' projects on the Techfest 247 platform for one full year.

HELPING LOCAL COMMUNITIES

“ LIGHTING UP THE RURAL ”



Accordingly, 34 km of solar-installed streets have been built for 34 rural areas in 34 provinces of Vietnam by the end of August 2022 with a total contribution of VND4.25 billion, thereby improving the socio-economic infrastructure for 34 rural areas, while also promoting the use of renewable energy and providing a safe and sustainable environment for more than 210,000 households in those areas.

“ TOGETHER WE MAKE TET ”



After the Covid-19 pandemic, the workforce has played an important role in the recovery and development of Vietnam's economy and society. In recognition of the workers' persistent efforts, SABECO and Bia Saigon joined hands with the government and social organizations to implement the CSR program of “Together We Make Tet”, aiming to spread the spirit of national unity, reunion on the traditional Tet holiday, and bring a full warm spring to workers and their families altogether.

From January 8, 2023 to January 16, 2023, the program distributed 8,000 Tet gifts to workers in 11 provinces and cities across the country including Vinh Phuc, Hanoi, Nghe An, Khanh Hoa, Dak Lak, Binh Dinh, Ho Chi Minh City, Binh Duong, Long An, Soc Trang, and Tien Giang, with a total gift value of VND5.6 billion. In addition, the Corporation also cooperated with the Central Youth Union and provincial Youth Unions to deliver the Tet atmosphere with various attractive activities, honoring traditional cultural values of the nation and creating favorable conditions for people to enjoy the Tet occasion.

To support the National Strategy on Green Growth 2021-2023 – Vision to 2050 and the National Program of building new rural areas for the 2021-2025 period, SABECO and its subsidiaries were honored to collaborate with the Central Committee of Ho Chi Minh Communist Youth Union to implement the community project called “Lighting Up The Rural”, together with young people changing the face of the village and build new rural areas.



◆ Culture

JOINING HANDS TO PROMOTE THE CULTURE AND TOURISM OF VIETNAM

VIETNAM TOURISM – CULTURE FESTIVAL



During the Vietnam Tourism – Culture Festival taking place in Korea on the occasion of the 30th anniversary of the establishment of diplomatic relations between Vietnam and Korea (1992-2022), SABECO and Bia Saigon brand were honored to participate as a partner and sponsor of the program, with a total sponsorship amount of VND5 billion.

This was also one of the activities within the framework of partnership cooperation between the Ministry of Culture, Sports, and Tourism and SABECO in 2022 to promote and honor cultural values and build the image of Vietnam as a great tourism destination for domestic and international tourists.

At the event, Bia Saigon also introduced its collection of 63 Bia Saigon Lager cans with images featuring the typical cultural beauty of 63 provinces and cities in Vietnam, which received great attention and interest from a large number of Vietnamese and international visitors in Korea.

OK OM BOK FESTIVAL – NGO RACE BOAT BIA SAIGON CUP 2022

This was the 14th time in a row that Bia Saigon accompanied and supported the Ok Om Bok Festival and the traditional Ngo Race Boat in Soc Trang province, an event recognized as a national cultural heritage by the Ministry of Culture, Sports, and Tourism, with the participation of tens of thousands of visitors from all over the country.

As a companion, SABECO not only joined hands to preserve traditional cultural values and promote a healthy lifestyle through sports activities, but also helped improve the professionalism and quality of the festival.



HUMAN CAPITAL DEVELOPMENT

Along with its business activities, SABECO has always placed employees at its core as the Corporation believes that people play a vital role in sustaining development for enterprises, as well as respects diversified values and dedications from all employees who have contributed to the success of SABECO thus far. In order to maintain the leading position in Vietnam and reach out to international markets, SABECO has always focused on building and fortifying its “WARM” workforce along with creating a professional, motivated, dynamic, and fair working environment, thereby boosting the Corporation’s competitive advantages and strengthening engagement with employees.

The comprehensive transformation has brought SABECO, a Vietnamese organization with its long-standing culture, an opportunity to reach out and adopt global practices, i.e., Global Values. The program with three key elements including Collaboration – Creating Values – Caring for Stakeholders, has been designed with intentions to engage and connect all employees as well as promote solidarity and trust while working towards common goals, thereby bringing the best out of employees and at the same time, creating sustainable values for the Corporation.

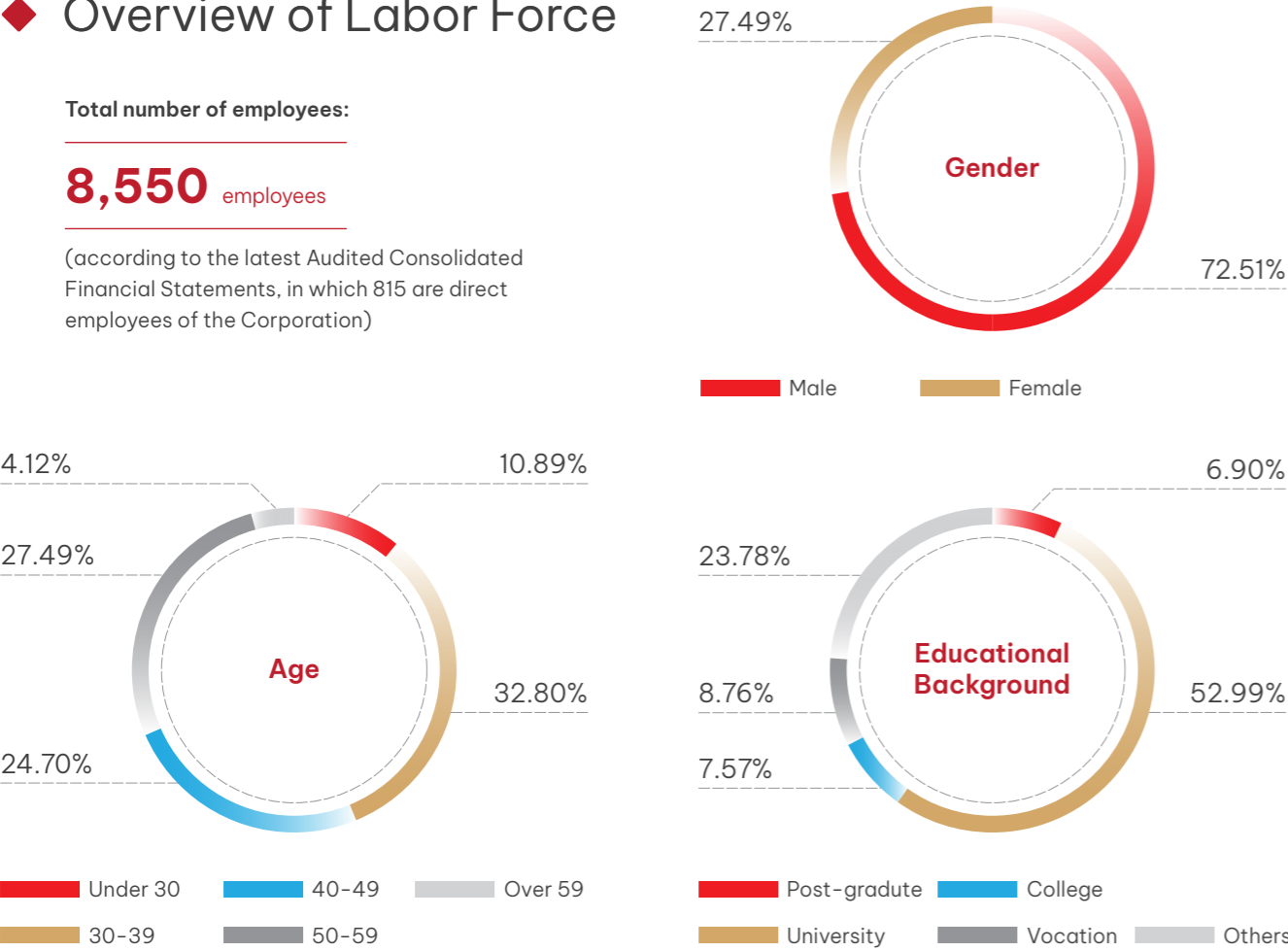


Overview of Labor Force

Total number of employees:

8,550 employees

(according to the latest Audited Consolidated Financial Statements, in which 815 are direct employees of the Corporation)



Recruitment

SABECO has always looked for talented, dedicated and hardworking employees, who would most likely fit into the Corporation’s culture.

Recruitment plan

SABECO arranges appropriate recruitments based on the approved annual business plan and personnel demand of each functional department.

Recruitment method

Admission tests and direct interviews with the Human Capital team and line managers.

Recruitment notice

Detailed information will be posted on recruitment channels.

In 2022, SABECO recruited a total of 140 new employees spanning across different departments. The “Onboarding Program for Newcomers” has been designed to help new hires familiarize themselves with the way of working in SABECO, important policies, and the Corporation’s organizational culture. In addition, newcomers have also received active guidelines and timely support from the Human Capital team during their probation periods, so that they can quickly adapt to the new working environment and do their best. SABECO also guided its member companies through the recruitment process and standard salary package for newcomers for a consistent and professional recruitment process.



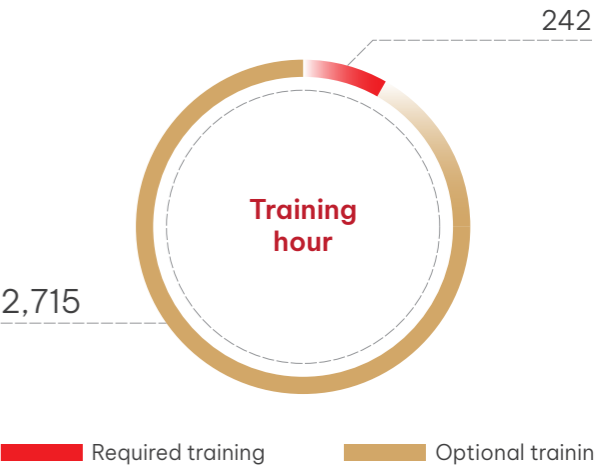
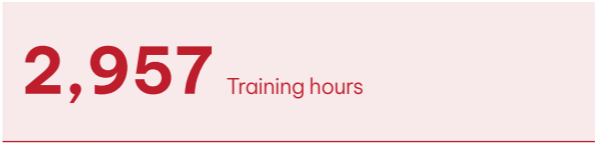
Remuneration and Welfare

SABECO has placed high importance on creating a performance-based culture, meaning the new salary structure has been strictly related to job positions and individual performance in order to motivate employees to work hard and perform well. In terms of bonus, it has now been distributed based on task completion, as well as the performances of individuals and the Corporation as a whole. Besides, SABECO has also offered extra allowances to help facilitate employees’ best performances.

Apart from regular employees’ benefits under the law such as social insurance, health insurance and 24-hour accident insurance, SABECO has constantly improved its welfare regimes through various activities such as extra health insurance, outing trips, birthday and holiday gifts. In addition, SABECO has also taken good care of employees’ relatives such as giving gifts to their children on the occasions of International Children’s Day or End of the School Year.

Training

In 2022, SABECO continued to implement a thorough training process for functional departments and its two owned breweries to ensure a uniform management mechanism across all business units as well as develop competencies for all levels of staff. The total number of training hours of the Corporation was 2,957 hours.




◆ Safety and Healthy Working Environment

SABECO has always aimed to constantly improve its working environment and mitigate workplace risks in order to ensure occupational safety and health for all employees as well as facilitate them for performance optimization through the following measures:


Periodical health check




Occupational diseases detection




Working environment improvements




Supply of protective equipment for individuals



Compulsory insurance on labor, occupational diseases, and health



Fire prevention



The Corporation has complied with occupational safety laws and regulations and opted for high standards of occupational health and safety, and shall work hard to prevent accidents, injuries, and work-related illnesses from happening during its operation.

In addition, SABECO has also issued the Whistleblowing policy to encourage all employees to report any suspected wrongdoings or dangers at work that are harmful to the Corporation's interests, health and safety of people or the working environment. SABECO has advocated for employees to raise their concerns in good faith, even if they are caused by misunderstandings, and reasonable measures shall be taken to protect employees from detriment, retribution, or harassment from doing so.

◆ Human Right

SABECO has always operated in compliance with both Vietnamese and international human rights principles and labor standards, including the United Nations Universal Declaration of Human Rights and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work. All executives and employees in the entire system are required to comply with the Corporation's human rights policy, including:

DISCRIMINATION AND HARASSMENT

SABECO has opted against harassment and discrimination on race, gender, color, language, religion, political opinion, social origin, union affiliation, sexual orientation, age, or other personal characteristics. Decisions related to all employees shall be based on the provisions of relevant laws and regulations.

FORCED LABOR AND CHILD LABOR

SABECO has prohibited forced labor. The use of prison labor and bonded labor is strictly forbidden. All employees have the right to withdraw from employment given their withdrawals comply with relevant laws and regulations and their labor contracts. The Corporation has also prohibited any employment and exploitation of child labor in its workplace and will give no tolerance towards such acts. Instead, SABECO has engaged youngsters in apprenticeship programs for the purpose of capability and talent development.

FREEDOM OF ASSOCIATION

SABECO has respected the employees' right to join or not to join a trade union, labor union, or another organization of their choice to bargain collectively on their mutual interests in accordance with the law.

WORKING HOURS

SABECO has urged its employees to have a balance between work and personal life. The Corporation's working hours and overtime shall comply with the Labor Code, applicable laws and regulations related to salary, remuneration, and other benefits. In general, all employees shall be entitled to at least one day off per week.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS



CORPORATE INFORMATION

Enterprise Registration Certificate No.

0300583659

29 February 2012

The Company’s Enterprise Registration Certificate (“ERC”) has been amended several times, of which the most recent one is ERC No. 0300583659 dated 13 February 2023. The Enterprise Registration Certificate and its updates were issued by the Ho Chi Minh City Department of Planning and Investment.

Board of Directors

Mr. Koh Poh Tiong Chairman

Mr. Pramoad Phornprapha Member

Mr. Nguyen Tien Vy Member

Mr. Michael Chye Hin Fah Member

Ms. Tran Kim Nga Member

Mr. Le Thanh Tuan Member

Ms. Ngo Minh Chau Member

Board of Management

Mr. Neo Gim Siong Bennett General Director

Mr. Koo Liang Kwee Deputy General Director

Ms. Teoh Kim Wei Deputy General Director

Mr. Ng Kuan Ngee Melvyn Deputy General Director

Mr. Lam Du An Deputy General Director
Saigon – Nguyen Chi Thanh
Brewery’s Director

Audit Committee

Mr. Pramoad Phornprapha Chairman

Mr. Nguyen Tien Vy Member

Mr. Michael Chye Hin Fah Member

Legal Representative

Mr. Koh Poh Tiong Chairman

Mr. Neo Gim Siong Bennett General Director

Registered Office

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

Auditor

KPMG Limited
Vietnam

STATEMENT OF THE BOARD OF MANAGEMENT

The Board of Management of Saigon Beer – Alcohol – Beverage Corporation (“the Company”) presents this statement and the accompanying consolidated financial statements of the Company and its subsidiaries (collectively “the Group”) for the year ended 31 December 2022.

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

- (a) the consolidated financial statements set out on pages 5 to 72 give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, and of their consolidated results of operations and their consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Group 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 consolidated financial statements for issue.

On behalf of the Board of Management



Neo Gim Siong Bennett
General Director

Ho Chi Minh City, 29 March 2023

INDEPENDENT AUDITOR’S REPORT

To the Shareholders Saigon Beer – Alcohol – Beverage Corporation

We have audited the accompanying consolidated financial statements of Saigon Beer – Alcohol – Beverage Corporation (“the Company”) and its subsidiaries (collectively “the Group”), which comprise the consolidated balance sheet as at 31 December 2022, the consolidated statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Company’s Board of Management on 29 March 2023, as set out on pages 5 to 72.

Management’s Responsibility

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

Auditor’s Responsibility

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

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

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

Auditor’s Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of Saigon Beer – Alcohol – Beverage Corporation and its subsidiaries as at 31 December 2022 and of their consolidated results of operations and their consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.



KPMG Limited’s Branch
in Ho Chi Minh City Vietnam
Audit Report No.: 22-01-00348-23-4
Ho Chi Minh City, 29 March 2023

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



Chang Hung Chun
Practicing Auditor Registration
Certificate No. 0863-2023-007-1

CONSOLIDATED BALANCE SHEET AS
AT 31 DECEMBER 2022

Form B 01 – DN/HN

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

	Code	Note	31/12/2022 (VND)	1/1/2022 (VND)
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		26,860,224,573,663	22,877,033,322,264
Cash and cash equivalents	110	5	4,069,464,160,642	3,606,454,403,209
Cash	111		985,364,551,928	685,368,712,799
Cash equivalents	112		3,084,099,608,714	2,921,085,690,410
Short-term financial investments	120		19,411,469,500,000	16,991,239,000,000
Held-to-maturity investments	123	6(a)	19,411,469,500,000	16,991,239,000,000
Accounts receivable – short-term	130		897,692,694,315	467,956,130,071
Accounts receivable from customers	131	7	337,852,269,601	100,965,921,832
Prepayments to suppliers	132		68,059,544,421	29,859,261,503
Other short-term receivables	136	8(a)	787,397,107,956	679,386,330,628
Allowance for doubtful short-term debts	137	9(a)	(295,616,227,663)	(342,255,383,892)
Inventories	140	10(a)	2,193,521,139,336	1,668,001,734,209
Inventories	141		2,272,494,533,814	1,755,711,816,417
Allowance for inventories	149		(78,973,394,478)	(87,710,082,208)
Other current assets	150		288,077,079,370	143,382,054,775
Short-term prepaid expenses	151	11(a)	181,976,694,088	88,941,911,437
Deductible value added tax	152		83,098,195,190	25,339,672,708
Taxes receivable from State Treasury	153	19(b)	23,002,190,092	29,100,470,630
Long-term assets (200 = 210 + 220 + 230 + 240 + 250 + 260)	200		7,604,851,042,093	7,609,991,050,161
Accounts receivable – long-term	210		37,720,028,871	12,640,850,386
Accounts receivable from customers – long-term	211		5,948,610,516	5,973,013,018
Loans receivable – long-term	215		-	4,000,000,000
Other long-term receivables	216	8(b)	46,171,128,871	41,960,830,291
Allowance for doubtful long-term debts	219	9(b)	(14,399,710,516)	(39,292,992,923)

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

Form B 01 – DN/HN				
<i>(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)</i>				
	Code	Note	31/12/2022 (VND)	1/1/2022 (VND)
Fixed assets	220		4,454,982,147,731	4,401,799,818,086
Tangible fixed assets	221	12	3,368,981,633,235	3,301,127,455,616
• Cost	222		11,440,080,558,923	10,847,023,021,517
• Accumulated depreciation	223		(8,071,098,925,688)	(7,545,895,565,901)
Finance lease tangible fixed assets	224	13	162,261,801,964	167,492,355,505
• Cost	225		173,582,726,065	173,582,726,065
• Accumulated depreciation	226		(11,320,924,101)	(6,090,370,560)
Intangible fixed assets	227	14	923,738,712,532	933,180,006,965
• Cost	228		1,104,146,819,271	1,102,972,910,981
• Accumulated amortisation	229		(180,408,106,739)	(169,792,904,016)
Investment properties	230	15	153,128,987,010	41,270,248,842
Cost	231		182,935,850,984	67,677,985,241
Accumulated depreciation	232		(29,806,863,974)	(26,407,736,399)
Long-term work in progress	240		133,548,179,000	551,470,893,844
Construction in progress	242	16	133,548,179,000	551,470,893,844
Long-term financial investments	250		2,214,115,381,757	2,125,162,874,416
Investments in associates and jointly controlled entities	252	6(c)	2,187,829,955,465	2,010,071,605,619
Equity investments in other entities	253	6(c)	434,314,271,916	434,314,271,916
Allowance for diminution in the value of long-term financial investments	254	6(c)	(410,128,845,624)	(409,691,883,024)
Held-to-maturity investments	255	6(c)	2,100,000,000	90,468,879,905
Other long-term assets	260		611,356,317,724	477,646,364,587
Long-term prepaid expenses	261	11(b)	383,451,267,863	263,131,483,984
Deferred tax assets	262	17	208,458,818,061	194,842,028,699
Long-term tools, supplies and spare parts	263	10(b)	19,446,231,800	19,672,851,904
OTAL ASSETS (270 = 100 + 200)	270		34,465,075,615,756	30,487,024,372,425

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

CONSOLIDATED BALANCE SHEET AS
AT 31 DECEMBER 2022 (CONTINUED)

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

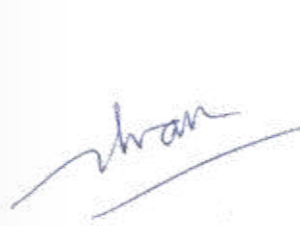
	Code	Note	31/12/2022 (VND)	1/1/2022 (VND)
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		9,874,229,696,363	7,892,238,669,264
Current liabilities	310		9,213,862,412,096	7,258,020,535,153
Accounts payable to suppliers	311	18(a)	2,766,280,031,591	2,400,247,668,451
Advances from customers	312		36,931,211,976	63,252,571,190
Taxes payable to State Treasury	313	19(a)	1,621,018,056,957	1,416,974,562,127
Payables to employees	314		190,033,628,709	218,498,138,481
Accrued expenses	315	20	514,267,263,343	370,691,834,530
Unearned revenue – short-term	318		229,844,154	517,454,548
Other payables – short-term	319	21(a)	3,204,086,244,845	2,227,840,485,776
Short-term borrowings and finance lease liabilities	320	22(a)	658,625,815,321	321,746,371,972
Bonus and welfare fund	322	23	222,390,315,200	238,251,448,078
Long-term liabilities	330		660,367,284,267	634,218,134,111
Long-term accounts payable to suppliers	331	18(b)	120,060,956,800	123,520,604,800
Other payables – long-term	337	21(b)	55,421,713,745	54,810,064,986
Long-term borrowings and finance lease liabilities	338	22(b)	374,432,513,250	341,226,010,423
Deferred tax liabilities	341	17	36,557,237,521	33,303,325,207
Provisions – long-term	342	24	73,894,862,951	81,358,128,695


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


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


	Code	Note	31/12/2022 (VND)	1/1/2022 (VND)
EQUITY (400 = 410)	400		24,590,845,919,393	22,594,785,703,161
Owners' equity	410	25	24,590,845,919,393	22,594,785,703,161
Share capital	411	26	6,412,811,860,000	6,412,811,860,000
• Ordinary shares with voting rights	411a		6,412,811,860,000	6,412,811,860,000
Other capital	414		3,208,666,226	3,208,666,226
Foreign exchange differences	417		37,136,373,047	27,339,292,861
Investment and development fund	418	27	1,122,241,373,127	1,122,241,373,127
Retained profits	421		15,564,895,669,872	13,655,871,142,263
• Retained profits brought forward	421a		10,484,212,358,663	10,132,670,088,304
• Retained profit for the current year	421b		5,080,683,311,209	3,523,201,053,959
Non-controlling interest	429		1,450,551,977,121	1,373,313,368,684
TOTAL RESOURCES (440 = 300 + 400)	440		34,465,075,615,756	30,487,024,372,425

Prepared by: Approved by: 29 March 2023









Hoang Thanh Van
Accountant

Tran Nguyen Trung
Chief Accountant

Koo Liang Kwee
Deputy General Director

Neo Gim Siong Bennett
General Director

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

CONSOLIDATED STATEMENT OF INCOME
THE YEAR ENDED 31 DECEMBER 2022

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

	Code	Note	2022 (VND)	2021 (VND)
Revenue from sales of goods and provision of services	01	30	35,235,899,123,781	26,578,007,393,513
Revenue deductions	02	30	256,815,129,946	204,261,099,655
Net revenue (10 = 01 - 02)	10	30	34,979,083,993,835	26,373,746,293,858
Cost of goods sold and services provided	11	31	24,208,377,066,751	18,765,181,482,365
Gross profit (20 = 10 - 11)	20		10,770,706,927,084	7,608,564,811,493
Financial income	21	32	1,090,560,762,647	1,119,597,121,857
Financial expenses	22	33	81,993,117,030	22,784,167,607
In which: Interest expense	23		45,517,297,000	48,739,800,374
Share of profits in associates and jointly controlled entities	24	6(c)	323,119,361,276	172,939,963,562
Selling expenses	25	34	4,532,068,273,139	3,500,368,629,369
General and administration expenses	26	35	740,665,660,468	597,716,255,412
Net operating profit {30 = 20 + (21 - 22) + 24 - (25 + 26)}	30		6,829,660,000,370	4,780,232,844,524
Other income	31		20,990,166,318	95,929,356,826
Other expenses	32		37,232,847,726	19,267,951,607
Results of other activities (40 = 31 - 32)	40		(16,242,681,408)	76,661,405,219
Accounting profit before tax (50 = 30 + 40)	50		6,813,417,318,962	4,856,894,249,743
Income tax expense – current	51	37	1,323,982,218,726	954,964,248,596
Income tax benefit – deferred	52	37	(10,362,877,048)	(27,375,546,091)
Net profit after tax (60 = 50 - 51 - 52) (carried forward to next page)	60		5,499,797,977,284	3,929,305,547,238

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

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

	Code	Note	2022 (VND)	2021 (VND)
Net profit after tax (60 = 50 - 51 - 52) (brought forward from previous page)	60		5,499,797,977,284	3,929,305,547,238
Attributable to:				
Equity holders of the Company	61		5,223,851,427,095	3,677,252,341,304
Non-controlling interest	62		275,946,550,189	252,053,205,934
Earnings per share				(Restated)
Basic earnings per share	70	38	7,983	5,556

Prepared by: Approved by: 29 March 2023


Hoang Thanh Van
Accountant


Tran Nguyen Trung
Chief Accountant


Koo Liang Kwee
Deputy General Director


Neo Gim Siong Bennett
General Director



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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022
(INDIRECT METHOD)

	Code	Note	31/12/2022 (VND)	1/1/2022 (VND)
CASH FLOWS FROM OPERATING ACTIVITIES				
Accounting profit before tax	01		6,813,417,318,962	4,856,894,249,743
Adjustments for				
Depreciation and amortisation	02		561,105,325,398	557,477,760,126
Allowances and provisions	03		(375,364,909)	(63,136,957,901)
Exchange gains arising from revaluation of monetary items denominated in foreign currencies	04		(6,770,234,675)	(24,130,427,975)
Profits from investing activities	05		(1,030,693,700,071)	(1,072,403,100,336)
Shared profits in associates and jointly controlled entities	05		(323,119,361,276)	(172,939,963,562)
Interest expense	06		45,517,297,000	48,739,800,374
Reversal of science and technology development fund	07		-	(73,817,939,085)
Operating profit before changes in working capital	08		6,059,081,280,429	4,056,683,421,384
Change in receivables	09		(318,889,338,291)	(52,721,845,531)
Change in inventories	10		(524,913,148,727)	(223,957,039,716)
Change in payables and other liabilities	11		739,396,642,915	658,279,721,558
Change in prepaid expenses	12		(94,057,434,127)	145,399,315,693
			5,860,618,002,199	4,583,683,573,388
Interest paid	14		(48,765,455,244)	(35,346,961,903)
Corporate income tax paid	15		(1,329,727,378,601)	(919,005,428,188)
Other payments for operating activities	17		(103,607,745,314)	(111,479,623,915)
Net cash flows from operating activities	20		4,378,517,423,040	3,517,851,559,382
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets	21		(533,164,261,997)	(329,541,012,650)
Proceeds from disposals of fixed assets	22		4,266,273,000	3,485,470,000
Placements of term deposits at banks	23		(22,641,269,675,342)	(18,159,840,000,000)
Collections of term deposits at banks	24		20,288,539,175,342	15,706,420,432,877

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

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	Code	Note	31/12/2022 (VND)	1/1/2022 (VND)
Proceeds from disposals of equity investments in other entities	26		-	444,560,822,504
Receipts of interests and dividends	27		1,013,860,242,106	1,111,565,947,946
Net cash flows from investing activities	30		(1,867,768,246,891)	(1,223,348,339,323)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings	33		3,279,890,701,619	2,984,178,514,935
Payments to settle loan principals	34		(2,908,733,012,244)	(3,301,893,636,020)
Payments of dividends	36		(2,418,865,072,091)	(1,096,306,570,171)
Net cash flows from financing activities	40		(2,047,707,382,716)	(1,414,021,691,256)
Net cash flows during the year (50 = 20 + 30 + 40)	50		463,041,793,433	880,481,528,803
Cash and cash equivalents at the beginning of the year	60		3,606,454,403,209	2,726,137,088,387
Effect of exchange rate fluctuations on cash and cash equivalents	61		(32,036,000)	(164,213,981)
Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61)	70	5	4,069,464,160,642	3,606,454,403,209

Prepared by: Approved by: 29 March 2023


Hoang Thanh Van
Accountant


Tran Nguyen Trung
Chief Accountant


Koo Liang Kwee
Deputy General Director


Neo Gim Siong Bennett
General Director

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

1. Reporting entity

a. Ownership structure

Saigon Beer – Alcohol – Beverage Corporation (“the Company”) was established as a State-Owned General Corporation under Decision No. 74/2003/QĐ-BCN dated 6 May 2003 of the Ministry of Industry (now the Ministry of Industry and Trade) by restructuring Saigon Beer Company and merging it with Binh Tay Liquor Company, Chuong Duong Beverages Company and Phu Tho Glass Company. On 11 May 2004, the Ministry of Industry issued Decision No. 37/2004/QĐ-BCN to restructure the Company into a parent – subsidiary structure. The Company’s operation was licenced in accordance with Business Registration Certificate No. 4106000286 issued by the Department of Planning and Investment of Ho Chi Minh City on 1 September 2006.

The Company was equitised as per Decision No. 1862/QĐ-TTg dated 28 December 2007 of the Prime Minister and was approved under Joint Stock Business Registration Certificate No. 4103010027 dated 17 April 2008 by the Department of Planning and Investment of Ho Chi Minh City. As at that date, the newly established joint stock company assumed control over all assets and liabilities from the former State-Owned General Corporation.

The Company’s shares were listed on the Ho Chi Minh City Stock Exchange with trading code SAB in accordance with Decision No. 470/QĐ-SGDHCM dated 25 November 2016 issued by the Ho Chi Minh City Stock Exchange.

The consolidated financial statements of the Company for the year ended 31 December 2022 comprise the Company and its subsidiaries (together referred to as “the Group”) and the Group’s interest in associates and jointly controlled entities.

b. Principal activities

The principal activities of the Group are to produce and sell beer, alcohol, beverages and related products including material and packaging materials; to provide warehousing, logistics and transportation services; to manufacture mechanical equipment, structural steel construction, and mechanical equipment installation services; and to construct and provide real estates services.

c. Normal operating cycle

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

d. Group structure

As at 31 December 2022, the Group had 26 subsidiaries and 18 associates and jointly controlled entities (1/1/2022: 26 subsidiaries and 18 associates and jointly controlled entities) as follows:

No	Company name	Principal activities	31/12/2022		1/1/2022	
I	SUBSIDIARIES		% of equity interest	% of voting rights	% of equity interest	% of voting rights
1	Western – Sai Gon Beer Joint Stock Company	Producing and trading beer	51.00%	51.00%	51.00%	51.00%
2	Chuong Duong Beverages Joint Stock Company	Producing and trading beverages, canned food and accessories	62.06%	62.06%	62.06%	62.06%
3	Sai Gon – Quang Ngai Beer Joint Stock Company	Producing and trading beer	66.56%	66.56%	66.56%	66.56%
4	Binh Tay Liquor Joint Stock Company	Producing and trading alcohol	93.32%	93.47%	93.32%	93.47%
5	Sai Gon – Dong Xuan Beer, Alcohol Joint Stock Company	Producing and trading beer and soft drinks	55.90%	56.24%	55.90%	56.24%
6	Saigon – Nghetinh Beer Joint Stock Company	Producing and trading beer, alcohol and beverages	54.73%	54.73%	54.73%	54.73%
7	Saigon – Songlam Beer Joint Stock Company	Producing and trading beer and beverages; importing and exporting related materials	68.78%	68.78%	68.78%	68.78%
8	Sai Gon – Ha Noi Beer Corporation	Producing and trading beer and beverages; importing and exporting related materials	52.11%	52.11%	52.11%	52.11%
9	Sai Gon Beer Trading Company Limited	Trading beer, alcohol and beverages	100%	100%	100%	100%
10	Northern Sai Gon Beer Trading Joint Stock Compa	Trading beer, alcohol and beverages; providing transportation and warehousing services	90.00%	90.00%	90.00%	90.00%
11	Sai Gon Beer Bac Trung Bo Trading Joint Stock Company	Trading beer, alcohol and beverages; providing transportation and warehousing services	95.07%	95.07%	95.07%	95.07%
12	Saigon Beer Center Trading Joint Stock Company	Wholesale of beer, alcohol drinks; wholesale of nondcohol drinks, wholesale of other chemicals, alcohol; trading packaging; providing cargo transportation by car	94.45%	94.45%	94.45%	94.45%
13	Saigon Beer Mien Trung Trading Joint Stock Company	Trading beer, alcohol and beverages; providing warehousing and cargo transportation by car services	91.24%	91.24%	91.24%	91.24%
14	Sai Gon Beer Tay Nguyen Trading Joint Stock Company	Trading beer, alcohol and beverages; providing warehousing and transportation services	90.00%	90.00%	90.00%	90.00%
15	Saigon Beer Nam Trung Bo Trading Joint Stock Company	Trading beer, alcohol and beverages; providing warehousing and cargo transportation services	90.14%	90.14%	90.14%	90.14%

31/12/20221/1/2022

No	Company name	Principal activities	% of equity interest	% of voting rights	% of equity interest	% of voting rights
16	Sai Gon Beer Eastern Trading Joint Stock Company	Trading beer, alcohol and beverages; providing cargo transportation by road and waterway services	90.68%	90.68%	90.68%	90.68%
17	Song Tien Saigon Beer Trading Joint Stock Company	Trading beer, alcohol and beverages; providing warehousing and cargo transportation by road services	90.00%	90.00%	90.00%	90.00%
18	Saigon Song Hau Beer Trading Joint Stock Company	Trading beer, alcohol and beverages; providing cargo transportation by road and waterway services	90.00%	90.00%	90.00%	90.00%
19	Sa Be Co Mechanical Co., Ltd	Manufacturing equipment used in food manufacturing, installing and maintaining machinery system and equipment	100%	100%	100%	100%
20	Saigon Soc Trang Beer One Member Limited Company	Producing and trading beer, yeasty malt, mineral water, bottled purified water	51.00%	100%	51.00%	100%
21	Sai Gon Beer Northeast Trading Joint Stock Company	Trading beer, alcohol and beverages; providing warehousing and cargo transportation services	90.45%	90.45%	90.45%	90.45%
22	Sai Gon - Ha Tinh Beer One Member Company Limited	Producing and trading beer, yeasty malt, mineral water, bottled purified water	100%	100%	100%	100%
23	Sai Gon Beer Packaging Joint Stock Company	Producing and trading tin lid rings and metal packaging, packaging for food and beverage industry	76.81%	76.81%	76.81%	76.81%
24	Saigon Beer Company Limited	Wholesale of beer, alcohol and beverages	100%	100%	100%	100%
25	Saigon Beer Group Company Limited	Wholesale of beer, alcohol and beverages	100%	100%	100%	100%
26	Saigon - Lamdong Beer Joint Stock Company	Producing and trading beer, alcohol and beverages	52.91%	52.91%	52.91%	52.91%
II JOINTLY CONTROLLED ENTITIES						
1	Me Linh Point Limited (*)	Providing office building leasing and management services	25.00%	25.00%	25.00%	25.00%
2	Crown Beverage Cans Saigon Limited	Manufacturing aluminium cans	30.00%	30.00%	30.00%	30.00%
3	Malaya - Vietnam Glass Limited	Manufacturing glass products	30.00%	30.00%	30.00%	30.00%
4	San Miguel Yamamura Phu Tho Packaging Company Limited	Manufacturing and trading metal packaging	35.00%	35.00%	35.00%	35.00%
5	Vietnam Spirits and Wine Ltd	Producing and trading alcohol and alcohol-related products	45.00%	45.00%	45.00%	45.00%

III ASSOCIATES

6	Thanh Nam Consultant Investment - Engineering and Technology Transfer Joint Stock Company	Providing consulting construction and designing services	28.57%	28.57%	28.57%	28.57%
7	Truong Sa Food - Food Business Joint Stock Company	Producing agricultural products and foods	38.62%	38.98%	38.62%	38.98%
8	Saigon - Phutho Beer Joint Stock Company	Producing and trading beer, alcohol and beverages	30.84%	33.85%	30.84%	33.85%
9	Sai Gon - Mien Trung Beer Joint Stock Company	Producing and trading beer, alcohol, beverage and spare parts	32.40%	32.41%	32.40%	32.41%
10	Tan Thanh Investment Trading Company Limited	Construction and real estates	29.00%	29.00%	29.00%	29.00%
11	Mechanical and Industrial Construction Joint Stock Company	Manufacturing, installing machinery, bridges and roads and industrial construction products	26.00%	26.00%	26.00%	26.00%
12	Sai Gon - Vinh Long Beer Joint Stock Company	Producing and trading beer, alcohol and beverages	20.00%	20.00%	20.00%	20.00%
13	Sai Gon - Kien Giang Beer Joint Stock Company	Producing and trading beer, alcohol, beverage and spare parts	20.00%	20.00%	20.00%	20.00%
14	Sai Gon - Khanh Hoa Beer Joint Stock Company	Producing and trading beer, alcohol, beverage and spare parts	26.00%	26.00	26.00%	26.00%
15	Saigon - Bentre Beer Joint Stock Company	Producing and trading beer, alcohol and beverages	20.00%	20.00%	20.00%	20.00%
16	Saigon Binh Tay Beer Group Joint Stock Company	Producing, processing and trading food, beverage, beer and alcohol drinks	21.80%	22.18%	21.80%	22.18%
17	Saigon Tay Do Beer - Beverage Joint Stock Company	Producing and trading beer, alcohol, beverage, soya milk and fruit juice	27.62%	34.92%	27.62%	34.92%
18	Saigon - Baclieu Beer Joint Stock Company	Producing and trading beer, alcohol and beverages	10.20%	20.00%	10.20%	20.00%

(*) The ownership of the Group in the joint venture with Me Linh Point Limited was stated in the joint venture agreement dated 24 November 1994 between Chuong Duong Beverages Joint Stock Company (“Chuong Duong”), a subsidiary of the Company, and the counter party Centrepoint Properties Ltd., a company established in Singapore. At the equitisation of Chuong Duong in 2014, the ownership of this joint venture agreement was transferred from Chuong Duong to the Company following the approval of the Ministry of Industry (now the Ministry of Industry and Trade). According to the joint venture agreement, profit allocated to each party in the joint venture follows a schedule stated in this agreement. For the year ended 31 December 2022, the ratios are 40% and 60% (2021: 40% and 60%)for the Group and the counter party, respectively.

As at 31 December 2022, the Group had 8,550 employees (1/1/2022: 8,135 employees).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

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2. Basis of preparation

a. Statement of compliance

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

c. Annual accounting period

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

d. Accounting and presentation currency

The Group’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 Group in the preparation of these consolidated financial statements.

a. Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of the subsidiaries are consolidated in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) Non-controlling interests

Non-controlling interests (“NCI”) are measured at their proportionate share of the acquiree’s identifiable net assets at date of acquisition.

Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners. The difference between the change in the Group’s share of net assets of the subsidiary and any consideration paid or received is recorded directly in retained profits under equity.

(iii) Associates and jointly controlled entities (equity accounted investees)

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Jointly controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Associates and jointly controlled entities are accounted for using the equity method (equity accounted investees). They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group’s share of the profit or loss of the equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. The carrying amount of investments in equity accounted investees is also adjusted for the alterations in the investor’s proportionate interest in the investees arising from changes in the investee’s equity that have not been included in the income statement (such as revaluation of fixed assets, or foreign exchange translation differences, etc.).

When the Group’s share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

(iv) Transactions eliminated on consolidation

Intra-group transactions, balances, and any unrealised income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains and losses arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group’s interest in the investee.

(v) Business combination

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

Cost of a business combination (cost of the acquisition) is the aggregate amount of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer in the acquisition in exchange for control of the acquiree and any costs directly attributable to the business combination. Identifiable assets acquired, identifiable liabilities and contingent liabilities assumed in a business combination are recognised at fair value at the acquisition date.

Any goodwill that arises representing the excess of the cost of the acquisition over the Group’s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree is recognised in consolidated balance sheet, then amortised through to the consolidated statement of income. When the excess is negative (gain from bargain purchase), it is recognised in the consolidated statement of income for the acquired year after a reassessment has been performed to ensure that the measurement of identifiable assets acquired, liabilities and contingent liabilities assumed and the cost of the business combination appropriately reflects consideration of all available information as of the acquisition date.

b. Foreign currency

(i) Foreign currency transactions

Transactions in currencies other than VND during the year have been translated into VND at actual 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 Group most frequently conducts transactions.

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

(ii) Translation of financial statements of associate from the accounting currency to the presentation currency

Assets and liabilities of associate which denominated in currency other than VND are translated to VND at exchange rates at the end of the annual accounting period. Income and expenses of this associate are translated to VND at exchange rates at the dates of transactions.

Foreign currency differences arising from the translation of financial statements of associate which denominated in currency other than VND are recognised in the consolidated balance sheet under the caption “Foreign exchange differences” in equity.

c. 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.

d. Investments

(i) Held-to-maturity investments

Held-to-maturity investments are those that the Company’s or its subsidiaries’ management has the intention and ability to hold until maturity. Held-to-maturity investments include term deposits at banks and bonds. These investments are stated at costs less allowance for doubtful debts.

(ii) Investments in equity instruments of other entities

Investments in equity instruments of other entities are initially recognised at cost which include 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 values if the investee has suffered a loss which may cause the Group to lose their 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.

(e) Accounts receivable

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

f. 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 Group applies the perpetual method of accounting for inventories.

g. 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, maintenance and overhaul cost, is charged to the consolidated statement of income in the year in which the cost is 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.

(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	5 – 45 years
• machinery and equipment	3 – 30 years
• motor vehicles	3 – 10 years
• office equipment	2 – 15 years
• others	2 – 20 years

h. Intangible fixed assets

(i) Land use rights

Land use rights with indefinite term are stated at cost and not amortised. Land use rights with definite term are stated at cost less accumulated amortisation. The initial cost of land use rights comprises the purchase price and any direct attributable costs incurred in conjunction with securing the land use rights. Land use rights with definite term are amortised on a straight-line basis over the term of the land use rights ranging from 13 to 50 years.

(ii) Software

Cost of acquiring new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Software cost is amortised on a straight-line basis over 3 years.

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i. Investment properties

(i) Investment property held to earn rental

Cost

Investment property held to earn rental is stated at cost less accumulated depreciation. The initial cost of an investment property held to earn rental comprises its purchase price, cost of land use rights and any directly attributable expenditure of bringing the property to the condition necessary for it to be capable of operating in the manner intended by the Board of Management. Expenditure incurred after the investment property held to earn rental has been put into operation, such as repair and maintenance, is charged to the consolidated statement of income in the year in which the expenditure is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in future economic benefits in excess of the originally assessed standard of performance of the existing investment property held to earn rental, the expenditure is capitalised as an additional cost of the investment property.

Depreciation

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

- land use rights 16 – 47 years
- buildings and structures 5 – 45 years

(ii) Investment property held for capital appreciation

Investment property held for capital appreciation is stated at cost less any devaluation in market price. The carrying amount of an investment property item held for capital appreciation is reduced when there is evidence that its market price falls below its carrying amount and the loss can be measured reliably. Any reduction in value of investment property held for capital appreciation is charged to cost of sales.

j. Construction in progress

Construction in progress represents the cost of tangible and intangible fixed assets which have not been fully completed or installed. No depreciation is provided for construction in progress during the period of construction and installation.

k. Long-term prepaid expenses

(i) Returnable packaging

Returnable packaging includes bottles and crates being used in the Group’s production and business activities and is initially stated at costs. Returnable packaging is amortised on a straightline basis over 2 to 3 years.

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(ii) Prepaid land costs

Prepaid land costs comprise prepaid land lease rentals, including those for which the Group obtained land use rights certificate but are not qualified as intangible fixed assets under prevailing laws and regulations, and other costs incurred in conjunction with securing the use of leased land. These costs are recognised in the consolidated statement of income on a straight-line basis over the term of the lease of 32 to 48 years.

(iii) Tools and instruments

Tools and instruments include assets held for use by the Group in the normal course of business whose costs of individual items are less than VND30 million and therefore not qualified for recognition as fixed assets under prevailing regulation. Costs of tools and instruments is amortised on a straight-line basis over 2 to 3 years.

l. Trade and other payables

Trade and other payables are stated at their cost.

m. Provisions

A provision is recognised if, as a result of a past event, the Group 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.

Severance allowance

Under the Vietnamese Labour Code, when an employee who has worked for 12 months or more (“the eligible employees”) voluntarily terminates his/her labour contract, the employer is required to pay the eligible employee severance allowance calculated based on years of service and employee’s compensation at termination. Provision for severance allowance has been provided based on employees’ years of service and their average salary for the six-month period prior to the end of the annual accounting period. For the purpose of determining the number of years of service by an employee, the period for which the employee participated in and contributed to unemployment insurance in accordance with prevailing laws and regulations and the period for which severance allowance has been paid by the Group are excluded.

n. Share capital

Ordinary shares

Ordinary shares are recognised at issuance price less incremental costs directly attributable to the issue of shares, net of tax effects. Such costs are recognised as a deduction from share premium.

o. Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the consolidated 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 amounts of assets and liabilities using the tax rates enacted or substantively enacted at the end of the annual accounting period.

p. Revenue and other income

(i) Goods sold

Revenue from the sales of goods is recognised in the consolidated 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) Services rendered

Revenue from services rendered is recognised in the consolidated statement of income in proportion to the stage of completion of the transaction at the balance sheet date. The stage of completion is assessed by reference to surveys of work performed. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

(iii) Rental income

Rental income from leased property is recognised in the consolidated statement of income on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income.

(iv) Interest income

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

(v) 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.

q. Leases

(i) Leased assets

Leases in terms of which the Group, as lessee, assumes substantially all the risks and rewards of ownership are classified as finance leases. Tangible fixed assets acquired by way of finance leases are stated at an amount equal to the lower of fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation.

Depreciation on finance leased assets is computed on a straight-line basis over the shorter of the lease term and the estimated useful lives of the leased assets unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. The estimated useful lives of finance leased assets are consistent with the useful lives of tangible fixed assets as described in Note 3(g).

Assets held under other leases are classified as operating leases and are not recognised in the Group’s consolidated balance sheet.

(ii) Lease payments

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

Lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

r. 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.

s. Earnings per share

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

t. Segment reporting

A segment is a distinguishable component of the Group 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 Group’s primary format for segment reporting is based on business segments.

u. Related parties

Parties are considered to be related to the Group 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 Group 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.

v. Comparative information

Comparative information in these consolidated 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 consolidated financial statements is not intended to present the Group’s consolidated financial position, consolidated results of operation or consolidated cash flows for the prior year.

4. Segment reporting

a. Business segments

The Group’s business segments are distinguished based on the principal activities as follows:

- Sales of beers;
- Sales of raw materials; and
- Other activities include sales of alcohol, beverages and other products; and provision of rental and other services.

During the year, other business activities accounted for an insignificant proportion of total revenue and operating results of the Group and the Group’s assets and liabilities as at reporting dates were mainly related to beer manufacturing and trading activities. Accordingly, the financial information presented in the consolidated balance sheet as at 31 December 2022 and 1 January 2022 were mainly related to the Group’s sales of beers activities. Note 30 and Note 31 disclosed breakdown of revenue and cost of sales per each category of products, which provided sufficient information as to the performance of each segment as identified above.

b. Geographical segments

The Group’s geographical segments are distinguished based on the locations of customers, being the local or foreign customers, in which, export segments only accounted for an insignificant proportion of the Group’s revenue and did not require a separate report. Accordingly, the financial information presented mainly reflected the business activities of the Group in the territory of Vietnam.

5. Cash and cash equivalents

	31/12/2022 (VND)	1/1/2022 (VND)
Cash on hand	1,754,761,797	1,186,793,254
Cash in banks	983,609,790,131	684,181,919,545
Cash equivalents	3,084,099,608,714	2,921,085,690,410
	4,069,464,160,642	3,606,454,403,209

Cash equivalents represented term deposits at banks with original terms to maturity of three months or less. Cash equivalents were denominated in VND and earned interest at rates ranging from 5.50% to 6.00% per annum (1/1/2022: 3.20% to 3.75% per annum).

6. Investments

a. Held-to-maturity investments – short-term

Held-to-maturity investments – short-term represented term deposits at banks with terms to maturity of more than 3 months from their transaction dates but less than 12 months from the reporting date. Term deposits were denominated in VND and earned interest at rates ranging from 4.00% to 9.20% per annum (1/1/2022: 3.75% to 6.75% per annum).

b. Held-to-maturity investments – long-term

	31/12/2022 (VND)	1/1/2022 (VND)
Term deposits (i)	2,100,000,000	69,600,000,000
Bonds (ii)	-	20,868,879,905
	2,100,000,000	90,468,879,905

- (i) This represented term deposits at banks with terms to maturity of more than 12 months from the reporting date. Term deposits were denominated in VND and earned interest at rate of 9.20% per annum (1/1/2022: 5.20% to 5.50% per annum).
- (ii) (ii) This represented the Group’s investments in bonds issued by Shipbuilding Industry Corporation. Allowance was fully made for this investment. During the year, this investment was written off.

c. Equity investments in other entities

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	31/12/2022		1/1/2022	
	Equity accounted/ Cost (VND)	Allowance (VND)	Carrying amount (VND)	Allowance (VND)
	Equity accounted/ Cost (VND)	Allowance (VND)	Carrying amount (VND)	Carrying amount (VND)
Investments in associates and jointly controlled entities (i)	2,187,829,955,465	(75,707,513,102)	2,112,122,442,363	(75,707,513,102)
			2,010,071,605,619	1,934,364,092,517
Equity investments in other entities (ii)	434,314,271,916	(334,421,332,522)	99,892,939,394	(333,984,369,922)
			434,314,271,916	100,329,901,994
	2,622,144,227,381	(410,128,845,624)	2,212,015,381,757	(409,691,883,024)
			2,444,385,877,535	2,034,693,994,511

(i) Investments in associates and jointly controlled entities

	31/12/2022		1/1/2022	
	Equity accounted (VND)	Fair value (VND)	Allowance (VND)	Allowance (VND)
Company name	Equity accounted (VND)	Fair value (VND)	Equity accounted (VND)	Fair value (VND)
Truong Sa Food – Food Business Joint Stock Company	4,877,957,385	(*)	(4,877,957,381)	(*)
			4,877,957,381	(4,877,957,381)
Thanh Nam Consultant Investment – Engineering and	329,653,546	(*)	-	(*)
			329,653,546	-
Technology Transfer Joint Stock Company Saigon – Phutho Beer Joint Stock Company	68,198,352,285	71,094,240,000	-	78,288,300,000
			75,220,306,437	-
Mechanical and Industrial Construction Joint Stock Company	6,863,792,917	(*)	-	(*)
			6,863,792,917	-

Saigon Tay Do Beer – Beverage Joint Stock Company	97,657,207,690	(*)	-	(*)	-
			102,909,001,175	-	-
Me Linh Point Limited	115,508,698,730	(*)	-	(*)	-
			148,317,898,412	-	-
Crown Beverage Cans Saigon Limited	583,115,732,032	(*)	-	(*)	-
			399,664,328,265	-	-
Malaya – Vietnam Glass Limited	337,365,757,373	(*)	-	(*)	-
			298,120,109,369	-	-
San Miguel Yamamura Phu Tho Packaging Company Limited	60,017,545,712	(*)	-	(*)	-
			62,864,180,949	-	-
Vietnam Spirits and Wine Ltd	37,827,987,750	(*)	-	(*)	-
			29,620,590,750	-	-
Saigon Binh Tay Beer Group Joint Stock Company	445,504,575,352	(*)	-	(*)	-
			454,830,093,909	-	-
Sai Gon – Mien Trung Beer Joint Stock Company	196,057,912,124	429,954,315,350	-	413,026,980,100	-
			179,682,165,759	-	-
Tan Thanh Investment Trading Company Limited	70,829,555,721	(*)	(70,829,555,721)	(*)	(70,829,555,721)
			70,829,555,721	-	-
Saigon – Baclieu Beer Joint Stock Company	39,038,793,663	23,575,552,000	-	25,956,365,217	-
			37,721,306,901	-	-
Sai Gon – Vinh Long Beer Joint Stock Company	50,022,757,187	(*)	-	(*)	-
			53,210,068,735	-	-
Sai Gon – Kien Giang Beer Joint Stock Company	288,988,004	(*)	-	(*)	-
			11,524,000,597	-	-
Sai Gon – Khanh Hoa Beer Joint Stock Company	47,826,134,802	(*)	-	(*)	-
			47,835,118,934	-	-
Saigon – Bentre Beer Joint Stock Company	26,498,553,192	(*)	-	(*)	-
			25,651,475,862	-	-
	2,187,829,955,465		(75,707,513,102)	2,010,071,605,619	(75,707,513,102)

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Movements of investment in associates and jointly controlled entities during the year were as follows:

	31/12/2022 (VND)	1/1/2022 (VND)
Opening balance	2,010,071,605,619	2,049,028,504,129
Share of profits during the year	323,119,361,276	172,939,963,562
Dividends income during the year	(155,158,091,616)	(212,370,821,059)
Foreign exchange differences	9,797,080,186	473,958,987
Closing balance	2,187,829,955,465	2,010,071,605,619

(ii) Equity investments in other entities

Company name	31/12/2022			1/1/2022		
	Cost (VND)	Fair value (VND)	Allowance (VND)	Cost (VND)	Fair value (VND)	Allowance (VND)
Dong A Commercial Joint Stock Bank	136,265,460,000	(*)	(136,265,460,000)	136,265,460,000	(*)	(136,265,460,000)
Saigon Packaging Group Joint Stock Company	50,000,000,000	(*)	-	50,000,000,000	(*)	-
PVI Holdings	51,475,140,000	23,304,672,000	(28,170,468,000)	51,475,140,000	23,741,634,600	(27,733,505,400)
Underground Space Investment Development Corporation	23,085,000,000	(*)	(23,085,000,000)	23,085,000,000	(*)	(23,085,000,000)
Phuong Dong Petroleum Tourism Joint Stock Company	30,700,950,000	6,721,909,091	(30,700,950,000)	30,700,950,000	10,584,000,000	(30,700,950,000)
Saigon Securities Investment Fund A2	35,757,720,722	(*)	(35,757,720,722)	35,757,720,722	(*)	(35,757,720,722)
Saigon Beer Transportation Joint Stock Company	26,588,267,394	(*)	-	26,588,267,394	(*)	-
Vietnam – Binh Tay Alcohol Joint Stock Company	300,000,000	(*)	(300,000,000)	300,000,000	(*)	(300,000,000)
Nha Trang Trade Tourism Joint Stock Company	1,161,147,000	(*)	(1,161,147,000)	1,161,147,000	(*)	(1,161,147,000)
Dai Viet Securities Incorporation	45,000,000,000	(*)	(45,000,000,000)	45,000,000,000	(*)	(45,000,000,000)
Sabeco HP Investment Company Limited	24,426,586,800	(*)	(24,426,586,800)	24,426,586,800	(*)	(24,426,586,800)
Sai Gon – Dong Nai Beer Joint Stock Company	3,954,000,000	(*)	(3,954,000,000)	3,954,000,000	(*)	(3,954,000,000)
Saigon Dong Ha Tourist Joint Stock Company	5,600,000,000	(*)	(5,600,000,000)	5,600,000,000	(*)	(5,600,000,000)
	434,314,271,916		(334,421,332,522)	434,314,271,916		(333,984,369,922)

(*) The Group has not determined fair values of these investments for disclosure in the consolidated financial statements because information about their market prices 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 values of these investments may differ from their carrying amounts.

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(iii) Allowance for diminution in the value of long-term financial investments

Movements of allowance for diminution in the value of long-term financial investments during the year were as follows:

	2022 (VND)	2021 (VND)
Opening balance	409,691,883,024	444,497,086,674
Allowance made during the year	436,962,600	-
Allowance reversed during the year	-	(34,805,203,650)
Closing balance	410,128,845,624	409,691,883,024

7. Accounts receivable from customers

a. Accounts receivable from customers detailed by significant customers

	31/12/2022 (VND)	1/1/2022 (VND)
Sai Gon - Kien Giang Beer Joint Stock Company	81,621,820,149	1,985,236,782
Sai Gon - Khanh Hoa Beer Joint Stock Company	47,712,205,892	-
Saigon Co.op	46,483,714,760	-
Other customers	162,034,528,800	98,980,685,050
	337,852,269,601	100,965,921,832

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b. Accounts receivable from customers who are related parties

Associates and jointly controlled entities	31/12/2022 (VND)	1/1/2022 (VND)
Sai Gon - Kien Giang Beer Joint Stock Company	81,621,820,149	1,985,236,782
Sai Gon - Khanh Hoa Beer Joint Stock Company	47,712,205,892	-
Saigon Binh Tay Beer Group Joint Stock Company	18,235,841,934	18,644,465,335
Malaya - Vietnam Glass Limited	2,305,022,406	960,432,412
Saigon - Baclieu Beer Joint Stock Company	1,693,498,004	-
Saigon Tay Do Beer - Beverage Joint Stock Company	562,429,272	7,577,154,805
Saigon - Bentre Beer Joint Stock Company	396,148,320	7,242,299,241
Sai Gon - Mien Trung Beer Joint Stock Company	27,720,000	3,699,895,975
Me Linh Point Limited	18,737,083	1,907,400
Crown Beverage Cans Saigon Limited	6,601,241	1,656,827,820
Sai Gon - Vinh Long Beer Joint Stock Company	-	3,434,688,316
Saigon - Phutho Beer Joint Stock Company	-	1,307,824,669
San Miguel Yamamura Phu Tho Packaging Company Limited	-	107,553,600
Other related parties		
MM Mega Market (Vietnam) Company Limited	17,047,133,954	-
F&N Global Marketing Pte. Ltd.	776,246,103	-
TBC-Ball Beverage Can Vietnam Co., Ltd	27,976,872	-

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8. Other receivables

a. Other short-term receivables

	31/12/2022 (VND)	1/1/2022 (VND)
Receivables due to difference between value of capital contribution in kind and agreed capital contribution in an associate	277,230,733,543	277,230,733,543
Interest income receivables	433,941,800,973	315,540,611,807
Dividends receivable	43,976,923,301	2,115,900,000
Other short-term receivables	32,247,650,139	84,499,085,278
	787,397,107,956	679,386,330,628

Other short-term receivables from related parties

The ultimate parent company	31/12/2022 (VND)	1/1/2022 (VND)
Thai Beverage Public Company Limited	-	306,673,790
Associates and jointly controlled entities		
Tan Thanh Investment Trading Company Limited	277,230,733,543	277,230,733,543
Me Linh Point Limited	40,476,923,301	-
Sai Gon - Vinh Long Beer Joint Stock Company	1,500,000,000	2,170,371,981
Saigon - Bentre Beer Joint Stock Company	1,232,504,912	2,149,337,786
Saigon - Phutho Beer Joint Stock Company	1,000,910,851	3,331,029,818
Saigon - Baclieu Beer Joint Stock Company	937,901,548	551,717,303
Sai Gon - Mien Trung Beer Joint Stock Company	857,192,703	1,612,994,863
Sai Gon - Khanh Hoa Beer Joint Stock Company	6,807,822	743,181,047
Saigon Tay Do Beer - Beverage Joint Stock Company	-	641,811,615
Saigon Binh Tay Beer Group Joint Stock Company	-	3,567,403,781
Sai Gon - Kien Giang Beer Joint Stock Company	-	2,384,727,251
Crown Beverage Cans Saigon Limited	-	6,455,989

b. Other long-term receivables

	31/12/2022 (VND)	1/1/2022 (VND)
Long-term deposits	38,171,128,871	33,941,965,291
Other long-term receivables	8,000,000,000	8,018,865,000
	46,171,128,871	41,960,830,291

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9. Allowance for doubtful debts

a. Short-term

Unit: VND

31/12/2022					1/1/2022				
	Overdue days	Cost	Allowance	Recoverable amount		Overdue days	Cost	Allowance	Recoverable amount
Other short-term receivables	Over 3 years	284,428,344,141	(284,428,344,141)	-		Over 2 years	327,346,619,725	(327,346,619,725)	-
Prepayments to suppliers	Over 3 years	6,219,868,824	(6,219,868,824)	-		Over 2 years	9,897,617,714	(9,897,617,714)	-
Accounts receivable from customers	Over 3 years	4,968,014,698	(4,968,014,698)	-		Over 2 years	5,011,146,453	(5,011,146,453)	-
		295,616,227,663	(295,616,227,663)	-			342,255,383,892	(342,255,383,892)	-

b. Long-term

Unit: VND

31/12/2022					1/1/2022				
	Overdue days	Cost	Allowance	Recoverable amount		Overdue days	Cost	Allowance	Recoverable amount
Held-to-maturity investments – long-term	-	-	-	-		Over 2 years	20,868,879,905	(20,868,879,905)	-
Accounts receivable from customers – long-term	Over 3 years	5,948,610,516	(5,948,610,516)	-		Over 2 years	5,973,013,018	(5,973,013,018)	-
Loans receivable – long-term	-	-	-	-		Over 2 years	4,000,000,000	(4,000,000,000)	-
Other long-term receivables	Over 3 years	8,451,100,000	(8,451,100,000)	-		Over 2 years	8,451,100,000	(8,451,100,000)	-
		14,399,710,516	(14,399,710,516)	-			39,292,992,923	(39,292,992,923)	-

Movements of allowance for doubtful debts – short-term and long-term during the year were as follows:

	31/12/2022 (VND)	1/1/2022 (VND)
Opening balance	381,548,376,815	381,597,566,226
Allowance made during the year	112,342,026	118,310,589
Allowance reversed during the year	(191,124,170)	(167,500,000)
Allowance written off during the year	(71,453,656,492)	-
Closing balance	310,015,938,179	381,548,376,815

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10. Inventories

a. Inventories

	31/12/2022		1/1/2022	
	Cost (VND)	Allowance (VND)	Cost (VND)	Allowance (VND)
Goods in transit	275,661,225,968	-	87,329,388,606	-
Raw materials	646,760,359,805	(21,735,860,324)	377,717,585,270	(26,761,759,614)
Tools and supplies	263,477,107,901	(53,759,024,004)	209,343,056,203	(52,437,520,781)
Work in progress	231,921,624,124	-	183,105,942,939	-
Finished goods	838,446,480,017	(2,726,048,079)	893,573,424,979	(7,758,339,742)
Merchandise inventories	16,226,935,999	(752,462,071)	4,642,418,420	(752,462,071)
	2,272,494,533,814	(78,973,394,478)	1,755,711,816,417	(87,710,082,208)

Included in inventories as at 31 December 2022 was VND78,973 million (1/1/2022: VND87,710 million) of obsolete or slow-moving inventories that were difficult to sell.

Movements of allowance for inventories during the year were as follows:

	2022 (VND)	2021 (VND)
Opening balance	87,710,082,208	78,205,925,745
Allowance made during the year	12,622,250,849	20,124,444,747
Allowance reversed during the year	(16,336,007,382)	(8,799,249,774)
Allowance utilised during the year	(4,600,840,939)	(101,771,108)
Transfer to allowance for long-term tools, supplies and spare parts	(422,090,258)	(1,719,267,402)
Số dư cuối năm	78,973,394,478	87,710,082,208

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b. Long-term tools, supplies and spare parts

Unit: VND

	31/12/2022		1/1/2022	
	Cost (VND)	Allowance (VND)	Cost (VND)	Allowance (VND)
Long-term tools, supplies and spare parts	74,929,732,263	(55,483,500,463)	71,400,141,872	(51,727,289,968)

Movements of allowance for long-term tools, supplies and spare parts during the year were as follows:

	2022 (VND)	2021 (VND)
Opening balance	51,727,289,968	49,096,070,107
Allowance made during the year	13,938,781,076	8,983,920,977
Allowance reversed during the year	(10,604,660,839)	(8,071,968,518)
Transfer from allowance for inventories	422,090,258	1,719,267,402
Closing balance	55,483,500,463	51,727,289,968

11. Prepaid expenses

a. Short-term prepaid expenses

	31/12/2022 (VND)	1/1/2022 (VND)
Advertising expenses	141.228.156.925	63.044.208.196
Rental expenses	15.781.994.109	14.442.801.559
Tools and instruments	15.209.943.650	2.290.321.806
Others	9.756.599.404	9.164.579.876
	181.976.694.088	88.941.911.437

b. Long-term prepaid expenses

	31/12/2022 (VND)	1/1/2022 (VND)
Returnable packaging	37.675.092.876	72.543.423.150
Prepaid land costs	227.179.123.604	83.773.064.149
Property held for future investment (*)	51.602.316.000	51.602.316.000
Tools and instruments	26.046.425.359	27.038.423.849
Others	40.948.310.024	28.174.256.836
	383.451.267.863	263.131.483.984

(*) Property held for future investment represented the value of land use rights awaiting transfer (Note 21(b)).

Movements of long-term prepaid expenses during the year were as follows:

	2022 (VND)	2021 (VND)
Opening balance	263.131.483.984	330.639.468.718
Additions during the year	212.893.881.171	58.348.663.542
Transfer from construction in progress	9.672.946.441	1.610.962.880
Transfer from short-term prepaid expenses	-	44.462.908
Transfer from investment properties	-	21.400.510.680
Amortisation for the year	(99.407.099.148)	(148.912.584.744)
Transfer to tangible fixed assets	(2.839.944.585)	-
Closing balance	383.451.267.863	263.131.483.984

12. Tangible fixed assets

Unit: VND

	Buildings and structures	Machinery and equipment	Motor vehicles	Office equipment	Others	Total
Cost						
Opening balance	2,134,294,219,503	8,291,563,425,552	249,021,647,915	162,170,946,906	9,972,781,641	10,847,023,021,517
Additions	549,186,704	10,687,610,832	1,595,000,000	10,806,588,073	-	23,638,385,609
Transfer from construction in progress	67,973,100,792	518,242,006,536	693,768,544	-	-	586,908,875,872
Transfer from long-term prepaid expenses	2,839,944,585	-	-	-	-	2,839,944,585
Reclassify to investment properties	(3,642,135,452)	-	-	-	-	(3,642,135,452)
Disposals	(569,054,897)	(3,303,676,179)	(11,833,806,134)	(980,995,998)	-	(16,687,533,208)
Closing balance	2,201,445,261,235	8,817,189,366,741	239,476,610,325	171,996,538,981	9,972,781,641	11,440,080,558,923
Accumulated depreciation						
Opening balance	1,178,167,814,016	6,013,467,291,017	206,975,457,655	139,146,346,130	8,138,657,083	7,545,895,565,901
Charge for the year	95,027,348,011	422,886,920,010	12,755,992,125	11,377,662,281	515,456,981	542,563,379,408
Reclassify to investment properties	(776,819,559)	-	-	-	-	(776,819,559)
Disposals	(498,407,347)	(3,269,990,583)	(11,833,806,134)	(980,995,998)	-	(16,583,200,062)
Closing balance	1,271,919,935,121	6,433,084,220,444	207,897,643,646	149,543,012,413	8,654,114,064	8,071,098,925,688
Net book value						
Opening balance	956,126,405,487	2,278,096,134,535	42,046,190,260	23,024,600,776	1,834,124,558	3,301,127,455,616
Closing balance	929,525,326,114	2,384,105,146,297	31,578,966,679	22,453,526,568	1,318,667,577	3,368,981,633,235

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Included in tangible fixed assets as at 31 December 2022 were assets costing VND3,868,048 million (1/1/2022: VND3,615,821 million) which were fully depreciated but still in active use.

The historical cost of tangible fixed assets retired from active use and held for disposal was VND70,821 million as at 31 December 2022 (1/1/2022: VND66,622 million).

The historical cost of tangible fixed assets that the Group leased to its associates to earn rental income as at 31 December 2022 was VND61,027 million (1/1/2022: VND61,027 million).

13. Finance lease tangible fixed assets

Buildings and structures (VND)	
Cost	
Opening and closing balance	173,582,726,065
Accumulated depreciation	
Opening balance	6,090,370,560
Charge for the year	5,230,553,541
Closing balance	11,320,924,101
Net book value	
Opening balance	167,492,355,505
Closing balance	162,261,801,964

14. Intangible fixed assets

Unit: VND

	Land use rights (*)	Software	Others	Total
Cost				
Opening balance	1,024,181,907,580	78,687,003,401	104,000,000	1,102,972,910,981
Additions	-	283,790,000	-	283,790,000
Transfer from construction in progress	-	964,000,000	-	964,000,000
Written off	-	(73,881,710)	-	(73,881,710)
Closing balance	1,024,181,907,580	79,860,911,691	104,000,000	1,104,146,819,271
Accumulated amortisation				
Opening balance	97,245,256,771	72,443,647,245	104,000,000	169,792,904,016
Charge for the year	6,673,851,624	4,015,232,809	-	10,689,084,433
Written off	-	(73,881,710)	-	(73,881,710)
Closing balance	103,919,108,395	76,384,998,344	104,000,000	180,408,106,739
Net book value				
Opening balance	926,936,650,809	6,243,356,156	-	933,180,006,965
Closing balance	920,262,799,185	3,475,913,34	-	923,738,712,532

Included in intangible fixed assets as at 31 December 2022 were assets costing VND67,697 million (1/1/2022: VND66,690 million) which were fully amortised but still in active use.

The historical cost of intangible fixed assets retired from active use and held for disposal was to VND304 million as at 31 December 2022 (1/1/2022: VND304 million).

(*) Land use rights as at 31 December 2022 included the value of land use rights of VND735,380 million that the Group has additionally recorded on the equitisation date following the Minutes of Corporate Valuation dated 31 December 2007 and the Equitisation Finalisation Minute, which was performed by representative of the Ministry of Industry and Trade and the Ministry of Finance on 30 April 2008, who issued the report on 6 March 2010. The Group has recorded the increase in value of land use rights in “Intangible fixed assets” with a corresponding payable to State Treasury in “Other short-term payables” account (Note 21(a)).

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The Ministry of Industry and Trade has allowed the Group to manage and use these land use rights following the plan of the People’s Committee of Ho Chi Minh City. At the date of these consolidated financial statements, the Group is in the process of preparing the land rental contracts with the People’s Committee of Ho Chi Minh City. Currently, those land lots are used for principal activities of the Group. They are temporary land use rights with restrictions on ownership and are not permitted for sale, sublease or mortgage.

Details of land use rights recorded at the estimated increased value on 6 March 2010 were as follows:

No	Location	Square meters (m²)	Revalued amount in connection with equitisation (VND)
1	46 Ben Van Don Street, Ward 12, District 4, Ho Chi Minh City, Vietnam	3,872.5	55,241,212,500
2	187 Nguyen Chi Thanh Street, Ward 12, District 5, Ho Chi Minh City, Vietnam	17,406.1	418,634,111,100
3	474 Nguyen Chi Thanh Street, Ward 6, District 10, Ho Chi Minh City, Vietnam	7,729.0	247,637,160,000
4	18/3B Phan Huy Ich Street, Ward 15, Tan Binh District, Ho Chi Minh City, Vietnam	2,216.3	13,867,389,100
			735,379,872,700

The Group has not amortised the above land use rights because their costs and useful lives have not been measured reliably at the balance sheet date. During the year, the Group has also recognised land rental and land tax expenses to the consolidated statement of income with an amount of VND29,947 million (2021: VND30,518 million) following the tax payment notices from local tax authorities.

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15. Investment properties

	Investment property held to earn rental		Investment property held for capital appreciation		Unit: VND
	Land use rights	Buildings and structures	Land use rights	Total	
Cost					
Opening balance	27,812,438,744	26,354,235,602	13,511,310,895	67,677,985,241	
Transfer from construction in progress	-	111,615,730,291	-	111,615,730,291	
Reclassify from tangible fixed assets	-	3,642,135,452	-	3,642,135,452	
Closing balance	27,812,438,744	141,612,101,345	13,511,310,895	182,935,850,984	
Accumulated depreciation					
Opening balance	9,115,510,786	14,141,313,695	3,150,911,918	26,407,736,399	
Charge for the year	604,618,256	2,017,689,760	-	2,622,308,016	
Reclassify from tangible fixed assets	-	776,819,559	-	776,819,559	
Closing balance	9,720,129,042	16,935,823,014	3,150,911,918	29,806,863,974	
Net book value					
Opening balance	18,696,927,958	12,212,921,907	10,360,398,977	41,270,248,842	
Closing balance	18,092,309,702	124,676,278,331	10,360,398,977	153,128,987,010	

The fair values of investment properties have not been determined as the Group has not performed a valuation.

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16. Construction in progress

	2022 (VND)	2021 (VND)
Opening balance	551,470,893,844	28,138,829,026
Additions during the year	301,760,853,416	576,174,484,629
Transfer to tangible fixed assets	(586,908,875,872)	(52,245,981,306)
Transfer to intangible fixed assets	(964,000,000)	(2,620,945)
Transfer to long-term prepaid expenses	(9,672,946,441)	(1,610,962,880)
Transfer to investment properties	(111,615,730,291)	-
Transfer to expenses	(10,522,015,656)	-
Other adjustments	-	1,017,145,320
Closing balance	133,548,179,000	551,470,893,844

During the year, interest expenses capitalised in construction in progress amounted to VND6,791million (2021: VND3,766 million).

Major constructions in progress were as follows:

	31/12/2022 (VND)	1/1/2022 (VND)
Buildings and structures	88,565,800,836	55,809,123,448
Project for construction of commercial and service center	2,154,816,792	-
Production expansion project	-	454,205,653,793
Other projects	42,827,561,372	41,456,116,603
	133,548,179,000	551,470,893,844

17. Deferred tax assets and deferred tax liabilities

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	Tax rate	2022 (VND)	2021 (VND)
Deferred tax assets recognised on:			
Allowance for diminution in the value of long-term financial investments	20%	56,440,548,637	61,118,473,962
Accrued expenses and provisions	20%	82,836,932,862	59,220,758,752
Unrealised profits	20%	40,671,418,069	47,008,025,218
Allowance for inventories and longterm tools, supplies and spare parts	20%	24,150,582,076	23,888,046,052
Allowance for doubtful debts	20%	1,672,286,338	2,399,303,451
Others	20%	2,687,050,079	1,207,421,264
Total deferred tax assets		208,458,818,061	194,842,028,699

Deferred tax liabilities recognised on:			
Allowance for diminution in the value of long-term financial investments	20%	34,353,293,866	29,998,637,331
Tools and instruments	20%	2,203,943,655	2,894,887,862
Accrued expenses and others	20%	-	409,800,014
Total deferred tax liabilities		36,557,237,521	33,303,325,207

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18. Accounts payable to suppliers

a. Accounts payable to suppliers – short-term

(i) Accounts payable to suppliers detailed by significant suppliers

	Cost/Amount within repayment capacity	
	31/12/2022 (VND)	1/1/2022 (VND)
Crown Beverage Cans Saigon Limited	305,360,233,763	564,615,342,170
Hanacans Joint Stock Company	304,818,946,067	90,029,997,906
Other suppliers	2,156,100,851,761	1,745,602,328,375
	2,766,280,031,591	2,400,247,668,451

(ii) Accounts payable to suppliers who are related parties

	Cost/Amount within repayment capacity	
	31/12/2022 (VND)	1/1/2022 (VND)
Associates and jointly controlled entities		
Crown Beverage Cans Saigon Limited	305,360,233,763	564,615,342,170
Saigon Binh Tay Beer Group Joint Stock Company	41,300,276,271	44,420,956,582
Sai Gon – Mien Trung Beer Joint Stock Company	22,886,473,799	25,307,805,043
Sai Gon – Kien Giang Beer Joint Stock Company	15,170,889,800	2,624,513,007
Sai Gon – Khanh Hoa Beer Joint Stock Company	11,062,497,600	10,309,697,221
Sai Gon – Vinh Long Beer Joint Stock Company	10,029,404,000	428,183,725
Saigon – Bentre Beer Joint Stock Company	6,734,475,000	1,656,446,388
San Miguel Yamamura Phu Tho Packaging Company Limited	6,599,377,008	5,998,902,800
Saigon Tay Do Beer – Beverage Joint Stock Company	5,279,828,400	1,319,957,122
Saigon – Baclieu Beer Joint Stock Company	4,994,118,630	1,293,737,720
Saigon – Phutho Beer Joint Stock Company	2,798,730,000	4,910,444,105
Malaya – Vietnam Glass Limited	227,050,024	8,625,799,432
Other related parties		
TBC-Ball Beverage Can Vietnam Co., Ltd	214,422,322,551	156,715,090,594
Fraser & Neave (Malaya) Sdn Bhd	865,316,841	–
MM Mega Market (Vietnam) Company Limited	194,577,349	307,209,113

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b. Accounts payable to suppliers – long-term

Accounts payable to suppliers detailed by significant suppliers

	Cost/Amount within repayment capacity	
	2022 (VND)	2021 (VND)
Krones AG (*)	119,960,956,800	123,420,604,800
Others	100,000,000	100,000,000
	120,060,956,800	123,520,604,800

(*) The long-term accounts payable to Krones AG is secured by held-to-maturity investments – shortterm as at 31 December 2022 (1/1/2022: secured by held-to-maturity investments – short-term and held-to-maturity investments – long-term). The long-term accounts payable to supplier will be repaid in 2024.

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19. Taxes payable to/receivable from State Treasury

a. Taxes payable to State Treasury

Unit: VND

	1/1/2022	Incurred	Paid	Net-off	Reclassified to taxes	31/12/2022
Special sales tax	887,453,269,578	9,331,436,065,558	(9,210,238,225,017)	-	-	1,008,651,110,119
Corporate income tax	356,189,433,973	1,323,982,218,726	(1,329,727,378,601)	(2,057,493,444)	786,879,794	349,173,660,448
Value added tax	139,325,507,868	16,560,765,224,056	(2,005,793,927,020)	(14,454,496,566,164)	-	239,800,238,740
Personal income tax	27,667,407,478	97,580,257,908	(109,910,214,423)	(869,789,150)	640,448,151	15,108,109,964
Import-export tax	-	2,830,076,210	(2,830,076,210)	-	-	-
Other taxes	6,338,943,230	253,103,946,366	(246,559,626,021)	(4,598,325,889)	-	8,284,937,686
	1,416,974,562,127	27,569,697,788,824	(12,905,059,447,292)	(14,462,022,174,647)	1,427,327,945	1,621,018,056,957

b. Taxes receivable from State Treasury

Unit: VND

	1/1/2022	Net-off	Reclassified from taxes payable	31/12/2022
Corporate income tax	2,966,919,094	(2,057,493,444)	786,879,794	1,696,305,444
Personal income tax	869,789,150	(869,789,150)	640,448,151	640,448,151
Import-export tax	2,082,000	-	-	2,082,000
Other taxes	25,261,680,386	(4,598,325,889)	-	20,663,354,497
	29,100,470,630	(7,525,608,483)	1,427,327,945	23,002,190,092

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20. Accrued expenses

	31/12/2022 (VND)	1/1/2022 (VND)
Advertising and promotion expenses	451,188,293,275	297,522,986,129
Interest expenses	16,492,560,977	13,198,804,841
Others	46,586,409,091	59,970,043,560
	514,267,263,343	370,691,834,530

21. Other payables

a. Other payables – short-term

	31/12/2022 (VND)	1/1/2022 (VND)
Estimated land use rights payable to the State in connection with equitisation (*)	735,379,872,700	735,379,872,700
Short-term deposits received	102,232,625,059	112,619,187,330
Dividends payable	2,293,425,159,012	1,318,815,197,765
Other payables	73,048,588,074	61,026,227,981
	3,204,086,244,845	2,227,840,485,776

(*) Estimated land use rights payable to the State in connection with equitisation was recorded in accordance with Equitisation Finalisation Minute issued by representative of Ministry of Industry and Trade and Ministry of Finance dated 6 March 2010 (Note 14).

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Other payables – short-term to related parties

The ultimate parent company	31/12/2022 (VND)	1/1/2022 (VND)
Thai Beverage Public Company Limited	485,483,412	448,149,450
The intermediate parent company		
BeerCo Limited	2,789,159,001	1,727,126,808
The parent company		
Vietnam Beverage Company Limited	1,202,749,054,500	687,285,174,000
Associates and jointly controlled entities		
Saigon Binh Tay Beer Group Joint Stock Company	1,765,382,715	287,780,949
Saigon Tay Do Beer – Beverage Joint Stock Company	1,149,981,557	-
Sai Gon – Vinh Long Beer Joint Stock Company	1,126,841,511	-
Thanh Nam Consultant Investment – Engineering and Technology Transfer Joint Stock Company	340,000,000	340,000,000
Sai Gon – Mien Trung Beer Joint Stock Company	275,548,580	-
Sai Gon – Kien Giang Beer Joint Stock Company	173,579,908	-
Saigon – Phutho Beer Joint Stock Company	3,867,537	-
Saigon – Baclieu Beer Joint Stock Company	-	56,487,760
Other related parties		
Chang International Co., Ltd	242,690,389	750,049,954
Super Brands Company Pte. Ltd	-	2,477,547,727
Chang Beer Co., Ltd	-	743,116,593
Fraser and Neave, Limited	-	626,614,560

b. Other payables – long-term

	31/12/2022 (VND)	1/1/2022 (VND)
Land tax payable to the State (Note 11(b))	51,602,316,000	51,602,316,000
Long-term deposits received	3,819,397,745	3,207,748,986
	55,421,713,745	54,810,064,986

22. Borrowings and finance lease liabilities

a. Short-term borrowings and finance lease liabilities

a. Short-term borrowings and finance lease liabilities

Unit: VND

	1/1/2022	Movements during the year		31/12/2022
	Carrying amount/ Amount within repayment capacity	Increase	Decrease	Carrying amount/ Amount within repayment capacity
Short-term borrowings	313,076,838,774	3,145,041,058,122	(2,823,135,222,244)	634,982,674,652
Current portion of long-term borrowings (Note 22(b))	7,597,790,000	22,474,940,583	(7,597,790,000)	22,474,940,583
Current portion of long-term finance lease liabilities (Note 22(b))	1,071,743,198	16,197,987,708	(16,101,530,820)	1,168,200,086
	321,746,371,972	3,183,713,986,413	(2,846,834,543,064)	658,625,815,321

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

	Currency	31/12/2022 (VND)	1/1/2022 (VND)
Vietnam Joint Stock Commercial Bank for Industry and Trade – Quang Ngai Branch	VND	199,800,000,000	194,291,999,211
Bangkok Bank Public Company Limited – Ho Chi Minh Branch	VND	155,749,287,000	-
Joint Stock Commercial Bank for Foreign Trade of Vietnam – Quang Ngai Branch	VND	119,961,278,869	-
Joint Stock Commercial Bank for Foreign Trade of Vietnam – Thanh Xuan Branch	VND	58,257,450,063	-
Shinhan Bank Vietnam Ltd – Pham Hung Branch	VND	49,734,282,814	-
Standard Chartered Bank (Vietnam) Limited – Ho Chi Minh City Branch	VND	19,980,375,906	-
Vietnam Joint Stock Commercial Bank for Industry and Trade – Quang Minh Branch	VND	18,000,000,000	11,000,000,000
Shinhan Bank Vietnam Ltd – Ha Noi Branch	VND	13,500,000,000	8,262,603,408
Vietnam Export Import Commercial Joint Stock Bank – Quang Ngai Branch	VND	-	99,522,236,155
		634,982,674,652	313,076,838,774

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The short-term VND denominated borrowings bore interest at rates ranging from 6.00% to 8.30% per annum (1/1/2022: from 3.10% to 4.50% per annum). The short-term borrowings are secured by inventories, accounts receivables from customers, held-to-maturity investments, tangible fixed assets and investment properties.

b. Long-term borrowings and finance lease liabilities

	31/12/2022 (VND)	1/1/2022 (VND)
Long-term borrowings (i)	224,849,643,497	175,597,790,000
Finance lease liabilities (ii)	173,226,010,422	174,297,753,621
	398,075,653,919	349,895,543,621
Long-term borrowings repayable within twelve months	(22,474,940,583)	(7,597,790,000)
Long-term finance lease liabilities repayable within twelve months	(1,168,200,086)	(1,071,743,198)
	(23,643,140,669)	(8,669,533,198)
Repayable after twelve months	374,432,513,250	341,226,010,423

(i) Long-term borrowings

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

	Currency	Year of maturity	31/12/2022 (VND)	1/1/2022 (VND)
Standard Chartered Bank (Vietnam) Limited – Ho Chi Minh City Branch	VND	2026	134,849,643,497	-
Vietnam Joint Stock Commercial Bank for Industry and Trade – Branch 4	VND	2027	90,000,000,000	168,000,000,000
Joint Stock Commercial Bank for Investment and Development of Vietnam – Quang Minh Branch	VND	2022	-	5,938,590,000
Shinhan Bank Vietnam Ltd – Ha Noi Branch	VND	2022	-	1,659,200,000
			224,849,643,497	175,597,790,000

The long-term borrowings bore interest at rates ranging from 5.57% to 7.90% per annum (1/1/2022: 6.58% to 8.20% per annum) and are secured by tangible fixed assets, assets to be formed in the future and investment properties.

(ii) Finance lease liabilities

The minimum lease payments under non–cancellable finance leases were as follows:

	31/12/2022			1/1/2022		
	Payments	Interest	Principal	Payments	Interest	Principal
Within one year	16,101,530,820	14,933,330,734	1,168,200,086	16,101,530,820	15,029,787,622	1,071,743,198
Within two to five years	64,406,123,280	58,639,889,965	5,766,233,315	64,406,123,280	59,116,000,972	5,290,122,308
More than five years	418,639,801,319	252,348,224,298	166,291,577,021	434,741,332,140	266,805,444,025	167,935,888,115
	499,147,455,419	325,921,444,997	173,226,010,422	515,248,986,240	340,951,232,619	174,297,753,621

23. Bonus and welfare fund

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

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

	2022 (VND)	2021 (VND)
Opening balance	238,251,448,078	183,520,779,759
Appropriation during the year (Note 25)	121,347,892,894	170,371,174,012
Adjustments to bonus and welfare fund (Note 25)	(40,710,637,133)	(8,696,312,008)
Utilisation during the year	(96,498,388,639)	(106,944,193,685)
Closing balance	222,390,315,200	238,251,448,078

24. Provisions – long-term

Provisions – long–term represented provision for severance allowance. Movements of provision for severance allowance during the year were as follows:

	2022 (VND)	2021 (VND)
Opening balance	81,358,128,695	126,213,421,774
Provision made during the year	686,788,031	1,198,503,536
Transfer to provisions – short-term	-	(31,990,000)
Provision reversed during the year	(1,040,697,100)	(41,518,366,385)
Provision utilised during the year	(7,109,356,675)	(4,503,440,230)
Closing balance	73,894,862,951	81,358,128,69

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25. Changes in owners’ equity

Unit: VND

	Share capital	Other capital	Foreign exchange differences	Investment and development fund	Retained profits	Total equity attributable to owners of the Company	Non-controlling interest	Total
Net profit for the year	6,412,811,860,000	3,208,666,226	26,865,333,874	1,122,846,170,630	12,374,498,805,733	19,940,230,836,463	1,275,045,554,465	21,215,276,390,928
Appropriation to bonus and welfare fund (Note 23)	-	-	-	-	3,677,252,341,304	3,677,252,341,304	252,053,205,934	3,929,305,547,238
	-	-	-	-	(148,992,864,643)	(148,992,864,643)	(21,378,309,369)	(170,371,174,012)
Adjustments to bonus and welfare fund (Note 23)	-	-	-	-	8,087,366,226	8,087,366,226	608,945,782	8,696,312,008
Dividends (Note 28)	-	-	-	-	(2,244,484,151,000)	(2,244,484,151,000)	(138,226,824,350)	(2,382,710,975,350)
Foreign exchange differences	-	-	473,958,987	-	-	473,958,987	-	473,958,987
Appropriation to social activities fund	-	-	-	-	(5,058,422,702)	(5,058,422,702)	(937,933,937)	(5,996,356,639)
Adjustments to social activities fund	-	-	-	-	111,684,257	111,684,257	315,745	112,000,002
Others	-	-	-	(604,797,503)	(5,543,616,912)	(6,148,414,415)	6,148,414,414	(1)
Balance as at 31 December 2021	6,412,811,860,000	3,208,666,226	27,339,292,861	1,122,241,373,127	13,655,871,142,263	21,221,472,334,477	1,373,313,368,684	22,594,785,703,161

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Unit: VND

	Share capital	Other capital	Foreign exchange differences	Investment and development fund	Retained profits	Total equity attributable to owners of the Company	Non-controlling interest	Total
Balance as at 1 January 2022	6,412,811,860,000	3,208,666,226	27,339,292,861	1,122,241,373,127	13,655,871,142,263	21,221,472,334,477	1,373,313,368,684	22,594,785,703,161
Net profit for the year	-	-	-	-	5,223,851,427,095	5,223,851,427,095	275,946,550,189	5,499,797,977,284
Appropriation to bonus and welfare fund (Note 23)	-	-	-	-	(104,662,591,910)	(104,662,591,910)	(16,685,300,984)	(121,347,892,894)
Adjustments to bonus and welfare fund (Note 23)	-	-	-	-	34,660,971,609	34,660,971,609	6,049,665,524	40,710,637,133
Dividends (Note 28)	-	-	-	-	(3,206,405,930,000)	(3,206,405,930,000)	(187,069,103,338)	(3,393,475,033,338)
Foreign exchange differences	-	-	9,797,080,186	-	-	9,797,080,186	-	9,797,080,186
Appropriation to social activities fund	-	-	-	-	(38,505,523,976)	(38,505,523,976)	(1,062,271,314)	(39,567,795,290)
Adjustments to social activities fund	-	-	-	-	86,174,791	86,174,791	59,068,360	145,243,151
Balance as at 31 December 2022	6,412,811,860,000	3,208,666,226	37,136,373,047	1,122,241,373,127	15,564,895,669,872	23,140,293,942,272	1,450,551,977,121	24,590,845,919,393

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26. Share capital

The Company’s authorised and issued share capital are:

	31/12/2022 và 1/1/2022	
	Number of shares	VND
Authorised and issued share capital		
Ordinary shares	641,281,186	6,412,811,860,000
Shares in circulation		
Ordinary shares	641,281,186	6,412,811,860,000

All ordinary shares have a par value of VND10,000. Each share is entitled to one vote at shareholders’ 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 Group’s residual assets. In respect of shares bought back by the Group, all rights are suspended until those shares are reissued.

There was no movement in share capital during the years ended 31 December 2022 and 31 December 2021.

27. 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.

28. Dividends

The Resolutions of the Board of Directors of the Company on 14 February 2022, 21 October 2022 and 2 December 2022 resolved to declare dividends to shareholders amounting to VND961,922 million (equivalent to VND1,500 per share), VND1,603,203 million (equivalent to VND2,500 per share) and VND641,281 million (equivalent to VND1,000 per share), respectively, from retained profits of previous years (2021: VND2,244,484 million, equivalent to VND3,500 per share).

29. Off balance sheet items

a. Leases

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

	31/12/2022 (VND)	1/1/2022 (VND)
Within one year	225,062,100,817	255,812,162,338
Within two to five years	326,669,667,463	479,765,985,921
More than five years	419,873,433,558	463,262,312,599
	971,605,201,838	1,198,840,460,858

b. Assets, materials and goods held for third parties

	Đơn vị	31/12/2022	1/1/2022
Beers	box/crate	4,320,242	2,591,718
Beverages	box/crate	167,896	176,538
Plastic crates	piece	29,805	14,950

c. Foreign currencies

	31/12/2022		1/1/2022	
	Original currency	Equivalent (VND)	Original currency	Equivalent (VND)
USD	204,406	4,785,158,964	541,227	12,270,976,966
EUR	1,371	33,937,446	3,165	80,316,825
AUD	838	13,204,025	17,871	285,465,703
		4,832,300,435		12,636,759,494

d. Capital expenditure commitments

At the reporting date, the Group had the following outstanding capital commitments approved but not provided for in the consolidated balance sheet:

	31/12/2022 (VND)	1/1/2022 (VND)
Approved and contracted	122,437,311,161	86,977,828,511

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30. Revenue from sales of goods and provision of services

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

Net revenue comprised:

	2022 (VND)	2021 (VND)
Total revenue		
Sales of beers	30,600,241,088,454	23,238,177,342,527
Sales of raw materials	4,234,476,864,391	3,045,469,574,053
Sales of beverages	171,441,602,260	137,129,233,756
Sales of alcohol and wine	57,164,680,586	47,411,234,586
Others	172,574,888,090	109,820,008,591
	35,235,899,123,781	26,578,007,393,513
Less revenue deductions		
Sales discounts	244,043,598,902	190,197,799,804
Sales returns	12,771,531,044	14,063,299,851
	256,815,129,946	204,261,099,655
Net revenue	34,979,083,993,835	26,373,746,293,858

31. Cost of goods sold and services provided

	2022 (VND)	2021 (VND)
Total cost of goods sold and services provided:		
Beers sold	19,772,096,905,685	15,558,536,969,969
Raw materials sold	4,229,718,951,023	3,028,411,625,842
Beverages sold	134,076,918,348	111,802,339,869
Alcohol and wine sold	50,654,309,212	43,750,632,477
Others	21,829,982,483	22,679,914,208
	24,208,377,066,751	18,765,181,482,365

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32. Financial income

	2022 (VND)	2021 (VND)
Interest income from term deposits at banks	1,023,929,564,017	848,327,266,035
Foreign exchange gains	64,016,836,334	49,947,987,367
Dividends income	2,602,196,200	1,383,714,900
Gain on disposals of equity investments in other entities	-	219,311,557,533
Other financial income	12,166,096	626,596,022
	1,090,560,762,647	1,119,597,121,857

33. Financial expenses

	2022 (VND)	2021 (VND)
Interest expense	45,517,297,000	48,739,800,374
Foreign exchange losses	36,019,062,129	7,376,309,203
Allowance/(reversal of allowance) for diminution in the value of long-term financial investments	436,962,600	(34,805,203,650)
Other financial expenses	19,795,301	1,473,261,680
	81,993,117,030	22,784,167,607

34. Selling expenses

	2022 (VND)	2021 (VND)
Advertising and promotion expenses	3,067,916,950,856	2,191,864,691,196
Staff costs	888,213,668,314	793,247,695,388
Rental expenses	144,950,305,651	135,188,763,304
Returnable packaging expenses	59,889,929,259	78,767,238,494
Transportation expenses	30,397,825,123	32,324,955,041
Depreciation and amortisation	28,036,723,004	25,105,571,201
Others	312,662,870,932	243,869,714,745
	4,532,068,273,139	3,500,368,629,369

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35. General and administration expenses

	2022 (VND)	2021 (VND)
Staff costs	416,173,686,311	375,830,783,614
Rental expenses	64,114,164,821	58,024,994,916
Depreciation and amortisation	23,249,063,129	26,666,626,632
Others	237,128,746,207	137,193,850,250
	740,665,660,468	597,716,255,412

36. Production and business costs by elements

	2022 (VND)	2021 (VND)
Raw material costs included in production cost	7,461,216,523,155	5,271,608,295,836
Labour costs and staff costs	1,736,598,759,810	1,587,526,811,957
Depreciation and amortisation	561,105,325,398	557,477,760,126
Outside services	4,533,881,056,404	3,376,124,303,125
Other expenses	522,704,798,166	403,345,950,249

37. Corporate income tax

a. Recognised in the consolidated statement of income

	2022 (VND)	2021 (VND)
Current tax expense		
Current year	1,321,034,937,188	954,011,763,892
Under provision in prior years	2,947,281,538	952,484,704
	1,323,982,218,726	954,964,248,596
Deferred tax benefit		
Origination and reversal of temporary differences	(10,362,877,048)	(27,375,546,091)
Income tax expense	1,313,619,341,678	927,588,702,505

b. Reconciliation of effective tax rate

	2022 (VND)	2021 (VND)
Accounting profit before tax	6,813,417,318,962	4,856,894,249,743
Tax at the Company's tax rate	1,362,683,463,792	971,378,849,949
Effect of different tax rates in subsidiaries	(15,744,373,190)	(17,181,519,843)
Tax incentives	(10,322,653,997)	(18,021,034,836)
Tax exempt income	(65,144,311,495)	(34,864,739,694)
Non-deductible expenses	34,123,076,905	23,429,988,289
Changes in unrecognised deferred tax assets	7,004,440,892	139,884,457
Tax losses utilised	-	(994,142)
Under provision in prior years	2,947,281,538	952,484,704
Others	(1,927,582,767)	1,755,783,621
	1,313,619,341,678	927,588,702,505

c. Applicable tax rates

Under the terms of Corporate Income Tax Law, the Company has an obligation to pay the Government income tax at the rate of 20% of taxable profits. Subsidiaries have the obligation to pay the Government income tax at rates ranging from 10% to 20% of taxable profits.

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38. 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 (VND)	2021 (VND) (Restated)
Net profit for the year	5,223,851,427,095	3,677,252,341,304
Appropriation to bonus and welfare fund	(104,662,591,910)	(114,331,893,034)
Net profit attributable to ordinary shareholders	5,119,188,835,185	3,562,920,448,270

The appropriation of bonus and welfare fund for the year ended 31 December 2022 was estimated based on the budgeted amount that was approved by shareholders at Annual General Meeting of shareholders.

The appropriation of bonus and welfare fund for the year ended 31 December 2021 was restated based on the actual appropriation which was approved by shareholders at Annual General Meeting. Accordingly, basic earnings per share for the year ended 31 December 2021 have been restated to VND5,556 per share based on the adjusted amount appropriated to bonus and welfare fund (as previously reported: VND5,502 per share).

(ii) Weighted average number of ordinary shares

There was no movement in the number of shares for the year 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 641,281,186 shares.

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39. Significant transactions with related parties

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

	Transaction value	
	2022 (VND)	2021 (VND)
The ultimate parent company		
Thai Beverage Public Company Limited		
Payments on behalf of the Group	938,472,331	6,155,192,544
The intermediate parent company		
BeerCo Limited		
Payments on behalf of the Group	12,283,947,646	10,185,243,890
The parent company		
Vietnam Beverage Company Limited		
Sales of finished goods	6,662,880	-
Dividends	1,718,212,935,000	1,202,749,054,500
Associates and jointly controlled entities		
Sai Gon - Khanh Hoa Beer Joint Stock Company		
Sales of raw materials	277,210,617,190	221,117,524,072
Provision of services	50,400,000	-
Sales of finished goods	94,473,400	102,931,600
Purchases of merchandise goods	687,039,271,270	652,161,376,737
Other purchases	115,579,743	-
Sai Gon - Kien Giang Beer Joint Stock Company		
Sales of raw materials	426,200,166,761	254,845,958,852
Provision of services	160,968,241	219,121,318
Sales of tools and supplies	4,198,000	7,600,000
Purchases of merchandise goods	1,134,943,493,990	775,724,723,429
Purchases of packaging materials	99,246,875	-
Other purchases	53,541,966	28,156,800
Saigon - Phutho Beer Joint Stock Company		
Sales of raw materials	273,511,135,232	212,467,158,527
Provision of services	47,600,000	-
Purchases of merchandise goods	656,439,445,070	645,412,261,719
Other purchases	95,461,677	-
Dividends received	6,347,700,000	6,347,700,000

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	Transaction value	
	2022 (VND)	2021 (VND)
Sai Gon – Mien Trung Beer Joint Stock Company		
Sales of raw materials	476,504,344,503	379,890,505,349
Provision of services	582,211,991	563,788,528
Sales of tools and supplies	177,125,000	88,482,000
Sales of finished goods	233,380,000	318,100,000
Purchases of merchandise goods	1,417,094,941,070	1,278,755,571,382
Purchases of raw materials	1,711,060,750	1,965,336,008
Warehouse rental fee	918,607,770	873,059,168
Other transactions	308,747,843	483,091,565
Dividends received	33,854,670,500	24,375,807,500
Advertising and promotion expenses	46,869,072	-
Sai Gon – Vinh Long Beer Joint Stock Company		
Sales of raw materials	419,398,830,067	261,415,069,467
Provision of services	3,235,716,196	5,093,716,092
Sales of finished goods	63,680,311	3,027,400
Sales of tools and supplies	-	3,260,746
Purchases of merchandise goods	1,097,108,428,970	802,519,930,925
Purchases of raw materials	-	1,844,906,000
Purchases of others	9,049,697	446,600,000
Dividends received	7,500,000,000	5,100,000,000
Saigon Binh Tay Beer Group Joint Stock Company		
Sales of raw materials	715,673,570,927	420,320,668,438
Provision of services	6,291,233,462	4,216,020,541
Sales of other goods	37,694,000	-
Purchases of merchandise goods	1,886,988,653,950	1,266,494,775,070
Other transactions	446,055,216	-
Dividends received	9,706,300,732	-
Dividends	3,866,721,000	3,100,027,500

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	Transaction value	
	2022 (VND)	2021 (VND)
Saigon – Baclieu Beer Joint Stock Company		
Sales of raw materials	66,411,900,714	48,874,437,035
Provision of services	2,153,547,847	1,839,010,602
Sales of other goods	46,746,000	-
Sales of finished goods	135,027,000	-
Purchases of merchandise goods	328,820,709,400	318,756,899,800
Purchases of raw materials	314,350,000	146,021,200
Purchases of services	860,403,596	-
Advertising and promotion expenses	1,568,053,707	-
Saigon Tay Do Beer – Beverage Joint Stock Company		
Sales of raw materials	288,114,957,233	185,133,506,431
Sales of finished goods	239,219,780	109,710,150
Sales of tools and supplies	217,235,000	15,675,000
Provision of services	68,800,000	511,856,064
Purchases of merchandise goods	784,675,703,760	555,853,075,362
Purchases of raw materials	195,398,652	212,961,000
Purchases of packaging materials	75,936,000	-
Dividends received	10,474,960,500	6,983,307,000
Malaya – Vietnam Glass Limited		
Sales of services	50,000,000	238,000,000
Sales of scrap	2,604,401,129	1,851,153,399
Purchases of packaging materials	11,224,105,758	53,216,890,506
Me Linh Point Limited		
Sales of finished goods	52,173,330	23,583,500
Purchases of services	6,366,069,000	7,935,167,159
Dividends received	76,929,654,084	32,650,829,635

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	Transaction value	
	2022 (VND)	2021 (VND)
San Miguel Yamamura Phu Tho Packaging Company Limited		
Sales of raw materials	446,703,600	1,253,280,000
Purchases of packaging materials	97,339,738,000	69,044,749,000
Other transactions	14,940,000	-
Dividends received	7,344,805,800	-
Advertising and promotion expenses	314,133,644	-
Crown Beverage Cans Saigon Limited		
Sales of raw materials and other goods	67,951,518	-
Provision of services	766,032,852	1,531,920,100
Purchases of packaging materials	2,654,739,461,213	1,814,231,591,609
Other purchases	9,249,359,585	-
Other transactions	23,222,000	-
Dividends received	-	136,091,200,930
Saigon – Bentre Beer Joint Stock Company		
Sales of raw materials	416,746,033,180	326,526,514,717
Sales of tools and supplies	257,920,000	228,408,600
Provision of services	34,000,000	251,625,528
Sales of finished goods	239,286,000	63,620,000
Purchases of merchandise goods	1,169,420,458,490	944,920,801,547
Purchases of raw materials	97,214,574	49,801,500
Dividends received	3,000,000,000	1,000,000,000
Mechanical and Industrial Construction Joint Stock Company		
Sales of finished goods	122,648,300	75,663,900
Other related parties		
TBC-Ball Beverage Can Vietnam Co., Ltd		
Sales of finished goods	31,646,400	-
Provision of services	1,743,904,000	-
Purchases of packaging materials	1,429,658,932,761	900,534,430,105
Other purchases	3,043,137,416	169,800,000

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	Transaction value	
	2022 (VND)	2021 (VND)
S.A.S. CTAMAD Co., Ltd		
Other purchases	59,672,970	9,090,908
MM Mega Market (Vietnam) Company Limited		
Sales of finished goods	74,658,239,269	-
Advertising and promotion expenses	13,913,803,770	-
Purchases of goods	1,258,897,112	5,307,015,205
Super Brands Company Pte. Ltd.		
Payments on behalf of the Group	-	4,820,212,005
Fraser and Neave, Limited		
Payments on behalf of the Group	46,567,151	1,718,509,256
InterBev (Singapore) Limited		
Sales of merchandise goods	-	274,522,020
Thipchalothorn Co., Ltd.		
Sales of finished goods	390,089,520	-
Advertising and promotion expenses	125,445,992	-
Chang International Co., Ltd		
Payments on behalf of the Group	3,610,841,300	4,764,149,269
Chang Beer Co., Ltd.		
Payments on behalf of the Group	3,640,908,349	743,116,593
F&N Global Marketing Pte. Ltd.		
Income from sales support	1,091,737,849	-
Fraser & Neave (Malaya) Sdn Bhd		
Purchases of merchandise goods	1,065,935,109	-
C.A.I Co., Ltd.		
Purchases of services	732,415,000	-
Dhospaak Co., Ltd.		
Purchases of services	45,051,141	-

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	Transaction value	
	2022 (VND)	2021 (VND)
Board of Directors		
Salary, bonus and remuneration		
Mr. Koh Poh Tiong – Chairman	-	-
Mr. Pramoad Phornprapha – Member	676,000,000	676,000,000
Mr. Nguyen Tien Vy – Member	988,000,000	988,000,000
Mr. Michael Chye Hin Fah – Member	676,000,000	676,000,000
Ms. Tran Kim Nga – Member	676,000,000	676,000,000
Mr. Le Thanh Tuan – Member	676,000,000	468,000,000
Ms. Ngo Minh Chau – Member	676,000,000	468,000,000
Mr. Nguyen Tien Dung – Member	-	869,400,000
Mr. Luong Thanh Hai – Member	-	943,000,000
Board of Management		
Salary and bonus	32,099,546,562	25,242,132,835
Audit Committee		
Remuneration	1,014,000,000	1,014,000,000

40. Non-cash investing activities

	2022 (VND)	2021 (VND)
Purchases of fixed assets and construction in progress but not yet paid	231.824.368.575	336.958.302.839

41. Post balance sheet event

Increase of ownership in associate and equity investment in other entity

Subsequent to the financial year-end, the Decision of the Board of Directors of the Company on 8 February 2023 approved the principal proposal for increasing the Company’s ownership in Saigon Binh Tay Beer Group Joint Stock Company – an associate and in Saigon Packaging Group Joint Stock Company – an equity investment. Upon completion, the two mentioned companies will become subsidiaries of the Company.

42. Comparative information

Except for the restatement of EPS as disclosed in Note 38, other comparative information as at 1 January 2022 were derived from the balances and amounts reported in the Group’s consolidated financial statements as at and for the year ended 31 December 2021.

Prepared by:

Approved by:

29 March 2023


Hoang Thanh Van
Accountant


Tran Nguyen Trung
Chief Accountant


Koo Liang Kwee
Deputy General Director


Neo Gim Siong Bennett
General Director







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