



SABECO

**SAIGON BEER – ALCOHOL – BEVERAGE
CORPORATION**



PRIDE OF VIETNAM

ANNUAL REPORT 2020



**LÊN CÙNG
VIỆT NAM**



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ABBREVIATIONS

ABV	Alcohol by Volume
AC	Audit Committee
AGM	Annual General Meeting of Shareholders
BCP	Business Continuity Plan
BOD/The Board	The Board of Directors
BOM/The Management	The Board of Management
CSR	Corporate Social Responsibility
DMS	Distribution Management System
EGM	Extraordinary General Meeting of Shareholders
FS	Financial Statements
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
IT	Information Technology
MOIT	Ministry of Industry and Trade
Q	Quarter
QCVN	Vietnamese Standards
R&D	Research and Development
ROA	Return on Assets
ROE	Return on Equity
RPT	Related Party Transaction
SATRACO	Sai Gon Beer Trading Company Limited
SSC	State Securities Commission of Vietnam
SABECO/The Corporation	Saigon Beer – Alcohol – Beverage Corporation
SFA	Sales Force Automation
TMS	Transportation Management System
VAS	Vietnamese Accounting Standards
VBA	Vietnam Beer Alcohol Beverage Association
VCCI	Vietnam Chamber of Commerce and Industry
VGCL	Vietnam General Confederation of Labor
VND	Vietnamese Dong
WMS	Warehouse Management System

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
Head Office	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	https://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

SABECO INTRODUCTION



SHARE INFORMATION AND SHAREHOLDER STRUCTURE

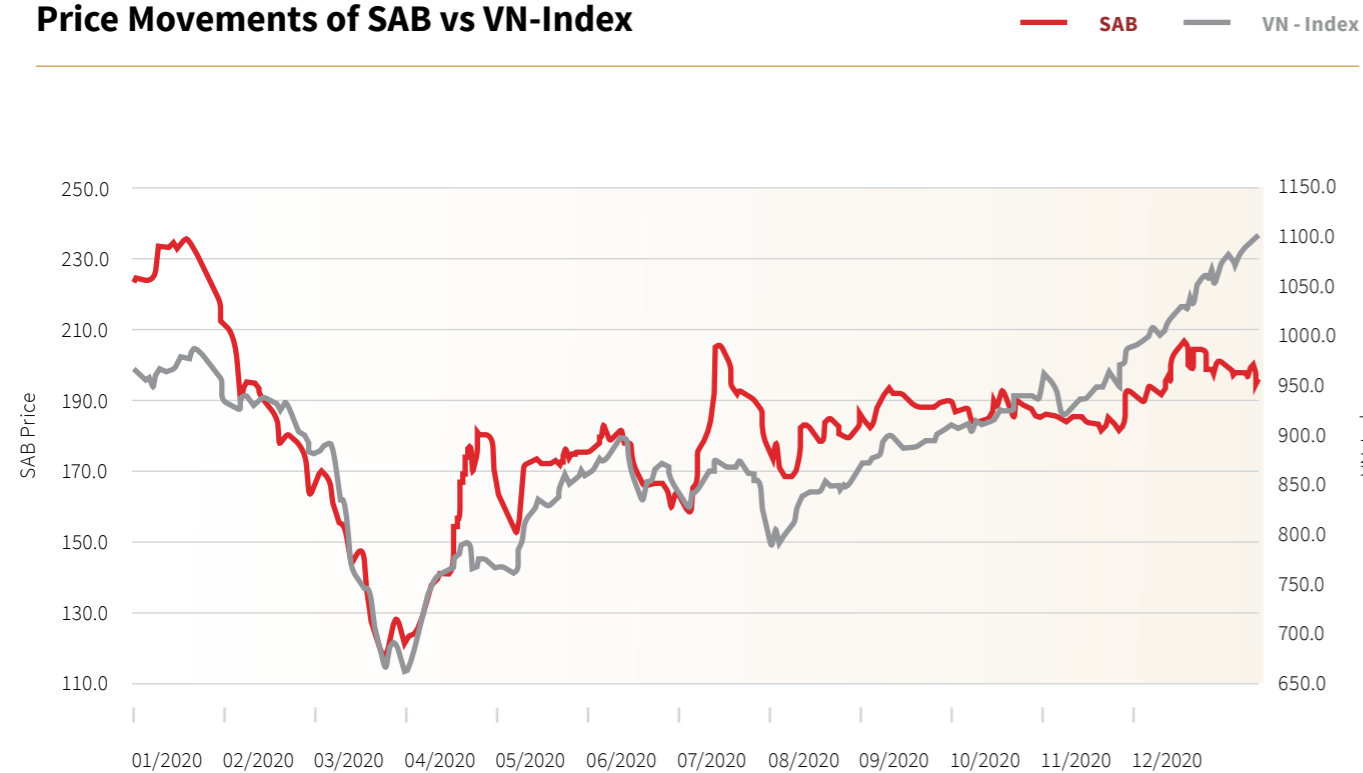
Stock Symbol	Stock Type	Stock Exchange	Charter Capital
SAB	Common stock	Ho Chi Minh Stock Exchange	VND6,412,811,860,000
Outstanding Shares	Treasury Shares	Par Value	Trading Start Date
641,281,186 shares	None	VND10,000 per share	December 6, 2016
Change in Charter Capital	Transaction of Treasury Shares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

Shareholder Structure

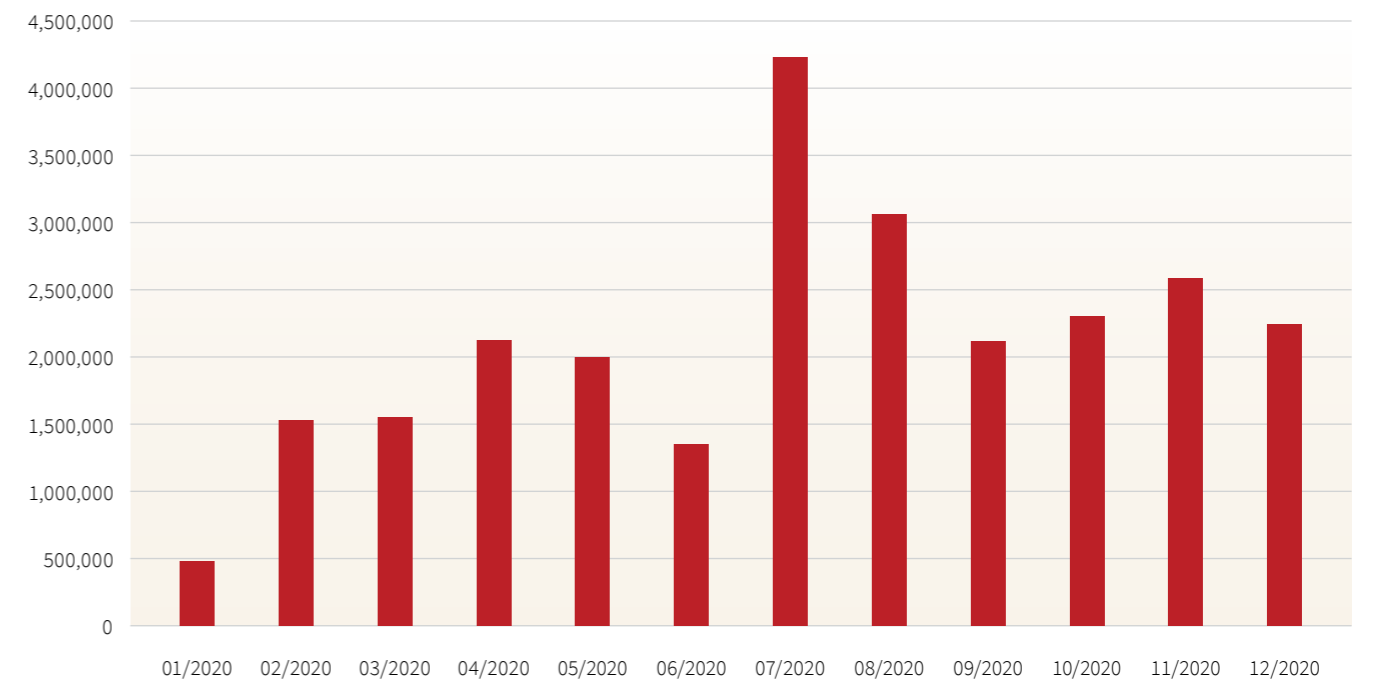
As of December 1, 2020

	Number of shares	Proportional ownership (%)	Number of shareholders
Major Shareholders	574,519,134	89.5893%	2
• State Capital Investment Corporation	230,876,547	36.0024%	1
• Vietnam Beverage Company Limited	343,642,587	53.5869%	1
Other shareholders	66,762,052	10.4107%	2,970
• Domestic	5,871,042	0.9155%	2,260
» <i>Institutional</i>	1,759,982	0.2744%	2,216
» <i>Individual</i>	4,111,060	0.6411%	44
• Foreign	60,891,010	9.4952%	710
» <i>Institutional</i>	337,790	0.0527%	538
» <i>Individual</i>	60,554,000	9.4425%	172
TOTAL	641,281,186	100.0000%	2,972

Price Movements of SAB vs VN-Index



Trading Volume of SAB



VISION – MISSION – CORE VALUES

Vision 2025

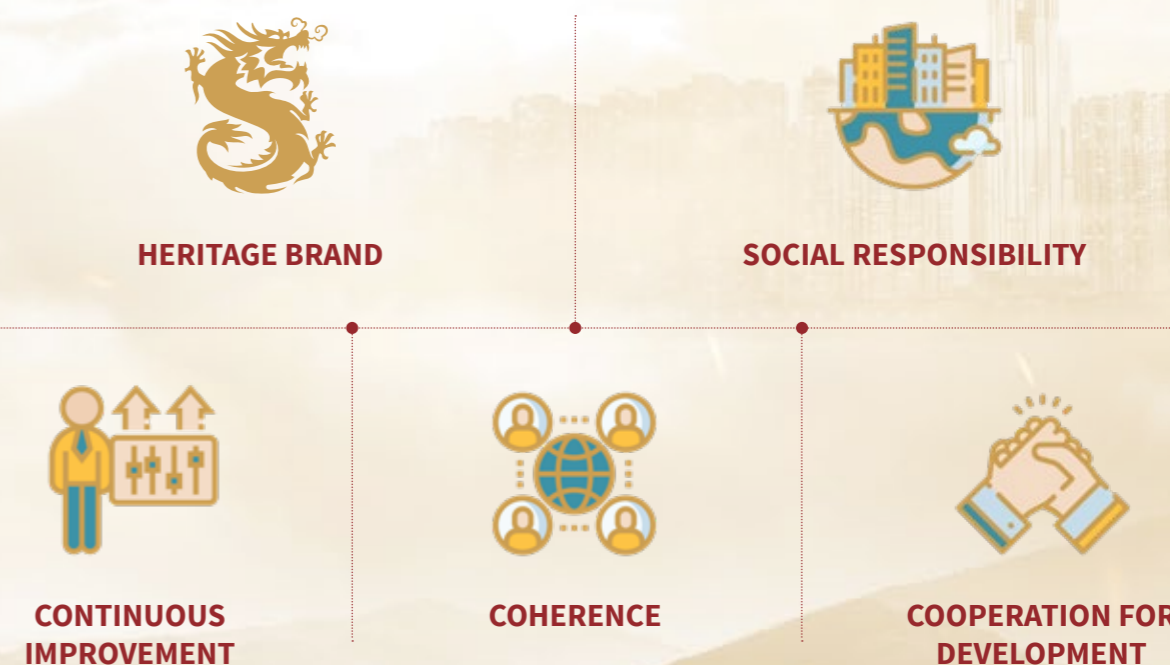
Develop SABECO to become the leading beverage group in Vietnam, having firm foothold in regional and international markets.



Mission

- Develop Vietnam's beverage industry to keep pace with the world.
- Promote the culinary culture of Vietnamese people.
- Improve the quality of life by providing high quality, safe and healthy beverages.
- 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".
- Fulfill obligations to the State on the basis of transparency in business.
- Actively participate in community activities.
- Ensure the development towards international integration.

Core Values



CHAIRMAN'S MESSAGE

Dear Shareholders,

2020 was an extraordinarily difficult and challenging year for the world in general due to the global Covid-19 pandemic. Many businesses were shut down due to the lockdowns and movement control measures imposed to curb the spread of the coronavirus, resulting in people losing their jobs. However, the good news is Covid-19 has been outstandingly well managed by the Vietnamese government throughout the year. As you may have been aware, Vietnam has been called the next "Asian Miracle" and "Rising Star" by various reputable media sources and is now among top GDP growth countries in 2020 which are on the road to economic recovery much more quickly than many others. This recognition not only reflects the Vietnamese government's capability to handle crisis situations, but also demonstrates the real strength, solidarity, and resilience of the Vietnamese people.

In response to the unprecedented challenges, SABECO Board of Directors and the Management took immediate actions to mitigate the Corporation's operational risks and damages while ensuring business performance and safety for all employees. In addition, SABECO also launched various initiatives to protect and improve the Corporation's business performance against the impact of the lingering fake news, imitation beers and unfair practices from competitors, as well as the impact from Decree 100. Given the business results which were announced recently, I am proud to say that we have survived 2020 and even exceeded expectations. We did so by standing together, fighting together, looking after each other, and the most important thing is we did not give up. I sincerely hope that 2021 will be a much better year as effective vaccines become widely and readily available. Knowing SABECO people, I have great confidence that we can ride the tide and continue to seize very opportunity and grow the business.

Lastly, I would like to take this opportunity to acknowledge and appreciate the excellent performance, the courage, and ceaseless efforts of our Board members as well as all SABECO Management and staff who have been under great pressure. On behalf of the Board, I would also like to extend my heartfelt thanks to our valued Shareholders, valued Customers, and valued Partners for your unwavering support and sterling contributions to the Corporation's recovery. We look forward to continuing to work closely with all stakeholders to build SABECO from strength to strength in the years to come.

Yours faithfully,

Koh Poh Tiong
Chairman of the Board of Directors

“ 2020 was an extraordinarily difficult and challenging year for the world in general due to the global Covid-19 pandemic. However, the good news is Covid-19 has been outstandingly well managed by the Vietnamese government throughout the year. ”



GENERAL DIRECTOR'S MESSAGE



“ *If you have to describe the color of 2020, what would it be? For SABECO, we saw hope, opportunities, compassion, and a lot more than just “grey” in 2020.* ”

Dear Shareholders,

If you have to describe the color of 2020, what would it be? Most people would probably say “grey”, as a result of the deadly Covid-19 outbreak along with its social distancing measures, socioeconomic decline, and natural disasters caused by climate change and global warming.

For SABECO, we saw hope, opportunities, compassion, and a lot more than just grey in 2020. We saw “red” with our launch of Bia Lac Viet, the true Vietnamese beer for the Vietnamese people, as part of the Corporation’s 145th anniversary campaign. We saw “blue” with the launch of Bia Saigon Chill, which was a new mass premium beer produced with deep cold-filtered technology at -2°C. We saw “gold” with our relaunch of Bia Saigon Gold with its attractive limited-edition gold bar packaging. Apart from these product launches, we also demonstrated our CSR commitment, including the “Rise with Vietnam” relay that raised funds to support workers in need during this challenging year. We also installed solar systems in breweries to do our part in using renewable energy.

Despite a difficult 2020, where we reported a lower profit after tax of VND4,937 billion, or 8% down from the previous year, SABECO managed to surpass its approved business plan by VND1,685 billion or 52%. This excellent result was achieved by driving the Corporation’s top line, while pursuing cost efficiencies and savings from energy consumption, joint procurement of raw materials, transportation, and packaging.

In 2021, we will continue to drive the growth of our brands through improving brand awareness, distribution, and consumption. Further margin improvements will be pursued through the implementation of SABECO 4.0 by transforming our ways of work, focusing on centralization, simplification and standardizing our processes. We also continue to drive operational and cost excellence, using our “Best Trading Company Award” and “Best Brewery Award” platforms. In terms of people, we plan to engage, motivate, and upskill our employees to maximize their potential.

2021 will continue to be tough, but with hope of more substantial recovery in the late part of the year. Under the wise guidance from the Board of Directors, the relentless efforts of the Management and all employees, and SABECO’s enduring spirit of never giving up, I strongly believe that we will usher in a brighter 2021. Together we will rise and overcome any challenges, as no diamonds can be found without pressure.

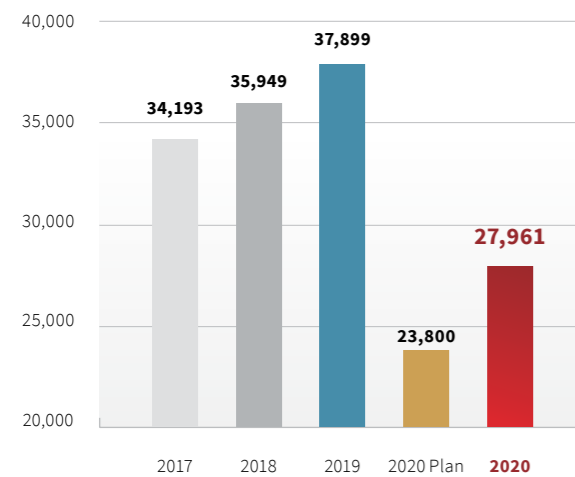
Yours faithfully,

Neo Gim Siong Bennett
General Director

2020 FINANCIAL HIGHLIGHTS

NET SALES

(Billion VND)

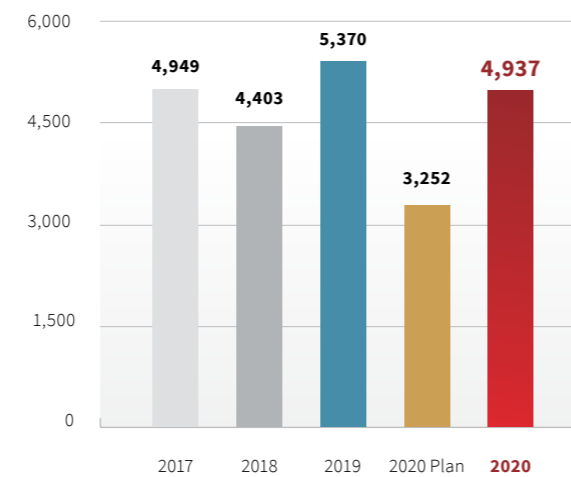


↑ **17.5%**
compared to 2020 plan

↓ **26.2%**
compared to 2019

PROFIT AFTER TAX

(Billion VND)

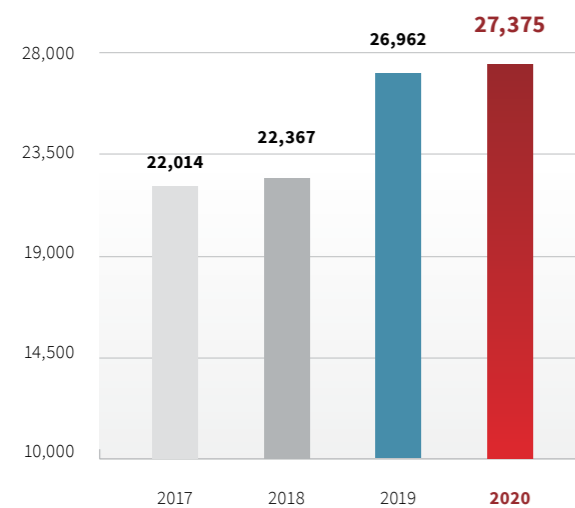


↑ **51.8%**
compared to 2020 plan

↓ **8.1%**
compared to 2019

TOTAL ASSETS

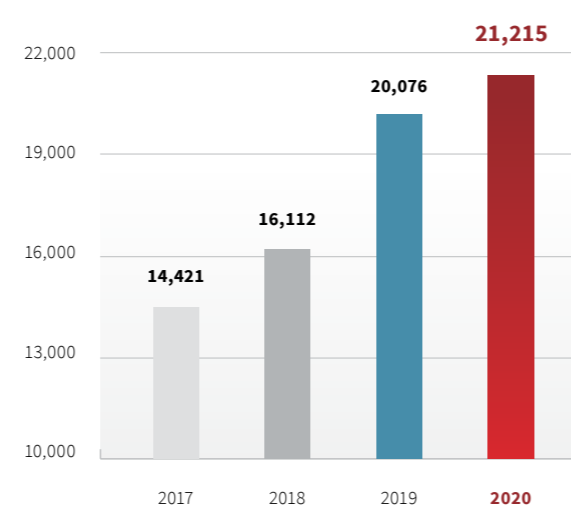
(Billion VND)



↑ **1.5%**
compared to 2019

OWNER'S EQUITY

(Billion VND)



↑ **5.7%**
compared to 2019

2020 AWARDS



**Vietnam's Top 50 Best
Listed Companies in 2020**

Forbes Vietnam

RANKED 6TH
**Vietnam's Top 15 Best Performing
Listed Companies from 2017 - 2019**

Vietnam Chamber of Commerce and
Industry (VCCI)

RANKED 4TH
**Vietnam's Top 50
Leading Brands in 2020**

Forbes Vietnam

RANKED 33RD
**Vietnam's Top 50 Best Performing
Companies in 2019**

Nhiep Cau Dau Tu Magazine
& Thien Viet Securities

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.



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.

2010

SABECO achieved an annual beer consumption rate of 1 billion liters.

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.

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.

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.

MOIT successfully sold 53.59% of SABECO shares to Vietnam Beverage Company Limited and continues to hold 36% of shares.

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.

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.



1989

The launch of 333 Export cans.

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

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.



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 relauches.

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.



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.

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.

2020

SABECO's 145th anniversary.

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



145 YEARS RISE WITH VIETNAM



2020 JOURNEY



MARCH 2020



Implementing the Business Continuity Plan (BCP)

Due to the rapid increase of Covid-19 cases together with new regulations of social distancing by the government, the Management decided to carry out BCP for the whole group of companies to ensure safety and well-being for all employees as well as mitigate impacts of the pandemic on business operations. A number of solutions were suggested, including employees being split into two teams in which each team took turns working from home and at the office for 14 days alternatively, and most of the meetings were conducted online via video conference.

JUNE 2020



Launching Bia Lac Viet – The “Optimistic Beer of Vietnam”

SABECO introduced a new brand named Bia Lac Viet to celebrate the Corporation’s 145th anniversary and honor traditional values. The beer was crafted with Vietnamese recipes, developed by Vietnamese brewers, and for the Vietnamese people. The Vietnamese history and culture were clearly imprinted on the product’s packaging, along with the country’s national flag as well as majestic symbols of the ancient Vietnamese people, representing the true Vietnamese beer. As a result, the product has helped SABECO spread positive values, optimism, and patriotism among Vietnamese consumers.



Signing Ceremony of the SABECO 4.0 Project

SABECO announced its recent launch of the digital transformation project called SABECO 4.0 during the contract signing ceremony with KPMG Vietnam, a reputable consultancy firm. The project was a strategic investment in the transformation process of SABECO, aiming to optimize, standardize, and automate the way of working across all entities in order to strengthen the Corporation’s leading position in Vietnam as well as enhance competitive advantages in international markets.

Inauguration Ceremony of the New Canning Line at Saigon Beer - Quang Ngai Brewery

Sai Gon – Quang Ngai Beer Joint Stock Company officially inaugurated and put into use its new canning line with a capacity of up to 60,000 cans/hour and a total investment of VND650 billion accordingly, completing the first phase of the brewery expansion project for the 2019 – 2021 period. The whole canning line, which was imported from Germany, integrated various advanced and highly automated functions, thereby optimizing production costs, improving business efficiency and operations, as well as meeting the increasing demand in the Central region.



SEPTEMBER 2020



“Rise with Vietnam” Relay

As part of the 145th anniversary campaign of SABECO, the Corporation, in collaboration with the Vietnam General Confederation of Labor, officially announced the “Rise with Vietnam” relay to raise funds to support Vietnamese workers who were affected by the Covid-19 pandemic. In particular, a team of runners was selected to complete the Heritage Relay of 1,875km, spanning from Ha Long Bay to Ho Chi Minh City, and continue with the Future Relay of 145km to Can Tho City, thereby symbolizing SABECO’s 145-year history of rising with Vietnam from its establishment in 1875. The donations would then be set aside as a relief effort for affected households by typhoon and flood in the Central region as well as gifted to fellow Vietnamese workers in need before Lunar New Year of 2021.



10

OCTOBER 2020

Launching Bia Saigon Chill – “-2 Degree Chill”

Bia Saigon Chill was officially introduced as a new member of Bia Saigon brands, targeting the sub-premium market. With its exclusive cold filtered technique at an extremely low temperature of -2°C, Bia Saigon Chill has not only brought out the most refreshing and cool taste but also preserved the distinguished aroma of brewer’s yeast. The product was dressed in a trendy blue outfit highlighted by the signature rising dragon, demonstrating a breath of youth and modern air with two variants including the high-neck glass bottle and premium tall can, and hence differentiated itself from the rest of Bia Saigon products. In addition, Big Daddy and Emily, a talented couple of underground singers, officially became the brand ambassadors of Bia Saigon Chill. Following successful Bia Saigon relaunches, the launch of Bia Saigon Chill has once again proven SABECO’s understanding of consumers’ demand and interests.



12

DECEMBER 2020

Groundbreaking Ceremony of the Capacity Expansion Project at Saigon Beer - Quang Ngai Brewery

The ceremony was held at Quang Phu Industrial Park, Quang Ngai Province, with the presence of Quang Ngai provincial leaders, representatives of SABECO Management, Saigon Beer - Quang Ngai Brewery, and employees. It was the next phase of the expansion project at Saigon Beer - Quang Ngai Brewery for the period of 2019 – 2021, in which SABECO would increase the brewery’s capacity to 250 million liters per year to ensure optimization and efficiency in business operations through upgrading the existing infrastructure and investing in equipment, employees’ capability and performance. The project has reflected the Corporation’s commitments to promoting long-term and sustainable development as well as creating jobs for local communities.



Implementing Transportation Management System (TMS)

Transportation Management System (TMS), which was a key project of SATRACO’s Supply Chain 4.0 and part of SABECO 4.0, was officially rolled out. TMS was a specialized management software developed on the basis of 4.0 technological architecture by Smartlog to manage projects efficiently and optimize products transportation across the network.

Implementing the DMS – SFA Project

SABECO officially signed a contract with FPT Software Ho Chi Minh Company Limited to roll out the DMS – SFA project for the period of 2020 – 2021. Being part of the comprehensive development plan of SABECO 4.0, the first phase of project was aimed to improve business processes through DMS and SFA software solutions, thereby minimizing manual works as well as optimizing sales and distribution throughout the system.



PRODUCT PORTFOLIO

Beer



Bia Saigon Gold

Bia Saigon Chill

Bia Saigon Special



Bia Saigon Export

Bia Saigon Lager

Bia Lac Viet

333

Non-alcoholic drinks



Sa Xi Chuong Duong

Nam Phuong
Bird's Nest Aloe Vera

Aloe Vera
Chuong Duong

Soda
Chuong Duong

Bottled Drinking Water
Chuong Duong

Alcoholic drinks



De Nep Binh Tay Rice Liquor

Nang Huong Rice Liquor

Feel Cocktail



Napoleon Brandy

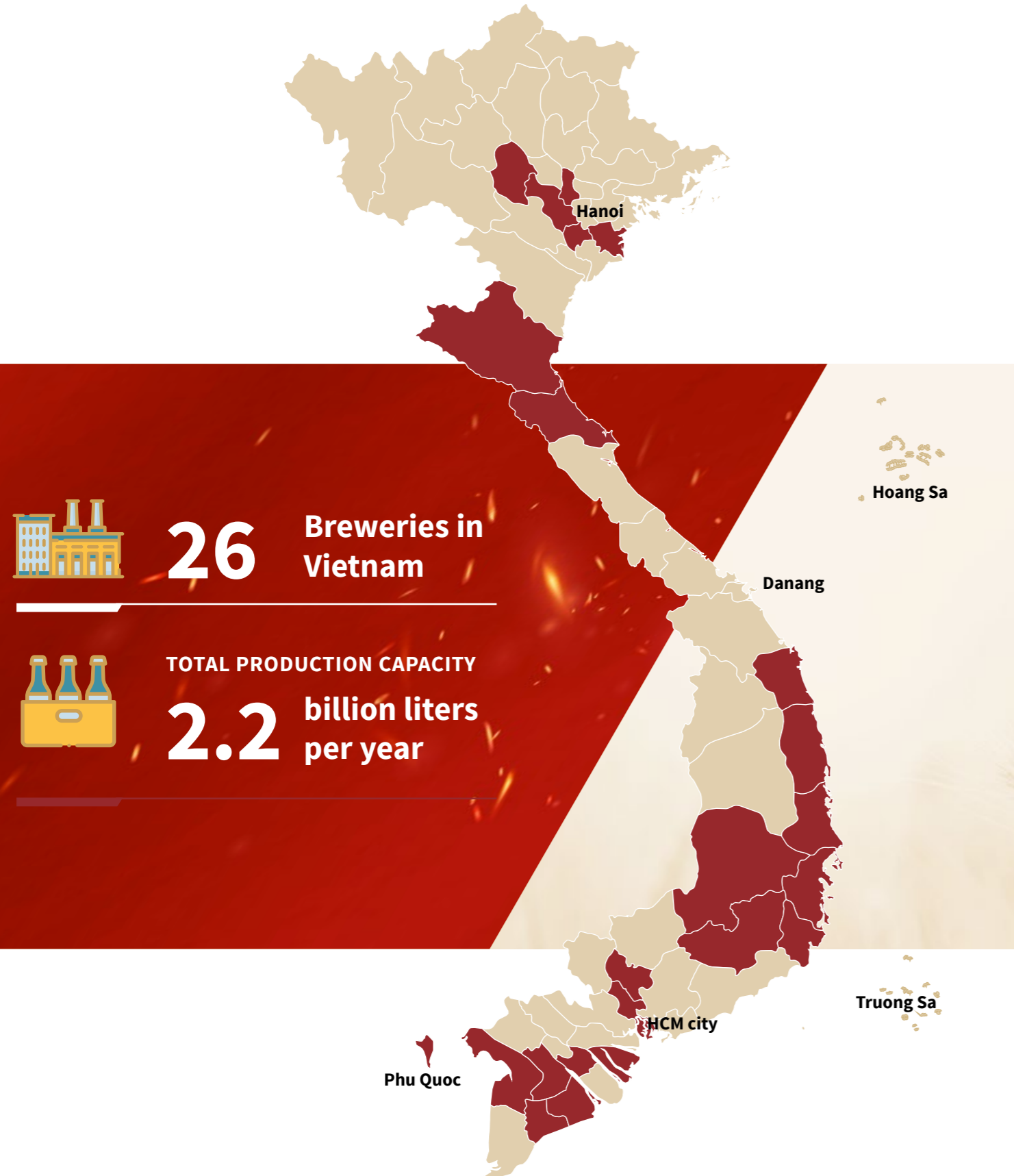
De Binh Tay Rice Liquor

Caravelle Red Rhum

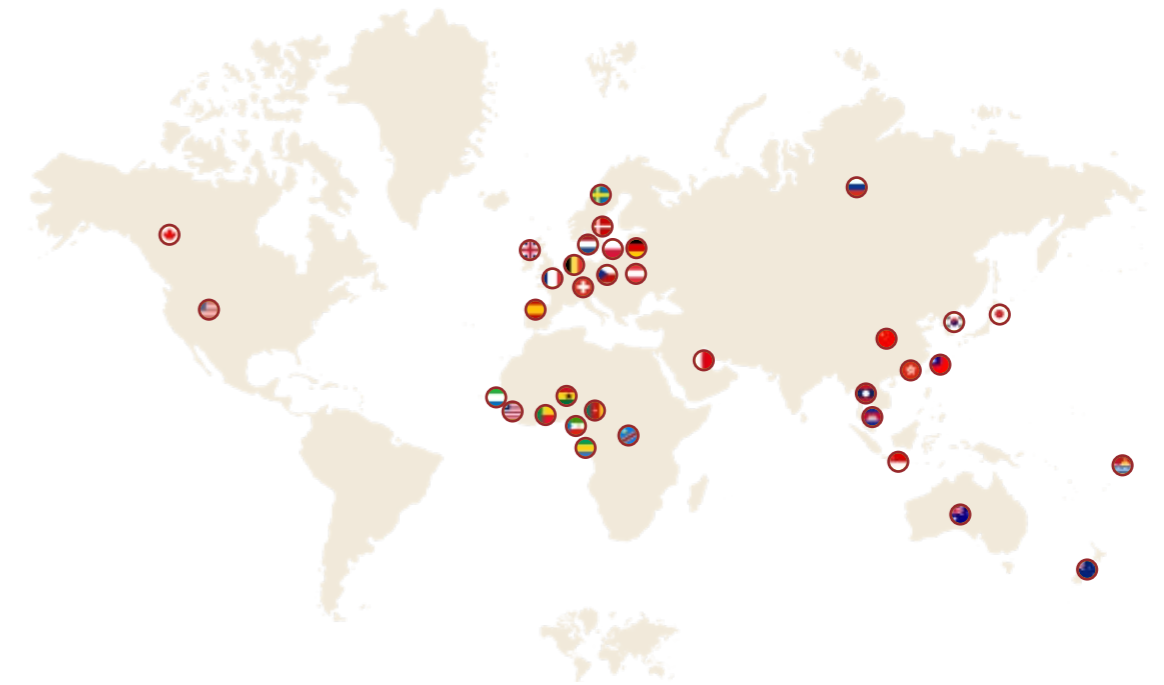
Vina Vodka Special

BUSINESS LOCATIONS

BREWERIES NETWORK

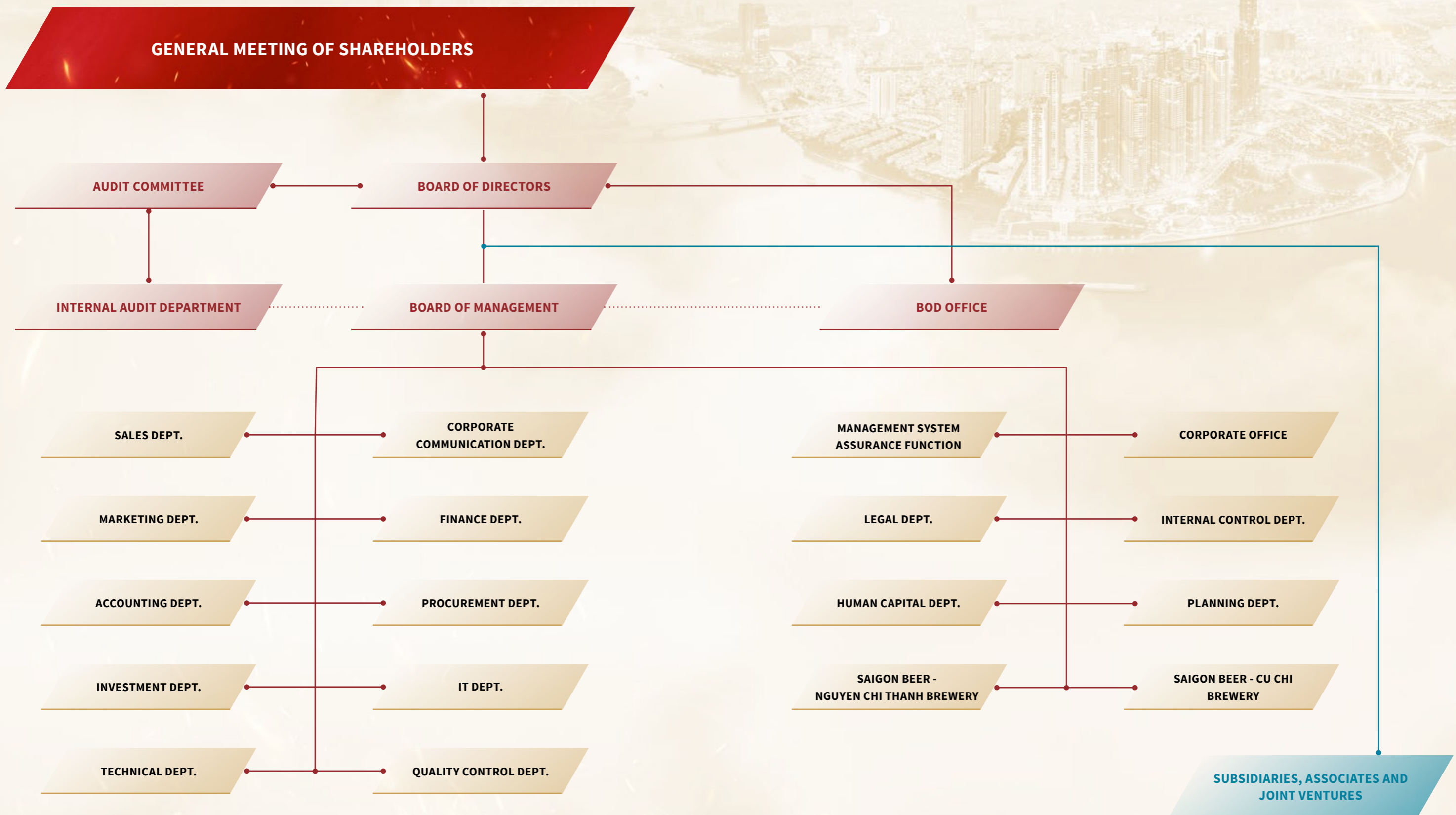


DISTRIBUTION NETWORK



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	Sai Gon 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	Saigon Song Tien 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

ORGANIZATIONAL CHART



LIST OF SUBSIDIARIES, ASSOCIATES, AND JOINT VENTURES



SUBSIDIARIES



26
Subsidiaries



18
Associates and Joint Ventures

No.	Name	Type of Business	Address	Charter Capital (VND)	% of Voting Right	% of Ownership
1	Sai Gon Beer Trading Company Limited	Trade beer, alcohol and beverages	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, install and maintain 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 of bypass Ha Tinh City, Thach Tan Commune, Thach Ham District, Ha Tinh Province	120,000,000,000	100.00%	100.00%
4	Saigon Beer Company Limited	Wholesale of beer, alcohol and beverages	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 beverages	187 Nguyen Chi Thanh, Ward 12, District 5, Ho Chi Minh City	10,000,000	100.00%	100.00%
6	Sai Gon Beer Bac Trung Bo Trading Joint Stock Company	Trading beer, alcohol and beverages; 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	5th - 6th Floor, Lion Tower, 29 Nguyen Khac Nhu, Co Giang 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, 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 beverages; 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 Zone, Binh Chuan Ward, 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%

No.	Name	Type of Business	Address	Charter Capital (VND)	% of Voting Right	% of Ownership
12	Saigon Beer Nam Trung Bo Trading Joint Stock Company	Trading beer, alcohol and beverages; providing warehousing and cargo transportation services	1 Highway, Dien Phu Commune, Dien Khanh District, Khanh Hoa Province	60,000,000,000	90.14%	90.14%
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, Ha Noi City	40,000,000,000	90.00%	90.00%
14	Saigon Song Tien Beer Trading Joint Stock Company	Trading beer, alcohol and beverages; providing warehousing and cargo transportation by road services	Tan Vinh Thuan Hamlet, Tan Ngai Commune, Vinh Long City, Vinh Long Province	40,000,000,000	90.00%	90.00%
15	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%
16	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%
17	Sai Gon Beer Packaging Joint Stock Company	Producing and trading tin lid ring and metal packaging, packaging for food and beverage industry	621 Pham Van Chi, 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 Phu Ward, 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 foods 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 and trading beer, alcohol and beverages	Lot CN5, Loc Son Industrial Park, 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, Ha Noi 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%



ASSOCIATES AND JOINT VENTURES

No.	Name	Type of Business	Address	Charter Capital (VND)	% of Voting Right	% of Ownership
1	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%
2	Truong Sa Food - Food Business Joint Stock Company	Producing agricultural products and foods	6A, Truong Sa Road, Ward 17, Binh Thanh District, Ho Chi Minh City	17,700,000,000	38.98%	38.62%
3	San Miguel Yamamura Phu Tho Packaging Company Limited	Manufacturing 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%
4	Sai Gon - Mien Trung Beer Joint Stock Company	Producing and trading beer, alcohol, beverages and spare parts	1 Nguyen Van Linh, Tan An Ward, Buon Ma Thuot City, Dak Lak Province	298,466,480,000	32.41%	32.40%
5	Saigon - Phutho Beer Joint Stock Company	Producing and trading beer, alcohol and beverages	Trung Ha Industrial Zone, Hong Da Commune, Tam Nong District, Phu Tho Province	125,000,000,000	33.85%	30.84%
6	Crown Beverage Cans Saigon Limited	Manufacturing aluminium cans	Ha Noi Highway, Hiep Phu Ward, District 9, Ho Chi Minh City	256,369,900,000	30.00%	30.00%
7	Malaya - Vietnam Glass Limited	Manufacturing glass products	Room 11.1, Floor 11, REE Building No. 9, Doan Van Bo St, Ward 12, District 4, Ho Chi Minh City	322,209,160,000	30.00%	30.00%
8	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%
9	Thanh Nam Consultant Investment - Engineering And Technology Transfer Joint Stock Company	Providing 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%
10	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%
11	Mechanical and Industrial Construction Joint Stock Company	Manufacturing, installing machinery, bridges and roads and industrial construction products	929 - 931 1A Highway, Thoi An Ward, District 12, Ho Chi Minh City	35,999,480,000	26.00%	26.00%
12	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%
13	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%
14	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, District 1, Ho Chi Minh City	875,245,360,000	22.18%	21.80%
15	Sai Gon - Vinh Long Beer Joint Stock Company	Producing and trading beer, alcohol and beverages	Tan Vinh Thuan Hamlet, Tan Ngai Commune, Vinh Long City, Vinh Long Province	150,000,000,000	20.00%	20.00%
16	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%
17	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%
18	Saigon - Baclieu Beer Joint Stock Company	Producing and trading beer, alcohol and beverages	Lot B5, Tra Kha Industrial Zone, Ward 8, Bac Lieu City, Bac Lieu Province	120,120,000,000	20.00%	10.20%

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:

- 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, Great Eastern Life Assurance (Malaysia) Berhad and Great Eastern General Insurance (Malaysia) Berhad
- Chairman/Chairman - Sustainability and Risk Management Committee, BeerCo Limited
- Lead Independent Director/Member - Audit and Risk Committee/Member - Nomination and Compensation Committee, Raffles Medical Group Ltd
- Chairman, Singapore Kindness Movement
- Chairman, Times Publishing 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



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
- Independent Director/Member - Audit Committee, Thai Summit Harness Public Company Limited
- Chairman, Talaypu Natural Products Co., Ltd
- Managing Partner/Director, Claris Co., Ltd
- Director, Danpundao Co., Ltd
- Independent Director, Food and Beverage United Co., Ltd
- Managing Director, myDNA Co., Ltd
- Director, EcoFuture Co., Ltd
- Director, PLandscape Co., Ltd
- Director, Plim369 Co., Ltd
- Director, Plimboonluck Co., Ltd
- Director, Pornmit Co., Ltd
- Director, The Conservatory Company Limited
- Managing Director, Wanwarin and Associate Co., Ltd

Past positions include:

- 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
- Vice Chairman, Vietnam Beer - Alcohol - Beverage Association

Past positions include:

- Chairman, Vietnam Association for Responsible Drinking (VARD)
- Advisor of the Board of Directors, Vietnam Electrical Equipment Joint Stock Corporation
- Director, Vietnam Electrical Equipment Joint Stock 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:**

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

Past positions include:

- Business Development Manager, BJC Resident in Hanoi

**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 of the Institute of Singapore Chartered Accountants
- Associate Member of the Institute of Chartered Secretaries and Administrators
- Member of the Singapore Institute of Directors
- Associate Member of Chartered Secretaries Institute of Singapore

Work Experiences**Current positions include:**

- 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
- Director, BeerCo Limited (Hong Kong)
- Director, BeerCo Limited (Singapore)

- Director, BevCo Limited (Hong Kong)
- Director, BevCo Limited
- Director, Chang Beer Company Limited
- Director, Chang Beer UK Limited
- Director, Chang Holding Co., Ltd
- Director, Chang International Co., Ltd
- Non-Executive Director, DECCO 235
- Alternate Director, Fraser and Neave, Limited
- Director, F&N Retail Connection Co., Ltd
- 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
- Director, InterBev (Singapore) Limited
- Director, InterBev (Singapore) 2019 Limited
- 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
- Non-Executive Director, Marketing Magic Pte Ltd
- Director, Max Asia Food and Beverage (Thailand) Co., Ltd
- Director, Grand Royal Group International Company Limited
- Director, Myanmar Supply Chain and Marketing Services Company Limited
- Non-Executive Director, Prudence Holdings Limited
- Director, Siam Breweries Limited
- Director, So Water Company Limited
- Director, Super Brands Company Pte Ltd
- Director, Super Beer Brands Limited
- Director, Thai Breweries Limited
- Legal representative/General Director, Vietnam Beverage Company Limited
- Legal representative/Chairman of Board of Management, Vietnam F&B Alliance Investment Joint Stock Company
- Director, Wellwater Limited

Past positions include:

- Director, Sermsuk Beverage Co., Ltd
- Director, Sermsuk Holdings Co., Ltd
- Director, Sermsuk 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, Thai Beverage Public Company Limited
- Director, International Beverage Trading Limited

**MR. NGUYEN TIEN DUNG**

Member of the Board of Directors

Year of birth: 1973

Nationality: Vietnamese

Date of first appointment: July 21, 2018

Academic and Professional Qualifications

- Bachelor of Finance - Credit
- Certificate of Chief Accountant Training
- Master of Finance - Banking

Work Experiences

Current positions include:

- Chairman, Sai Gon Beer Trading Company Limited
- Chairman, Saigon - Nghetinh Beer Joint Stock Company
- Chairman, Saigon - Songlam Beer Joint Stock Company
- Chairman, Sai Gon - Dong Xuan Beer Alcohol Joint Stock Company
- Capital Representative, State Capital and Investment Corporation

Past positions include:

- Chief Accountant, Saigon Beer – Alcohol – Beverage Corporation
- Director, Binh Tay Liquor Joint Stock Company

**MR. LUONG THANH HAI**

Member of the Board of Directors

Year of birth: 1964

Nationality: Vietnamese

Date of first appointment: July 21, 2018

Academic and Professional Qualifications

- PhD of Economics

Work Experiences

Current positions include:

- Capital Representative, State Capital and Investment Corporation

Past positions include:

- Chairman, Sai Gon Beer Tay Nguyen Trading Joint Stock Company
- Chairman, Saigon Beer Nam Trung Bo Trading Joint Stock Company
- Chairman, Saigon Beer Center Trading Joint Stock Company
- Deputy General Director, Sai Gon Beer Trading Company Limited
- Managing Director, Sai Gon Beer Trading Company Limited
- Director, Saigon Beer Center Trading Joint Stock Company
- Head of Sales and Distribution Department, Sai Gon Beer Trading Company Limited
- Head of Sales Department, Saigon Beer – Alcohol – Beverage Corporation

**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
- Insead Business School (Fontainebleau - France) - Heineken International Senior Management Course
- SEM Singapore Executive Program, Tsinghua University, Beijing, China

Work Experiences

Current positions include:

- Chairman, Saigon Song Hau Beer Trading Joint Stock Company
- Chairman, Chuong Duong Beverages Joint Stock Company
- Chairman, Western - Sai Gon Beer Joint Stock Company
- Chairman, Sai Gon Beer Company Limited
- Chairman, Me Linh Point Limited
- Chairman, Malaya – Vietnam Glass Limited
- Director, Ebenezer NDT Service Pte Ltd
- Director, Koi Marine Engineering Services Pte Ltd
- Board Member, National Kidney Foundation (Singapore)

Past positions include:

- 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

**MR. TEO HONG KENG**

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

Year of birth: 1972

Nationality: Singaporean

Date of first appointment: May 9, 2018

Academic and Professional Qualifications

- Bachelor of Accountancy Degree, Nanyang Technological University, Singapore
- Insead Business School (Fontainebleau - France) - Heineken International Senior Management Course 2015
- Member of Institute of Singapore Chartered Accountants (ISCA)

Work Experiences

Current positions include:

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

Past positions include:

- Finance Director (base in Kuala Lumpur), Heineken Malaysia Sdn Bhd
- Finance Director (base in Singapore), Asia Pacific Breweries (Singapore) Pte Ltd
- Head of Finance (base in Phnom Penh), Cambodia Brewery Limited

**MR. NG KUAN NGEE MELVYN***Deputy General Director in charge of Sales*

Year of birth: 1969
Nationality: Singaporean
Date of first appointment: May 9, 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 Tay Nguyen Trading Joint Stock Company
- Chairman, Sai Gon Beer Northeast 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 first 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
- Chairman, Sai Gon - Mien Trung Beer Joint Stock Company
- Director, Sai Gon - Vinh Long 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. HOANG DAO HIEP***Deputy General Director in charge of Marketing*

Year of birth: 1973
Nationality: Vietnamese
Date of first appointment: October 1, 2018
Date of termination: February 28, 2021

Academic and Professional Qualifications

- Bachelor of Arts in Exterior and Interior Design, Hanoi University of Industrial Fine Arts
- Certificate of Peak Performance Organization (PPO) of Saatchi & Saatchi Worldwide
- Certificate of Accelerated Leadership Development Program (ALDP) of Carlsberg Group

Work Experiences**Current positions include:**

- Chairman, Sai Gon Beer Eastern Trading Joint Stock Company

Past positions include:

- Managing Director, Saatchi & Saatchi Vietnam
- Managing Director, MSL Group Vietnam
- Marketing Director, Lao Brewery (LBC)
- Marketing Director, Carlsberg Indochina

**MR. TRAN NGUYEN TRUNG***Chief Accountant*

Year of birth: 1967
Nationality: Vietnamese
Date of first 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
- Director, Saigon - Baclieu Beer Joint Stock Company
- Director, Sai Gon - Quang Ngai Beer Joint Stock Company
- Director, Western - Sai Gon Beer Joint Stock Company
- Chief Accountant, Saigon Beer Company Limited
- Chief Accountant, Saigon Beer Group Company Limited
- Member of Board of Supervisors, Saigon Beer Center Trading Joint Stock Company

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), In-service 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
- IKEA Supply chain 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 Bac Trung Bo Trading Joint Stock Company
- Chairman, Bia Saigon Mien Trung Trading Joint Stock Company
- Chairman, Saigon – Phutho Beer Joint Stock Company

Past positions include:

- CEO, Vinafco 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

- Secure the domestic market, boost exports, and penetrate into new markets.
- Diversify distribution channels, improve capacity and operational efficiency of the distribution system.



BRANDS

- Review brand positioning
- Develop brand architecture
- Conduct brand health measurements



EXPENSES

- Simplify organizational structure
- Strict control of expenses
- Share services across the system and joint procurements within the Corporation's group of companies



BOARD AND MANAGEMENT ACTIVITIES

- Internationalize management activities by applying international practices, in which the Board plays a strategic role while the Management is responsible for operation and management.



PRODUCTION

- Ensure and improve products quality
- Enhance the efficiency of breweries
- Increase management capacity and rationalize production and consumption areas.



SUPPLY CHAIN

- Rationalize warehouses and transportation
- Optimize route planning
- Improve delivery services



PERSONNEL

- Build employees engagement and give priority to human capital
- 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



IT

- Transform the Corporation's way of working by applying IT - SABECO 4.0.

KEY RISKS



RAW MATERIAL RISKS

The Covid-19 outbreak has plunged the world into an unprecedented crisis, not to mention the trade war has also brought adverse impacts on the global economy. These factors have significantly affected the demand and consumption habits, leading to price increases of some raw materials, especially aluminum and ocean freight charges in Q4 2020.

In response to those aforementioned impacts, SABECO has taken advantages in purchasing as follows:

- Proceeding with advance procurements of cans and malt at the right time to mitigate price fluctuations.
- Maintaining sources of supply from multiple suppliers to minimize risks of inputs' shortage and ensure reasonable prices.
- Preparing supply in response to a sudden decrease or increase in demand due to the Covid-19 blockade.
- Improving packaging to lower costs and minimize impacts on the environment.



PRODUCTION RISKS

Due to the impacts from Covid-19 and Decree 100, the production volume was fluctuated. Besides, the implementation of BCP during social distancing periods also somewhat affected the production and employment of workers. However, SABECO and its breweries managed to come up with backup solutions to resume at 100% production capacity right after the social distancing period ended.



ENVIRONMENTAL RISKS

Floods caused by prolonged storms in the Central region directly affected the production of some breweries under SABECO's system. In addition, the Corporation also faced risks of climate change and saline water sources in the Mekong Delta region. Since 2010, SABECO has prepared countermeasures for different scenarios of climate change as follows:

- Breweries, which were built from 2010, have adopted the RO water treatment technology with membranes imported from the U.S.
- All breweries have utilized BIOMASS boilers (rice husks, sawdust, leaves, etc.) to minimize greenhouse gas emissions.



MARKET RISKS

One of the most significant market challenges is the competition with well branded and financially capable competitors from overseas, who possess vast international experience and expertise. They have continued to invest heavily in marketing and sales activities to capture more market share, not to mention the competition from domestic players and imitation products. The mainstream segment, which has always been one of the Corporation's strengths, has therefore faced intense competition recently.

In addition, the current consumption trend has seen many changes, such as the movement into mass premium beer products as a result of the increasing average income. Besides, 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

The fluctuation of exchange rate might 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 (expected to fluctuate within 1% per year) maintained by the State Bank of Vietnam, the risks of exchange rate for SABECO have been lessened.

In addition, the U.S. Department of Treasury has labeled Vietnam a currency manipulator, accusing it of improperly intervening in foreign exchange markets to advantage its own exports. Despite bandying about the accusation for some time, this marks the first time that the U.S. government has officially applied that label to the country, a designation that will now require it to enter into negotiations with the U.S. government and the International Monetary Fund to address the situation.



POLICY RISKS

2020 – 2021 has been a challenging period for businesses and there are many factors that have a strong impact on the beer industry, including SABECO who has been directly impacted by changes from government policies and regulations in response to specific socioeconomic situations as follows:

- Law No. 44/2019/QH14 on Prevention and Fighting Against the Negative Effects of Alcohol, effective from January 1, 2020, has prohibited drunk driving/riding with zero tolerance for any amount of alcohol content in blood or breath. This has had a huge impact on beer and liquor consumption behaviors in Vietnam, as well as sales volume of the beer industry in general and SABECO in particular.
- Decree No. 100/2019/ND-CP on Penalties for Road Traffic and Rail Transport Offences, effective from January 1, 2020, has included strong and strict law enforcements in order to reduce the number of traffic accidents caused by irresponsible drinking. However, this would also lead to a significant decline in beer and liquor consumption.
- Decree No. 24/2020/ND-CP, effective from February 24, 2020, has introduced stricter regulations on alcohol advertising, including governing advertising for alcohol of less than 15% ABV and beer, restricting the use of actors drinking alcohol in cinematographic, theatrical and television works, as well as taking measures to prevent people under 18 from accessing information and buying alcohol.

- Due to the global Covid-19 pandemic, the government has taken drastic measures to mitigate health risks for all citizens, including instructing people to stay at home, avoid public gatherings, suspend entertaining activities and festivals, as well as closing down all non-essential services such as restaurants, karaoke bars, and night clubs to prevent the spreading of Covid-19. As a result, on-trade channels of SABECO were significantly affected, thus further driving down the Corporation's revenue and profit. Even though the Covid-19 situation in Vietnam has been well managed by the government, SABECO should proactively prepare back-up plans for different scenarios.
- The Vietnamese government has also amended and issued legal documents to further improve the country's legal framework, such as the Law on Enterprises No. 59/2020/QH14, Law on Securities No. 54/2019/QH14, Decree No. 155/2020/ND-CP, and Decree No. 156/2020/ND-CP. These new regulations have set out requirements for SABECO to review and amend its internal regulations system to better respond to the current legal framework, thereby improving production and consumption, increasing revenue and profit, and solidifying the Corporation's leading position in the market.

OPERATION REPORT



REPORT OF THE BOARD OF DIRECTORS

ASSESSMENT OF 2020 PERFORMANCE

OVERVIEW

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

Macroeconomics

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

Vietnamese Economy and Beer Market

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



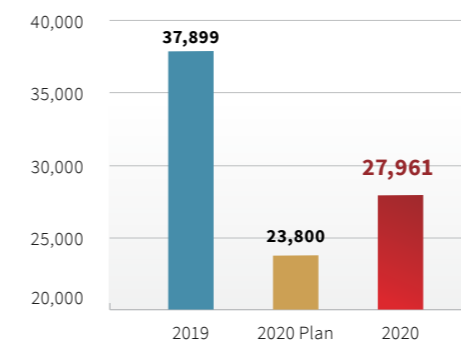
- According to the General Statistics Office of Vietnam (GSO), Vietnam's economy continues to show the recovery efforts. Economic growth in Q3 2020 reached 2.62% after only 0.39% in Q2 2020, compared with 3.68% in Q1. The economic growth rate in 2020 was 2.91%. Vietnam is one of the few countries in the world that did not forecast an economic recession, but the expected growth in 2020 is much lower than the pre-crisis forecast of 6-7%.
- Vietnam is witnessing rapid changes in population and social structure. Vietnam's population grew to around 96.5 million by 2019 (from about 60 million in 1986) and is expected to grow to 120 million by 2050.
- Vietnam economy had been growing rapidly with increasing GDP, increasing per capita income and increasing urbanization. Population is also growing and amongst the youngest in the region. These factors will drive the consumption demand and support future growth for the beer industry in Vietnam.
- According to the report presented at the meeting of National Assembly of Vietnam, Vietnam ranks first (1st) in Southeast Asia, and third (3rd) in Asia, next to China and Japan in terms of annual beer consumption. These ranks reflect the market attractiveness which comprises almost 98 million people in 2020 per report of the GSO, drawing participations from a variety of leading beer companies around the world.
- While Covid-19 causes short-term impact, Law on Alcohol Harm Prevention has a long-term impact. Decree No.100 of Government, issued on December 30, 2019, imposed heavy penalties for using a vehicle on the road under the influence of alcohol. Moreover, Decree No.24 of Government, issued on February 24, 2020, introduces stricter regulations on alcohol advertising, specifically including (1) governing advertising for alcohol below 15% and beer, (2) restricting the use of actors drinking alcohol in cinematographic, theatrical and television works and (3) taking measures to prevent under 18 from accessing, accessing information and buying wine.

BUSINESS PERFORMANCE IN 2020

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

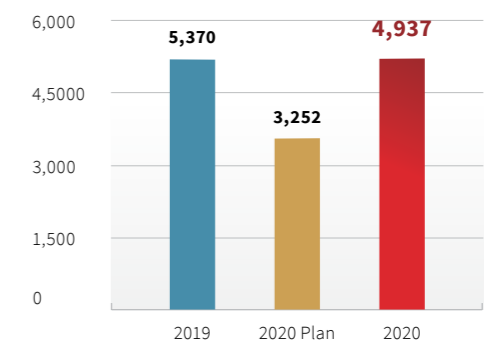
Net Sales

(Billion VND)



Profit After Tax

(Billion VND)



Earnings and Dividend

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

THE BOARD OF DIRECTORS' ACTIVITIES IN 2020



04
physical and
online meetings

In 2020, the Board of SABECO held four (04) physical and online meetings and to facilitate the implementation of company strategic plans and to supervise the business activities of SABECO and its group of companies.

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

Remuneration

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

Performance Assessment of the Board and Committees

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

Activities of Committees

- The AC reviewed FS, SABECO's system of internal controls, and RPTs which might lead to conflict of interest, supervising compliance and fraud prevention, overseeing and evaluating internal audit performance in accordance with the International Standards for the Professional Practice of Internal Auditing, and approving audit plans as well as assessing independent auditing services.
- Mr. Nguyen Tien Vy, an Independent Director, oversaw human resources activities and ensured remuneration policies were in accordance with the law and the Corporation's Charter and relevant regulations in order to support the Board on these matters. In this connection, prior to consideration of the Board, he reviewed and put forward to the Corporation certain recommendations related to human resources including, but not limited to, the organizational structure and the appointment of senior executives of SABECO and its group of companies. Furthermore, in 2020, on behalf of the Board, Mr. Nguyen Tien Vy provided consultation, and supported the Management on the communication of the salary and remuneration structure for the personnel appointed by the Corporation to be representatives of SABECO at subsidiaries and associates.



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 according to SABECO's Charter. AC then reviewed and discussed with the Independent Auditor and the Management in regard to any complex and unusual related party transactions if necessary and required.

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

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

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

Self - assessment of the Board

As required by Government regarding implementation of Securities Law, as well as based on SABECO's Charter, the Vietnam Corporate Governance code and best practice and other recommended assessment structured by renowned consulting firms, the Board performance review by Independent Directors was conducted by circulation per seven (07) assessment criteria such as (1) Board Composition, (2) Strategy and Performance, (3) Board risk management and internal controls, (4) Information management, (5) Board procedures, (6) Top management performance and succession planning, (7) Director development. Assessment form is to use questionnaires with a 5-level rating scale.

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

Supervision and Assessment of the Management

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

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

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

Organizational Structure



Applied new salary structure from the parent company to trading subsidiaries.



Restructured the organization chart of trading subsidiaries.



Launched the implementation of Digital transformation of project "SABECO 4.0" aiming to optimize, standardize and automate the way of working across all SABECO breweries and trading companies nationwide in order to strengthen SABECO's market leadership in the Vietnam Beer Market.

Sales and Marketing Activities

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



Production and Supply Chain Activities

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

Investment Activities

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

Human Resources Activities

- Reviewed and developed the Corporation's structure to streamline organization and increase effectiveness of business management and operation by reviewing the functions and duties of various sections of the corporation, subsidiaries and standardizing job descriptions to properly evaluate staff capabilities.
- Strengthened the management structure by combining international management experience, understanding of local practices and network and to further develop expertise throughout the organization.

Subsidiaries, Associates, and Joint Ventures' Activities

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

REPORT OF THE AUDIT COMMITTEE

The Audit Committee under the Board of SABECO comprises three Directors as follows:

Mr. Pramoad Phornprapha

Independent Director
Chairman of the AC

Mr. Nguyen Tien Vy

Independent Director
Member of the AC

Mr. Michael Chye Hin Fah

Member of the Board
Member of the AC

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

REVIEW OF FINANCIAL STATEMENTS

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

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

REVIEW OF RELATED PARTY TRANSACTIONS

The AC reviewed RPTs 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.

OVERSIGHT OF COMPLIANCE AND FRAUD PREVENTION

The AC would supervise the effectiveness of SABECO's internal controls to prevent fraud and ensure compliance with the law and the Corporation's charter and regulations. Initially, the AC would focus on the efficiency of internal audit and risk management systems. The AC reviewed SABECO's internal control system every quarter based on the audit report of IA Department. The report included recommendations to improve some internal controls so that the Corporation's business operations would be adequate, effective, and appropriate.

OVERSIGHT OF INTERNAL AUDIT

The AC has oversight of the Corporation's internal audit activities, including approving the annual audit plan, evaluating internal audit performance, ensuring that the IA 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.



OVERSIGHT OF INDEPENDENT AUDITING SERVICES

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

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

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

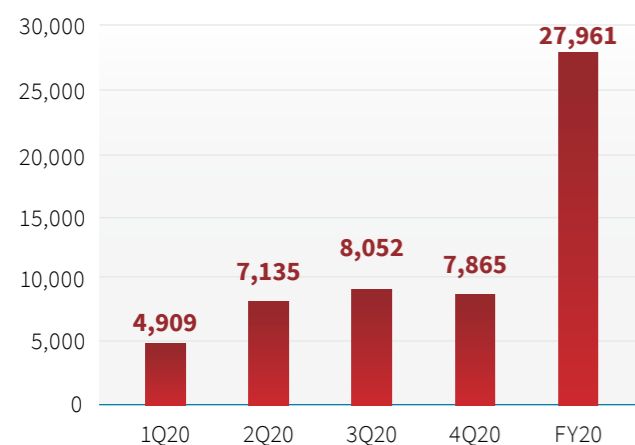
REPORT OF THE BOARD OF MANAGEMENT

EVALUATION OF 2020 BUSINESS PERFORMANCE

2020 was an incredibly tough year for SABECO. After struggling with the fake news that SABECO was a Chinese company circulated from late 2019, the Corporation had to confront with the government's implementation of Decree 100 in January 2020 which introduced a zero-tolerance policy and heavy penalties for drunk driving/riding. While SABECO gradually recovered from those twin headwinds, the Covid-19 pandemic emerged and brought about adverse impacts on the Corporation's top and bottom lines. Fortunately, with Covid-19 being well managed and effectively contained by the Vietnamese government, Vietnam is on its course to economic recovery much more quickly than many other countries, and so are SABECO's business activities.

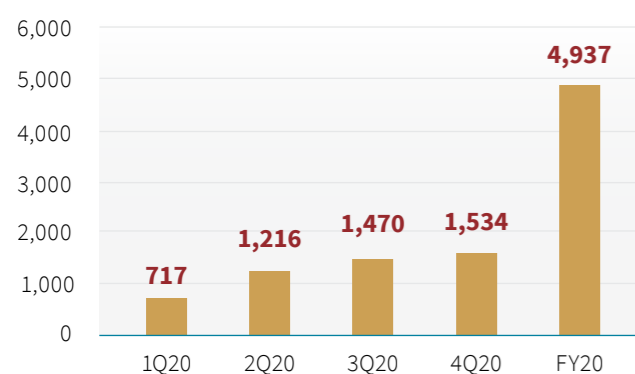
Net Sales

(Billion VND)



Profit After Tax

(Billion VND)



SALES PERFORMANCE

In 2020, sales volume was lower than 2019 due to the impacts of lingering fake news, Covid-19, Decree 100 and prolonged storms and floods. Facing those difficulties and challenges, SABECO managed to adjust the business strategy, switching its focus to off-trade channels and promotional activities. The Corporation also launched two new brands, Bia Lac Viet and Bia Saigon Chill, which have received favorable feedback from consumers thus far.

NET SALES

Net sales reached VND27,961 billion, a 26% decrease compared to 2019 due to lower volume that was partially off-set by the increase of selling price in the period.

GROSS PROFIT

The gross profit margin was 11% below last year as a result of a decrease in net sales. However, it was partially off-set by raw material and packaging cost savings, and reduced overhead costs, as well as transportation cost savings.

OPERATING EXPENSES

G&A expenses were VND702 billion and decreased by 33% compared to 2019 due to one-off provision made for investment in a real estate associate last year. Selling expenses was VND2,859 billion, lower than 2019 by 4.8% due to fully depreciation of most of bottles. Even though there were more marketing and promotional activities, SABECO implemented various measures on cost savings to help reduce the impact of lower net sales.

PROFIT AFTER TAX

Profit after tax reached VND4,937 billion, decreased by 8.1% compared to 2019, resulting from lower gross profit. However, it was 51.8% higher than annual plan approved by AGM.

CONSOLIDATED FINANCIAL INDICATORS

Financial Ratio	Unit	2019	2020
Growth ratio			
Net sales		5.4%	-26.2%
Gross profit		18.1%	-11.0%
Net profit	%	22.0%	-8.1%
Total asset		20.5%	1.5%
Equity		24.6%	5.7%
Liquidity ratio			
Current ratio		3.15	3.77
Quick ratio	Time	2.81	3.45
Cash ratio		2.71	3.34
Turnover ratio			
Inventory turnover ratio		13.49	10.53
Receivable turnover ratio	Time	188.66	246.37
Payable turnover ratio		12.73	9.54
Total asset turnover ratio		1.54	1.03
Operating profitability ratio			
Gross margin		25.2%	30.4%
Net margin		14.2%	17.7%
ROE		29.7%	23.9%
ROA	%	21.8%	18.2%
Cost of goods sold/Net sales		74.8%	69.6%
G&A expenses/Net sales		2.8%	2.5%
Selling expenses/ Net sales		7.9%	10.2%
Risk ratio			
Debt Equity Ratio	Time	0.36	0.32
Interest Coverage Ratio		197.25	106.42

ASSETS



27,375 billion VND
 ↑ VND413 BILLION

As of December 31, 2020, total assets reached VND27,375 billion, increased by VND413 billion compared to last year.

Specifically, the current assets slightly increased by VND348 billion, mainly coming from the increase in term deposit, partially off-set by the decrease of cash and cash equivalent and inventories balance. The inventories balance as of December 2019 was higher due to stock-up for Tet in January 2020 while this year Tet was in February 2021 as well as better management of stock.

The fixed assets decreased by VND90 billion as assets were being depreciated that was off-set by the increase of fixed assets recognition at Saigon Beer – Quang Ngai Brewery and Saigon Beer – Lam Dong Brewery for canning line as well as Saigon Beer - Nguyen Chi Thanh Brewery for beer filtration system. Long-term investment increased by VND188 billion due to higher profit sharing from joint venture and associates.

ROA and ROE were lower than last year mainly due to lower profit after tax in 2020.

LIABILITIES



6,160 billion VND
 ↓ VND726 BILLION

As of December 31, 2020, liabilities were VND6,160 billion, decreased by VND726 billion compared to last year mainly from the payment timing difference for trade account payable as well as the decrease of associates payable.

The debt equity ratio decreased from 0.36 in 2019 to 0.32 in 2020 while the current ratio increased from 3.15 to 3.77, thus reflecting SABECO's low gearing and liquidity.

OWNER'S EQUITY



21,215 billion VND
 ↑ VND1,139 BILLION

As of December 31, 2020, equity were VND21,215 billion, increased by VND1,139 billion, as a result of profit for the period but off-set by more dividend payment (35% of 2019 dividend and 20% of advance payment of 2020 dividend).

INVESTMENT IN SUBSIDIARIES, ASSOCIATES, AND JOINT VENTURES



As of December 31, 2020, SABECO wholly owned 5 companies, 21 subsidiaries with more than 50% ownership, and 18 associates and joint ventures.

SABECO's subsidiaries, associates, and joint ventures, who operated in the beer business (e.g., beer production and sales) and those in related businesses (e.g., packaging and mechanics), achieved positive results in overall, thereby contributing to the Corporation's profit and increasing its effectiveness in capital investments.

2020 HIGHLIGHT

SALES

In 2020, SABECO remained its focus on brand visibility with signages at points of consumption, point of sale displays, and brand promotion by promoter agents.

Both Decree 100 and Covid-19 have slowed down the Corporation's business as well as caused tremendous changes in consumer behavior with consumers moving to off-premise and modern trade. As a result, various initiatives were executed to maintain business operations and quickly adapt to the new consumption trend. Resources in on-trade premises were redeployed to off-trade premises to enhance modern trade channels as well as online platforms. In addition, home delivery service was launched to help facilitate consumers with at-home consumption during social distancing periods.

SABECO also strengthened its brand portfolio by introducing two new products, Bia Lac Viet and Bia Saigon Chill, in mainstream segment and mass premium segment respectively.

Besides, numerous national and regional promotions were successfully launched for Bia Saigon Lager, Bia Saigon Export and 333, along with hundreds of mobile "Saigon Nights" being implemented across the country.





BRAND INVESTMENT

Despite being heavily impacted by Covid-19 and Decree 100, SABECO has continued to focus on research and development of new products to meet the diverse needs of consumers, thereby increasing brand loyalty in the domestic market. In celebration of its 145th anniversary, the Corporation launched Bia Lac Viet to be the true Vietnamese beer, rising with the country and Vietnamese people. The launch of Bia Lac Viet has helped SABECO expand its product portfolio and compete further in the mainstream segment.

Another remarkable highlight was the launch of Bia Saigon Chill, a new member of Bia Saigon family, using innovative cold filtered techniques at -2°C to preserve the refreshing taste with spectacular packaging. The launch of Bia Saigon Chill has demonstrated the Corporation’s efforts in upgrading its Bia Saigon image and premiumizing its portfolio. Within a short period of time since being launched, Bia Saigon Chill has quickly attracted a lot of consumers’ interests and consistently received favorable feedback on packaging and flavor.

In addition, to celebrate Lunar New Year 2021, SABECO relaunched its Bia Saigon Gold in a limited edition pack, in the shape and color of a shining gold bar, representing wealth and prosperity. The 18-can cartons were perfect Tet gift that consumer can give to their beloved families, friends and clients.



SUPPLY CHAIN

Warehouse Management System (WMS) completely rolled out at the end of June 2020. This system provided real-time inventory visibility, thereby improving operational efficiency, reducing operational errors, improving warehouse services, and lowering operational costs.

Besides, Transportation Management System (TMS) was officially launched in December 2020. The utilization of TMS together with WMS would allow tracking of real-time inventory throughout the system, facilitating SATRACO’s staff in planning for transportation. Activities across the supply chain would also be monitored and controlled more effectively through a comprehensive management system, which can optimize transportation costs, improve capacity, as well as provide a platform for better coordination between warehouses, transportation, trading companies, and sales force. The project not only made economic sense in production and business activities of SABECO and SATRACO, but also raised the competitiveness of member companies and partners in the Corporation’s supply chain.

PRODUCTION

In 2020, the Production Management Software was put into use to help reporting data become more timely, accurate, and objective, thereby ensuring quick and convenient management and execution.

In addition, SABECO has invested in the following projects:



In order to expand breweries and meeting the increasing demand in the Central area, SABECO started its brewery expansion project at Saigon Beer – Quang Ngai Brewery by putting into use a new canning line with a total capacity of up to 60,000 cans/hour, completing the first phase of investment at Saigon Beer – Quang Ngai Brewery for the 2019 – 2021 period. As for the next steps, SABECO would increase the production capacity of Saigon Beer – Quang Ngai Brewery to 250 million liters/year to achieve economies of scale.

Apart from upgrading the infrastructure, investing in equipment, and developing employees’ capability, the project also focused on sustainable development factors such as introducing the A-grade wastewater treatment system and utilizing green energy for more savings. Through this project, the Corporation has emphasized its commitment to contributing to long-term sustainable development of local areas where SABECO is currently operating.



COST

Facing the complex situation of Covid-19 which posed great challenges to the resilience and survival of all enterprises, cost savings and waste reduction were top priorities. In 2020, SABECO continued to harness savings on raw materials (e.g., malt and hops), packaging and transportation costs. In addition, the Corporation was also diligent in lowering production overhead costs at breweries and strictly adopted the following principles for the purpose of prudent cost management:

- **Not to cut costs on “critical” items.**
- **Spend wisely on “must-haves”.**
- **Cut or defer “nice-to-haves”.**

PEOPLE

In 2020, SABECO continued to restructure functional departments to well manage the overall human capital, also rolled out the new performance-based salary structure for trading companies and applied performance evaluation for all employees for the purpose of creating a fair and competitive working environment. Moreover, the Corporation not only amended its current personnel policies but also worked with the labor union to introduce more reasonable and favorable terms to employees.

SABECO 4.0

The digital transformation project, i.e., SABECO 4.0, was officially activated in June 2020 with KPMG Vietnam being the project’s management and consultancy firm. SABECO 4.0 has always been a strategic transformative initiative to optimize, standardize, and automate the way of working across all entities in order to improve efficiency and productivity, thereby affirming SABECO’s leading position in Vietnam’s beer market. This project has also been in line with the government’s digital transformation encouragement of Industry 4.0 to ensure that Vietnam would be able to leverage on the coming opportunities. At the current phase, the Corporation would focus on transforming sales and distribution models, including:



- Developing comprehensive business solutions to help SABECO achieve its business targets.
- Standardizing sales processes to be in line with domestic and international standards.
- Applying a synchronized sales solution.
- Monitoring operations and forecasting based on big data.
- Operational training for the new system.

In December 2020, SABECO signed a contract with FPT Software Ho Chi Minh Company Limited to implement the DMS – SFA solution, which helped optimize sales processes, efficiently facilitated the interaction and coordination between the sales team and distributors, thereby improving the competitiveness and capabilities of the sales team as well as raising the quality of both products and services for customers. The project is expected to be deployed nationwide in early Q2 2021.



INTERNAL AWARDS

For the first time, the Corporation established “The Best Trading Company Award” and “The Best Brewery Awards” in order to honor the best performers annually as well as encourage continuous improvement.



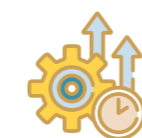
THE BEST TRADING COMPANY AWARD
Sai Gon Beer Eastern Trading Joint Stock Company



Volume Growth



Market Share Growth



Productivity



THE BEST BREWERY AWARD
Saigon Beer – Lam Dong Brewery



Safety, Health, Environment



Production Excellence



Cost Management

2021 OUTLOOK

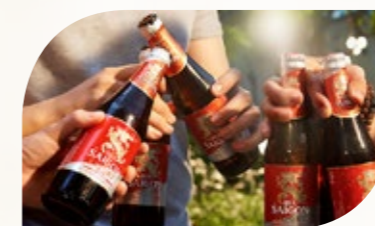
MACROECONOMICS OVERVIEW AND THE BEER MARKET IN 2021

OVERVIEW

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

BEER MARKET IN 2021

- The Vietnam beer industry suffered significantly as a result from these two unprecedented incidents - Covid-19 and restricted laws.
- The Covid-19 pandemic has also adversely affected tourism through travel restrictions, disrupted supply chain and business operations and dampened economic and social activities, resulting in measures to contain the spread by the closure of bars, pubs, karaoke and night clubs in numerous provinces throughout Vietnam. The beer production and trading industry will also face problems and risks such as lower beer consumption if the Covid-19 pandemic is not completely controlled in 2021 along with the increase in the price of raw materials.
- The industry continues to be confronted with the implementation of Decree No. 100/2019/NĐ-CP dated December 30, 2019 which was effective in January 2020, and Decree No. 24/2020/NĐ-CP dated February 24, 2020 which introduced tighter restrictions on marketing and advertising for beer and imposed heavy penalties for operating a vehicle on the road under the influence of alcohol without any allowance of legal limit.
- The trend of consuming mass premium beer brands will continue to grow over the long run. However, potential consumers' downtrading may have an impact on 2021 sales due to their income being affected by the lingering Covid-19 pandemic.
- The competition continues to be stiff with every beer manufacturer vying for higher market share.
- Alcoholic beverages in Vietnam are subject to 3 taxes: import tax (from 5-80% depending on the type of FTA), value added tax - VAT (10%) and special consumption tax - SST (increase from 50% to 65% in 2018).



2021 PLANNING

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

The Board provides guidance in the following areas:

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

CORPORATE GOVERNANCE



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NĂM
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REPORT ON CORPORATE GOVERNANCE

RESPONSIBILITIES OF THE BOARD OF DIRECTORS

PRINCIPLE 1

Establishing clear roles, responsibilities, and commitments of the Board



In 2018, the AGM approved changes of SABECO's organizational structure, in which the Corporation's governance model now includes the General Meeting of Shareholders, the Board of Directors, General Director, and Audit Committee under the Board of Directors. The Board has overseen the Corporation's businesses and affairs in accordance with shareholders' resolutions and applicable laws ever since. The Board must always carry out reasonable business judgments and act in good faith for the Corporation's best interest.

As of December 31, 2020, the Board included the following members:

1	Mr. Koh Poh Tiong	<ul style="list-style-type: none"> Chairman of the Board
2	Mr. Pramoad Phornprapha	<ul style="list-style-type: none"> Independent Director Chairman of the AC
3	Mr. Nguyen Tien Vy	<ul style="list-style-type: none"> Independent Director Member of the AC
4	Mr. Michael Chye Hin Fah	<ul style="list-style-type: none"> Member of the Board Member of the AC
5	Ms. Tran Kim Nga	<ul style="list-style-type: none"> Member of the Board
6	Mr. Nguyen Tien Dung	<ul style="list-style-type: none"> Member of the Board
7	Mr. Luong Thanh Hai	<ul style="list-style-type: none"> Member of the Board

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.

For the fiscal year ended December 31, 2020, all members of the Board fully participated in four Board meetings, which were organized via video conference due to the complex situation of Covid-19.

No.	Member of the Board of Directors	No. of BOD Meetings Attended	% Attendance
1	Mr. Koh Poh Tiong	4/4	100%
2	Mr. Pramoad Phornprapha	4/4	100%
3	Mr. Nguyen Tien Vy	4/4	100%
4	Mr. Michael Chye Hin Fah	4/4	100%
5	Ms. Tran Kim Nga	4/4	100%
6	Mr. Nguyen Tien Dung	4/4	100%
7	Mr. Luong Thanh Hai	4/4	100%

In addition to those video conference meetings above, the Board also discussed and voted by circulation on a number of business matters throughout the year. As of December 31, 2020, the Board issued 115 resolutions in total.

List of 2020 resolutions:

No.	Resolution	Date	Content
1	01/2020/NQ-HDQT	09/01/2020	Approved 2020 budget plan
2	02/2020/NQ-HDQT	09/01/2020	Approved proposal on appointment of personnel at San Miguel Yamamura Phu Tho Packaging Company Limited
3	03/2020/NQ-HDQT	13/01/2020	Approved the written opinion of shareholders of OCB
4	04/2020/NQ-HDQT	13/01/2020	Approved the 2 nd advance dividend payment of 2019 in cash of Sal Gon - Ha Noi Beer Corporation
5	05/2020/NQ-HDQT	13/01/2020	Approved proposal to increase 2019 dividend at Saigon - Bentre Beer Joint Stock Company
6	06/2020/NQ-HDQT	20/01/2020	Approved the organization of 2020 AGM of SABECO
7	07/2020/NQ-HDQT	20/01/2020	Approved the prepayment of 2019 dividend in cash of SABECO
8	08/2020/NQ-HDQT	20/01/2020	Approved the proposal on engagement of Me Linh Point Limited to advise on Land matters
9	09/2020/NQ-HDQT	06/02/2020	Approved proposal on appointment of personnel at Sai Gon - Khanh Hoa Beer Joint Stock Company
10	10/2020/NQ-HDQT	14/02/2020	Abstained proposals of Sai Gon Binh Tay Beer Trading and Service Co., Ltd

No.	Resolution	Date	Content
11	11/2020/NQ-HĐQT	19/02/2020	Approved proposal on appointment of personnel at Me Linh Point Limited
12	12/2020/NQ-HĐQT	24/02/2020	Approved proposal of SABECO Management regarding the matters at Saigon - Nghetinh Beer Joint Stock Company
13	13/2020/NQ-HĐQT	04/03/2020	Approved proposal of SABECO Management regarding the land matters at Sai Gon - Khanh Hoa Beer Joint Stock Company
14	14/2020/NQ-HĐQT	07/03/2020	Approved the contents to vote at Saigon Song Hau Beer Trading Joint Stock Company's AGM in 2020
15	15/2020/NQ-HĐQT	07/03/2020	Approved the contents to vote at Western - Saigon Beer Joint Stock Company's AGM in 2020
16	16/2020/NQ-HĐQT	11/03/2020	Approved to sign contracts to buy can from TBC - Ball Beverage Can Vietnam Ltd. (TBC Ball) for 2021
17	17/2020/NQ-HĐQT	13/03/2020	Approved the contents to vote at Sai Gon - Mien Trung Beer Joint Stock Company's AGM in 2020 (the 1st time)
18	18/2020/NQ-HĐQT	16/03/2020	Approved to cancel the AGM record date on 23/03/2020 and to postpone the 2020 AGM of SABECO
19	19/2020/NQ-HĐQT	17/03/2020	Approved the contents to vote at Saigon Beer Center Trading Joint Stock Company's AGM in 2020
20	20/2020/NQ-HĐQT	18/03/2020	Approved the contents to vote at Sai Gon - Mien Trung Beer Joint Stock Company's AGM in 2020 (the 2nd time)
21	21/2020/NQ-HĐQT	19/03/2020	Approved the contents to vote at PVI Joint Stock Company's AGM in 2020
22	22/2020/NQ-HĐQT	31/03/2020	Approved proposal on personnel matter at Malaya - Vietnam Glass Limited
23	23/2020/NQ-HĐQT	03/04/2020	Approved the draft of Activity Report of the Audit Committee in 2019
24	24/2020/NQ-HĐQT	07/04/2020	Approved proposal to amend Charter of Malaya - Vietnam Glass Limited
25	25/2020/NQ-HĐQT	08/04/2020	Approved the draft of audited Financial Statements 2019 of SABECO
26	26/2020/NQ-HĐQT	08/04/2020	Approved the draft of report of the Board of Directors for 2019 performance and 2020 orientation
27	27/2020/NQ-HĐQT	10/04/2020	Approved SABECO 4.0 project
28	28/2020/NQ-HĐQT	14/04/2020	Approved the revised 2020 budget plan of SABECO
29	29/2020/NQ-HĐQT	15/04/2020	Approved the draft of internal regulations of Sai Gon - Khanh Hoa Beer Joint Stock Company
30	30/2020/NQ-HĐQT	16/04/2020	Approved in principle the matter related to strengthening management and improving operational of the trading companies
31	31/2020/NQ-HĐQT	20/04/2020	Approved the settlement of salary, remuneration, bonus in 2019 of the BOD and the Audit Committee
32	32/2020/NQ-HĐQT	28/04/2020	Approved the project 145Y
33	33/2020/NQ-HĐQT	28/04/2020	Approved the selection of the independent auditor for the fiscal year 2020 for SABECO and its group of companies (this will be presented at AGM for approval)

No.	Resolution	Date	Content
34	34/2020/NQ-HĐQT	07/05/2020	Approved proposal of the Management regarding the bonus funds for non-full-time BOD members and Supervisory Board Members at subsidiaries and associates
35	35/2020/NQ-HĐQT	07/05/2020	Approved the proposal of Saigon - Lamdong Beer Joint Stock Company
36	36/2020/NQ-HĐQT	11/05/2020	Approved draft of wages and labor productivity bonus regulations of Sai Gon - Khanh Hoa Beer Joint Stock Company
37	37/2020/NQ-HĐQT	13/05/2020	Approved the dates of 2020 AGM of SABECO
38	38/2020/NQ-HĐQT	14/05/2020	Approved the amendment of an article regarding Key Account Channel of the Sales Policy
39	39/2020/NQ-HĐQT	22/05/2020	Approved the selling price of Saigon Lac Viet Beer product
40	40/2020/NQ-HĐQT	27/05/2020	Approved the proposal on personnel matters at Chuong Duong Beverages Joint Stock Company and Sai Gon - Quang Ngai Beer Joint Stock Company
41	41/2020/NQ-HĐQT	27/05/2020	Approved the adjustment of remuneration for non-full-time Members of BOD and BOS at subsidiaries and associates
42	42/2020/NQ-HĐQT	01/06/2020	Approved the contents to vote at Sai Gon - Mien Trung Beer Joint Stock Company's AGM in 2020
43	43/2020/NQ-HĐQT	01/06/2020	Approved the 2020 AGM's documents of SABECO (the 1st time)
44	44/2020/NQ-HĐQT	04/06/2020	Approved the contents to vote at Sai Gon - Khanh Hoa Beer Joint Stock Company's AGM in 2020
45	45/2020/NQ-HĐQT	05/06/2020	Approved the adjustment on selling - buying price of Saigon Beer product
46	46/2020/NQ-HĐQT	08/06/2020	Approved the contents to vote at Sai Gon Beer Packaging Joint Stock Company's AGM in 2020
47	47/2020/NQ-HĐQT	09/06/2020	Approved the contents to vote at Saigon - Bentre Beer Joint Stock Company's AGM in 2020
48	48/2020/NQ-HĐQT	09/06/2020	Approved the contents to vote at Bia Saigon Mien Trung Trading Joint Stock Company's AGM in 2020
49	49/2020/NQ-HĐQT	09/06/2020	Approved the contents to vote at Sai Gon - Dong Xuan Beer Alcohol Joint Stock Company's AGM in 2020 (the 1st time)
50	50/2020/NQ-HĐQT	09/06/2020	Approved the contents to vote at Sai Gon - Vinh Long Beer Joint Stock Company's AGM in 2020
51	51/2020/NQ-HĐQT	09/06/2020	Approved the proposal on personnel matter at Sai Gon Beer Tay Nguyen Trading Joint Stock Company
52	52/2020/NQ-HĐQT	11/06/2020	Approved the contents to vote at Sai Gon Beer Bac Trung Bo Trading Joint Stock Company's AGM in 2020
53	53/2020/NQ-HĐQT	11/06/2020	Approved the contents to vote at Saigon Song Tien Beer Trading Joint Stock Company's AGM in 2020
54	54/2020/NQ-HĐQT	11/06/2020	Approved the contents to vote at Saigon - Nghetinh Beer Joint Stock Company's AGM in 2020
55	55/2020/NQ-HĐQT	11/06/2020	Approved the contents to vote at Saigon - Songlam Beer Joint Stock Company's AGM in 2020

No.	Resolution	Date	Content
56	56/2020/NQ-HĐQT	11/06/2020	Approved the contents to vote at Saigon - Baclieu Beer Joint Stock Company's AGM in 2020
57	57/2020/NQ-HĐQT	11/06/2020	Approved the content to vote at Sai Gon - Dong Xuan Beer Alcohol Joint Stock Company's AGM in 2020 (the 2nd time)
58	58/2020/NQ-HĐQT	15/06/2020	Approved the contents to vote at Sai Gon - Ha Noi Beer Corporation's AGM in 2020
59	59/2020/NQ-HĐQT	15/06/2020	Approved the contents to vote at Sai Gon Beer Eastern Trading Joint Stock Company's AGM in 2020
60	60/2020/NQ-HĐQT	17/06/2020	Approved the contents to vote at Binh Tay Liquor Joint Stock Company's AGM in 2020
61	61/2020/NQ-HĐQT	17/06/2020	Approved the 2020 AGM's Documents of SABECO (the 2"d time)
62	62/2020/NQ-HĐQT	18/06/2020	Approved the contents to vote at Sai Gon - Quang Ngai Beer Joint Stock Company's AGM in 2020
63	63/2020/NQ-HĐQT	18/06/2020	Approved the contents to vote at Saigon - Phutho Beer Joint Stock Company's AGM in 2020
64	64/2020/NQ-HĐQT	18/06/2020	Approved the contents to vote at Chuong Duong Beverages Joint Stock Company's AGM in 2020
65	65/2020/NQ-HĐQT	18/06/2020	Approved the contents to vote at Saigon - Lamdong Beer Joint Stock Company's AGM in 2020
66	66/2020/NQ-HĐQT	18/06/2020	Approved the proposal of the Management regarding remuneration payment for representatives
67	67/2020/NQ-HĐQT	19/06/2020	Approved the contents to vote at Sai Gon - Kien Giang Beer Joint Stock Company's AGM in 2020
68	68/2020/NQ-HĐQT	19/06/2020	Approved the contents to vote at Saigon Tay Do Beer - Beverage Joint Stock Company's AGM in 2020
69	69/2020/NQ-HĐQT	21/06/2020	Approved the adjustment on 2020 AGM's documents of SABECO
70	70/2020/NQ-HĐQT	22/06/2020	Approved the contents to vote at Sai Gon Beer Tay Nguyen Trading Joint Stock Company's AGM in 2020
71	71/2020/NQ-HĐQT	23/06/2020	Approved the contents to vote at Saigon Beer Nam Trung Bo Trading Joint Stock Company's AGM in 2020
72	72/2020/NQ-HĐQT	23/06/2020	Approved the regarding contents to vote at Saigon Song Hau Beer Trading Joint Stock Company's EGM in 2020
73	73/2020/NQ-HĐQT	23/06/2020	Approved the contents to vote at Saigon Beer Center Trading Joint Stock Company's EGM in 2020
74	74/2020/NQ-HĐQT	23/06/2020	Approved to elect Ms. Tran Kim Nga to be the chairperson of 2020 AGM of SABECO
75	75/2020/NQ-HĐQT	24/06/2020	Approved the contents to vote at Sai Gon Beer Northeast Trading Joint Stock Company's AGM in 2020
76	76/2020/NQ-HĐQT	25/06/2020	Approved the contents to vote at Dai Viet Securities Joint Stock Company's AGM in 2020
77	77/2020/NQ-HĐQT	25/06/2020	Approved the contents to vote at Saigon - Dong Ha Tourism Joint Stock Company's AGM in 2020
78	78/2020/NQ-HĐQT	25/06/2020	Approved the contents to vote at Northern Sai Gon Beer Trading Joint Stock Company's AGM in 2020

No.	Resolution	Date	Content
79	79/2020/NQ-HĐQT	27/06/2020	Approved proposal on appointment of personnel as member of Supervisory Board in Dai Viet Securities Joint Stock Company for the term 2020 -2025
80	80/2020/NQ-HĐQT	29/06/2020	Approved the contents to vote at Orient Commercial Joint Stock Bank's AGM in 2020
81	82/2020/NQ-HĐQT	01/07/2020	Approved proposal on personnel matter at Bia Saigon Mien Trung Trading Joint Stock Company
82	83/2020/NQ-HĐQT	09/07/2020	Approved deferring effective dates of new remuneration and remuneration payment centralization to SABECO for SABECO's capital representatives at enterprises with SABECO's capital contribution
83	84/2020/NQ-HĐQT	09/07/2020	Approved the review and audit service fee for the year 2020 of SABECO and its group of companies
84	85/2020/NQ-HĐQT	21/07/2020	Approved the contents to vote at Saigon Binh Tay Group Joint Stock Company's AGM in 2020
85	86/2020/NQ-HĐQT	03/08/2020	Approved the draft of Information Security and Confidentiality Policy
86	87/2020/NQ-HĐQT	03/08/2020	Approved the renewal of office rental at Vincom Center
87	88/2020/NQ-HĐQT	03/08/2020	Approved proposal on personnel matter at Sai Gon Beer Trading Company Limited
88	89/2020/NQ-HĐQT	11/08/2020	Approved the selling - buying price of SABECO's export products
89	90/2020/NQ-HĐQT	21/08/2020	Approved the selling - buying price of SABECO's domestic beer products
90	91/2020/NQ-HĐQT	24/08/2020	Approved the contents to vote of Capital Representative at Sai Gon packaging Group Joint Stock Company
91	92/2020/NQ-HĐQT	27/08/2020	Approved the audited half year Financial Statements 2020 of SABECO
92	93/2020/NQ-HĐQT	31/08/2020	Approved in principle to launch new products
93	94/2020/NQ-HĐQT	09/09/2020	Approved supplementing the business line of Saigon Beer Center Trading Joint Stock Company
94	95/2020/NQ-HĐQT	10/09/2020	Approved the credit terms and credit monitoring process for export buyer
95	96/2020/NQ-HĐQT	11/09/2020	Approved Y2019 additional bonus for subsidiaries
96	97/2020/NQ-HĐQT	11/09/2020	Approved the selling - buying price of Bia Saigon Chill products
97	98/2020/NQ-HĐQT	14/09/2020	Approved the contents to vote of Capital Representative at Investment Construction J.S Corporation
98	99/2020/NQ-HĐQT	14/09/2020	Approved the contents to vote at Saigon Beer Transportation Joint Stock Company's AGM in 2020
99	100/2020/NQ-HĐQT	29/09/2020	Approved the contents to vote for Shareholders' written opinion of PVI Joint Stock Company
100	101/2020/NQ-HĐQT	29/09/2020	Approved the procedures related to business lines

No.	Resolution	Date	Content
101	102/2020/NQ-HĐQT	29/09/2020	Approved proposal on personnel matter at Tan Thanh Investment Trading Company Limited, Mechanical and Industrial Construction Joint Stock Company, Sai Gon Beer Packaging Joint Stock Company, Malaya - Vietnam Glass Limited, Saigon - Phu Tho Beer Joint Stock Company
102	103/2020/NQ-HĐQT	09/10/2020	Approved the contents to vote at Saigon Packaging Group Joint Stock Company's AGM in 2020
103	104/2020/NQ-HĐQT	19/10/2020	Approved the finalization of the completed project regarding "Investment in Beer filtration system in technology without using filter aid capacity of 300hl/h at Saigon - Nguyen Chi Thanh Brewery"
104	105/2020/NQ-HĐQT	19/10/2020	Approved proposal on amendments made to the Charter of Sai Gon Beer Packaging Joint Stock Company
105	106/2020/NQ-HĐQT	19/10/2020	Approved Y2020 remuneration payment for non-full-time members of Board of Directors, Board of Supervisors, Council Members and Inspectors at subsidiaries and associates with SABECO's capital contribution
106	107/2020/NQ-HĐQT	29/10/2020	Approved the selling- buying price of Bia Saigon Gold products
107	108/2020/NQ-HĐQT	29/10/2020	Approved Proposal In relation to remuneration policies for the Board of Directors and Management of SABECO
108	109/2020/NQ-HĐQT	12/11/2020	Approved the dividend payment in advance of 2020 in cash
109	110/2020/NQ-HĐQT	19/11/2020	Approved the principles and the operation policies of Saigon Beer Group one - member limited liability company to delay Key Accounts channel
110	111/2020/NQ-HĐQT	26/11/2020	Approved proposal on personnel matter at Chuong Duong Beverages Joint Stock Company
111	112/2020/NQ-HĐQT	11/12/2020	Approved the contents to vote at PVI Joint Stock Company's EGM in 2020
112	113/2020/NQ-HĐQT	11/12/2020	Approved the contents to vote at Saigon - Dong Ha Tourism Joint Stock Company's EGM in 2020
113	114/2020/NQ-HĐQT	21/12/2020	Approved the contents to vote at Dai Viet Securities Joint Stock Company's EGM in 2020
114	115/2020/NQ-HĐQT	30/12/2020	Approved the additional headcount of SABECO
115	116/2020/NQ-HĐQT	31/12/2020	Approved the selling - buying price of SABECO's export beer products

PRINCIPLE 2

Establishing a Competent and Professional Board

The Board represents a diversified and broad range of viewpoints, expertise, skills, and competencies in order to provide effective leadership and oversight for the Corporation. The Board currently includes four Vietnamese, two Singaporeans, and one Thai. The Board seeks to maintain an appropriate balance of expertise, skills, and attributes among Directors, including relevant core competencies in areas such as accounting, finance, legal, trading, industry knowledge, and strategic planning.

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.

Pursuant to assigned functions of the Board of Directors Office, an independent department under SABECO's Board of Directors, the rights and obligations of such person in charge of corporate governance are currently implemented by the Board of Directors Office.

PRINCIPLE 3

Ensuring Effective Board Leadership and Independence



The Board has endeavored to exercise objective and independent judgments on all corporate affairs. 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 five years and possess necessary qualifications and full eligibility to hold such positions.

In addition, 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.

The Board established the AC which consisted of three non-executive Board members, of whom two out of three members, including the Chairman of AC, are Independent Directors. 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, compositions, and working procedures specified in the AC Charter have been developed as a practical benchmark to measure and evaluate AC performance.

In addition, Mr. Nguyen Tien Vy, who is 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 personnel within SABECO group of companies, and other key matters related to human resources.

Other sub-committees of the Board would be established in the future if necessary.

PRINCIPLE 5**Ensuring Effective Board Performance**

The determination of levels and pay grades for members of the Board and the Management has been based on SABECO's business performance, fulfillment of duties and responsibilities, as well as individual performance and compliance with applicable laws.

Remuneration packages for the Board and the Management of SABECO for the year ended December 31, 2020 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 of the Board	-	-	-	-
Mr. Pramoad Phornprapha	Independent Director	-	100%	-	100%
Mr. Nguyen Tien Vy	Independent Director	-	100%	-	100%
Mr. Michael Chye Hin Fah	Member of the Board	-	100%	-	100%
Ms. Tran Kim Nga	Member of the Board	-	100%	-	100%
Mr. Nguyen Tien Dung	Member of the Board	85%	-	15%	100%
Mr. Luong Thanh Hai	Member of the Board	74%	13%	13%	100%
THE BOARD OF MANAGEMENT					
Mr. Neo Gim Siong Bennett	General Director	82%	-	18%	100%
Mr. Teo Hong Keng	Deputy General Director	83%	-	17%	100%
Mr. Ng Kuan Ngee Melvyn	Deputy General Director	83%	-	17%	100%
Mr. Lam Du An	Deputy General Director	83%	-	17%	100%
Mr. Hoang Dao Hiep	Deputy General Director	81%	-	19%	100%
Mr. Tran Nguyen Trung	Chief Accountant	84%	-	16%	100%

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

PRINCIPLE 6**Establishing and Maintaining an Ethical Corporate Culture**

A Code of Business Conduct and 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 Business Conduct and Ethics which is suitable to the needs of the Corporation and its organizational culture. Currently at SABECO, the Board has assigned relevant departments to draft the Code of Business Conduct and Ethics which is expected to be put into practice by 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 established the IA 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 in a separate Charter which has been approved by the AC. The IA Director, who is a senior executive of the Corporation but not a member of the Management, has directly reported to AC. The appointment of IA Director was also approved by AC.

In addition, the AC 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 2020, shareholders approved the Board's proposal of selecting KPMG Vietnam to be the Independent Auditor for the Corporation's FS for the fiscal year of 2020 and all relevant periods as deemed necessary. Moreover, all SABECO's subsidiaries and some of its associates 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.

The published information has followed regulations of listed companies. SABECO has always published information in two languages: 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, yet has not supported any abuse of internal information or insider trading.

Given approved deadline extensions for disclosing FS for the fiscal year of 2020, all quarterly FS were published within 30 days after the end of each quarter. Meanwhile, the audited 1H20 FS were published within 60 days after the end of Q2, whereas the audited FY20 FS were published within 100 days after the end of the fiscal year. SABECO has always complied with all information disclosure deadlines in 2020, not to mention other extraordinary disclosures made within 24 hours of issuance.

Information Disclosure	Latest Deadline by the Law	Actual Disclosure Date
Q1 2020 Financial Statements	Apr 30, 2020	Apr 29, 2020
Q2 2020 Financial Statements	Jul 30, 2020	Jul 29, 2020
Audited 1H20 Financial Statements	Aug 29, 2020	Aug 28, 2020
Q3 2020 Financial Statements	Oct 30, 2020	Oct 29, 2020
Q4 2020 Financial Statements	Jan 30, 2021	Jan 27, 2021
Audited FY20 Financial Statements	Apr 10, 2021	Apr 5, 2021
2020 Annual Report	Apr 30, 2021	Apr 20, 2021

After disclosing quarterly FS, SABECO usually organized meetings for investors and analysts to have the opportunities for direct conversations with the Management to address related concerns. In 2020, these meetings have been shifted from face-to-face to online platform due to the complex situation of Covid-19.

SHAREHOLDER RIGHTS

PRINCIPLE 9

Establishing a Framework for the Effective Exercise of Shareholders' Rights

SHAREHOLDERS' RIGHTS

SABECO has acknowledged and respected the rights of 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 of information disclosure so that shareholders would be able to make well-informed decisions at the AGM, including casting their votes and expressing their opinions on the Corporation's changes, proposals, and the election of members for the Board.

CONDUCTING THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

In 2020, due to the complex situation of Covid-19, the Board decided to extend the AGM date to June 30, 2020 instead of April 21, 2020 as originally planned according to the acceptance of Department of Planning and Investment of Ho Chi Minh City. The Annual General Meeting of Shareholders was held in accordance with the agenda listed in those invitation letters sent out to shareholders no less than 10 days prior to the meeting, not to mention a complete package of AGM documents was fully provided in advance. SABECO also posted all relevant information on HOSE's and SABECO's websites so that shareholders could have easy access and enough time to carefully study those documents.

At AGM 2020, foreign Board members attended via video conference due to travel restrictions, whereas Vietnamese

Board members and the Management were available to address shareholders' concerns at the meeting. The Corporation's Independent Auditor, KPMG Vietnam, also participated to share 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.

Minutes of the AGM were accurately and completely recorded in a timely manner as required by the law, then disclosed together with the AGM resolution to SSC, HOSE, and posted on SABECO's website within 24 hours after the AGM ended, and eventually sent to shareholders via post within 15 days after the AGM ended, thereby ensuring full compliance with current laws and regulations.

DIVIDEND PAYOUT

Year	Payment type	Payout ratio
2014	By cash	25%
2015	By cash	30%
2016	By cash	30%
2017	By cash	35%
2018	By cash	50%
2019	By cash	35%
2020	By cash	35% (*)

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

(*) In 2020, the Board decided to pay cash dividend in advance, including the first payment of 20% in December 2020 and the second payment of 15% in March 2021.

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, minutes, and the resolution, were provided in both Vietnamese and in 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 SABECO Charter. The Audit Committee then reviewed and discussed with the Independent Auditor and the Management in regard to any complex and unusual RPTs 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 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 no harm to the interests of the Corporation.

Excluding those transactions among SABECO group of companies, there were RPTs as follows:

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

SHARE TRANSACTIONS

Share transactions of internal persons: None

Share transactions of related persons: None

Name	Position	Number of Shares Owned	Percentage
THE BOARD OF DIRECTORS			
Mr. Koh Poh Tiong	Chairman of the Board	-	0%
Mr. Pramoad Phornprapha	Independent Director	-	0%
Mr. Nguyen Tien Vy	Independent Director	-	0%
Mr. Michael Chye Hin Fah	Member of the Board	-	0%
Ms. Tran Kim Nga	Member of the Board	-	0%
Mr. Nguyen Tien Dung	Member of the Board	100	0%
Mr. Luong Thanh Hai	Member of the Board	-	0%
THE BOARD OF MANAGEMENT			
Mr. Neo Gim Siong Bennett	General Director	-	0%
Mr. Teo Hong Keng	Deputy General Director	-	0%
Mr. Ng Kuan Ngee Melvyn	Deputy General Director	-	0%
Mr. Lam Du An	Deputy General Director	-	0%
Mr. Hoang Dao Hiep	Deputy General Director	-	0%
Mr. Tran Nguyen Trung	Chief Accountant	1,700	0.0003%

PRINCIPLE 10

Building 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 hopes of demonstrating the Corporation's commitments to stakeholder engagements in the Code of Conduct. In order to do that, SABECO would adopt a transparent and publicly accessible communication procedure which allows the Corporation to: (i) receive and acknowledge communication from external stakeholders; (ii) recognize issues and come up with responses; and (iii) provide relevant documents if necessary.

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

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 works.
- 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.
- Establish a manual of authority 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.
- Develop the BCP as well as preparations such as fire drills, environmental troubleshooting, etc., to improve risks forecasting and responses to emergencies.

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. In 2020, SABECO evaluated its management system on Quality – Food Safety – Environment at all breweries.
- Performing internal audits to assess the compliance of current rules, regulations, and processes.

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

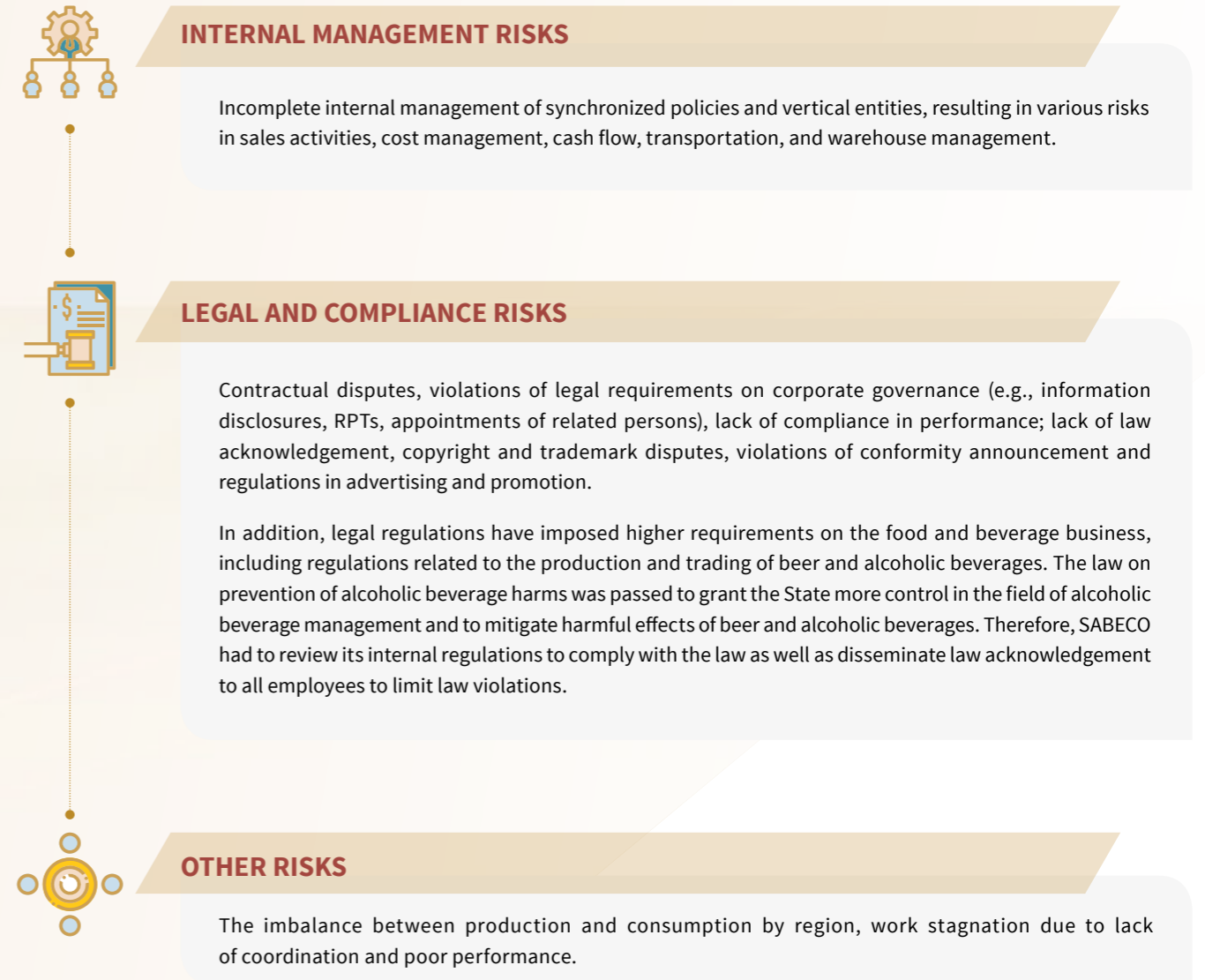
Units/individuals, who are assigned to coordinate and participate in the decision making and implementation processes upon their functions.

COMMON RISKS

Factors involved in risk control processes:



Specific risks as follows:



OVERALL ASSESSMENT ON RISK MANAGEMENT

- The Management has received awareness trainings on their responsibilities of risk management. The risk management competencies should be further trained.
- The full assessment has only been carried out on production and trade activities.
- 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

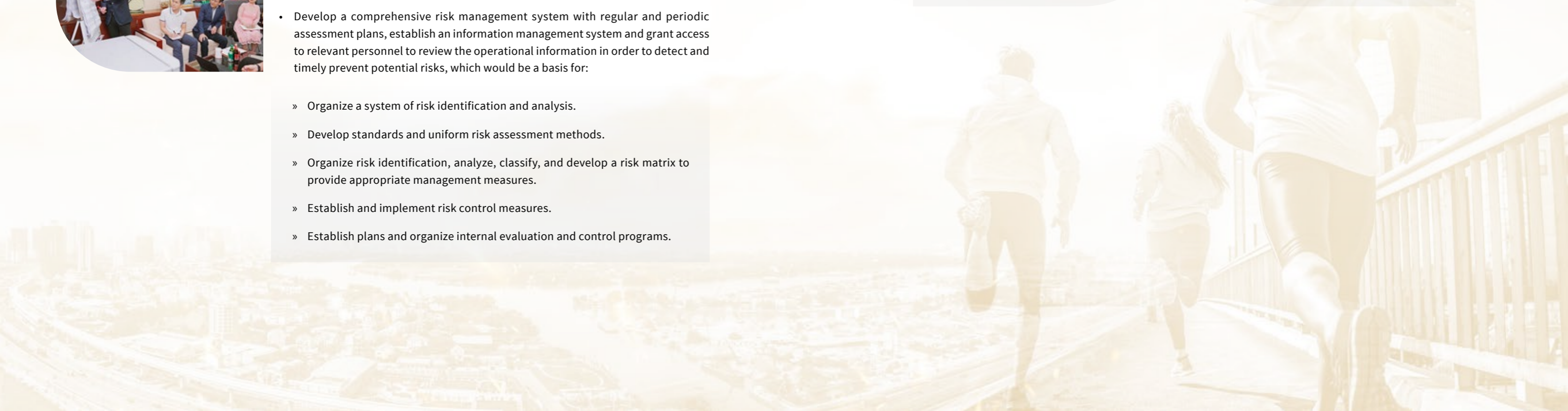


MAIN SOLUTIONS



- 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 2021



INVESTOR RELATIONS

In 2020, SABECO has continued to focus on strengthening and expanding IR functions to ensure benefits for shareholders and meet the increasing demand of engagement from domestic and international investors.

ENSURE TRANSPARENCY, FAIRNESS, AND BENEFITS FOR SHAREHOLDERS

Acknowledging the importance of information access to investors, SABECO IR Department has ensured that public disclosures were made in an accurate and timely manner. Periodic reports and extraordinary information have been uploaded on the Corporation's website and disclosed to HOSE and SSC in accordance with current regulations. In addition, all announcements have been made in both Vietnamese and English in order to facilitate both local and foreign shareholders and investors for ease of information access.

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.

Event planning and documents of AGM 2020 continued to be upgraded and standardized. The AGM took place in Ho Chi Minh City downtown area with medical and seating arrangements to facilitate shareholders' attendance while mitigating Covid-19 impacts. Moreover, a complete set of documents was posted on SABECO's website 10 days prior to the meeting date as required by the law to ensure that shareholders had enough time to study all agenda items, which in turn improved the quality of discussions and voting at the AGM.



STRENGTHEN THE RELATIONSHIP WITH INVESTORS THROUGH COMMUNICATION AND COORDINATION

In 2020, SABECO IR Department proactively communicated to investors and interested parties, including receiving and responding promptly to inquiries of shareholders and investors through various channels such as phone calls, emails, and investor meetings. Many other interactive initiatives such as press releases, analyst reports, corporate presentation, etc., are also being considered based on actual needs of investors.

Due to travel restrictions imposed in the light of Covid-19, SABECO's quarterly Investor Briefings were hosted via online platform in order to engage investors and analysts

and provide them with official updates and valuable insights on the Corporation's current activities and strategies, as well as the opportunities to have direct conversations with the Management to address related concerns. Besides, feedback and comments of attendees for each Investor Briefing were collected for future betterments and consideration.

Last but not least, the Management and IR Department also took part in virtual local and international investor conferences to keep connected with the investment community and at the same time promote the Corporation's image and branding.

MAJOR EVENTS IN 2020

Event	Organizer	Time	Description
Investor Briefings	SABECO	Quarterly	The virtual briefings were held to engage investors and analysts as well as provide them periodical and in-depth information on the Corporation's business and future plans during the outbreak of Covid-19.
HOSE – Daiwa Vietnam Corporate Day 2020	HOSE & Daiwa	Q3 2020	The virtual conference provided a strong platform for Vietnam corporates to interact with major investors and update them on the latest business outlook and strategies when travel restrictions may be in force
UBS OneASEAN Virtual Conference 2020	UBS	Q3 2020	The virtual conference was held with the participation of corporate management from more than 85 companies.

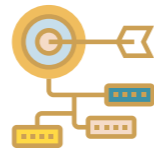
SUSTAINABLE DEVELOPMENT REPORT



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 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). The contents of this report focus mainly on Environmental, Social, and Governance (ESG) criteria such as business efficiency, human capital, local communities and the society as a whole, etc.

In preparation for the report, SABECO considers its activities and impacts as well as interests and expectations of stakeholders in relation to the Corporation's current strategies of operation and sustainable development. After that, SABECO identifies relevant key issues for review and improvements.



SCOPE OF THE REPORT

The report is presented independently as part of SABECO Annual Report and includes the Corporation's results and achievements related to its sustainable development strategies from January 1, 2020 to December 31, 2020, as well as plans and objectives in the future. The report covers the entire operation scope of SABECO and its subsidiaries and associates when applicable.



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



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:

- 2020 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.



SUSTAINABLE DEVELOPMENT INDICATORS

FINANCIAL INDICATORS



TOTAL PRODUCTION CAPACITY

2.2 billion liters
per year

TOTAL ASSETS

27,375 billion VND

OWNER'S EQUITY

21,215 billion VND



HUMAN CAPITAL

8,388 employees
(as of December 31, 2020)

NON-FINANCIAL INDICATORS

NET SALES

27,961 billion VND

PROFIT AFTER TAX

4,937 billion VND

2020 DIVIDEND RATE

35%

ROE

23.9%

ROA

18.2%



COMMUNITY

17.9 billion VND

2020 CSR Budget



2020 AWARDS



Vietnam's
TOP 50

Best Listed Companies in 2020
Forbes Vietnam



Vietnam's
TOP 50

Best Performing Companies in 2019
Nhip Cau Dau Tu Magazine & Thien Viet Securities



Vietnam's
TOP 15

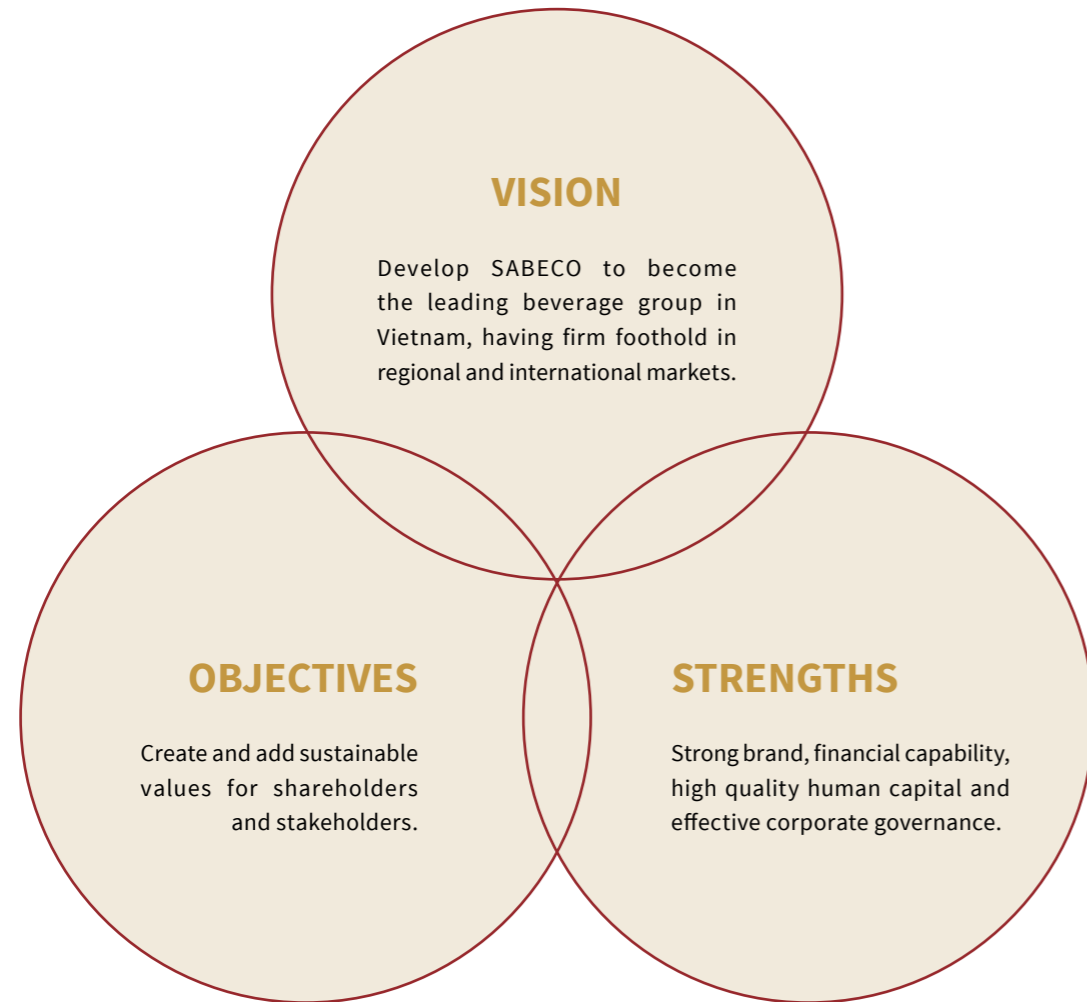
Best Performing Listed Companies (2017 - 2019)
Vietnam Chamber of Commerce and Industry (VCCI)



Vietnam's
TOP 50

Leading Brands in 2020
Forbes Vietnam

SUSTAINABLE DEVELOPMENT STRATEGIES



SABECO has been building its sustainable development strategies on the following areas:



ENVIRONMENT

Develop green, clean and energy saving systems, as well as utilize environmentally friendly sources of energy in order to protect and conserve the environment.



SOCIAL

Invest in human capital, local communities, and contribute to the overall socioeconomic development of Vietnam as a whole.



GOVERNANCE

Manage the business effectively and strengthen the Corporation's competitive advantages to meet stakeholders' needs.

4C COMMITMENT

With a strong commitment to investing in business activities while maintaining sustainable development, SABECO always strives for positive changes to enhance the position of Vietnamese brands as well as development for local communities and the country. The Corporation's sustainable development strategies focus on four pillars as follows:



CONSUMPTION

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

CONSERVATION

SABECO emphasizes on 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.

HIGHLIGHTED ACTIVITIES OF 4C

CONSUMPTION



Collaboration with VBA on Draft Law on prevention and fighting against the negative effects of alcohol

The International Brewing Awards 2019

SABECO was the first winning brewery from Vietnam that has gained this prestigious award.



CONSERVATION

Green Energy

Commitment to clean and renewable energy:

- Using BIOMASS.
- Investing in Solar power at breweries.



Wastewater treatment

- 100% wastewater is treated before its return to the environment.
- Upgrading the A-grade wastewater treatment system for Saigon Beer - Quang Ngai Brewery



Sustainable packaging



COUNTRY



“Coming Home for Tet”

- Inspiring the workers with positivity, passion and determination at work.
- Promoting the cultural values of the Vietnamese people - the traditional reunion and spirit of togetherness in the New Year.



CSR - COVID-19

Contributing to Vietnam’s fight against the Covid-19 pandemic.

“Disaster Relief”

Contributing VND1 billion to support households who badly affected by floods in the Central of Vietnam.



“Rise with Vietnam”

Raising funds to support the affected workers to overcome these difficult periods of Covid-19.



“Tet Gan Ket”

Bringing a harmonious and warm Tet to needy people.



Bridge over Nam Ta Mu Canal

Joining hands with the Central Committee of Ho Chi Minh Communist Youth Union in community program.

CULTURE



“Saigon Night”

Bringing about a Bia Saigon experiential platform to spread the unique Saigon street culture.



333 and Monsoon Music Festival 2019

Collaborating with Monsoon Music Festival to bring about a great music festival.



Ooc - om - boc Festival (2007 - 2020)

Supporting regional festival to promote the image of Vietnam and contribute to the local development.

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 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.



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.



MEMBER COMPANIES AND FUNCTIONAL DEPARTMENTS

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

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 actions	Results in 2020	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 	
Customer care	<ul style="list-style-type: none"> • Launch new products to meet different needs of consumers • Expand the distribution system • Launch various attractive trade promotions • Collect feedback from consumers • Research into dynamic market demands 	<ul style="list-style-type: none"> • New brands received positive feedback on packaging and tastes • SABECO products were easy to find • Brand awareness and loyalty were improved 	<ul style="list-style-type: none"> • Annual distributors conference • SABECO website and social networks • Via phone and emails • Market visits • Surveys
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 actions	Results in 2020	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 and EGM SABECO website Third-party conferences 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 2020 dividend rate 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 actions	Results in 2020	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 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 actions	Results in 2020	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 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 Face to face 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 Implement the BCP during times of Covid-19 outbreak 	<ul style="list-style-type: none"> There were no occupational injuries in 2020 Safety and wellness of employees were ensured during the Covid-19 outbreak Employee's communication and bonding were improved throughout the Corporation 	



AUTHORITIES/GOVERNMENT/ASSOCIATIONS

Main concerns	SABECO's actions	Results in 2020	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 Contribute to improving provincial economies 	<ul style="list-style-type: none"> Stable jobs were created for local people SABECO was considered one of the most active enterprises in supporting State activities 	



PRESS/MEDIA

Main concerns	SABECO's actions	Results in 2020	Interactive channels
<p>Information and image of SABECO</p>	<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 actions	Results in 2020	Interactive channels
<p>Contributions to the society</p>	<ul style="list-style-type: none"> Launch various large-scale CSR activities Create stable jobs for local workers 	<ul style="list-style-type: none"> SABECO's reputation and Bia Saigon brand was strengthened within local communities The role of government, social organizations and SABECO's partners was strongly connected in CSR activities 	<ul style="list-style-type: none"> Meeting with provincial authorities Projects of sustainable development CSR activities
<p>Environmental protection</p>	<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"> National and local media and social networks

KEY HIGHLIGHTS OF SUSTAINABLE DEVELOPMENT

QUALITY ASSURANCE



SABECO has applied rigorous requirements to all raw materials. Particularly, 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.

Technical requirements of raw materials have also been issued 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 European Brewery Convention (EBC), Mitteleuropäische Brautechnische Analysenkommision (MEBAK), American Society of Brewing Chemists (ASBC), and Deutsches Institut für Normung (DIN).

Specialized laboratories have been set up 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.

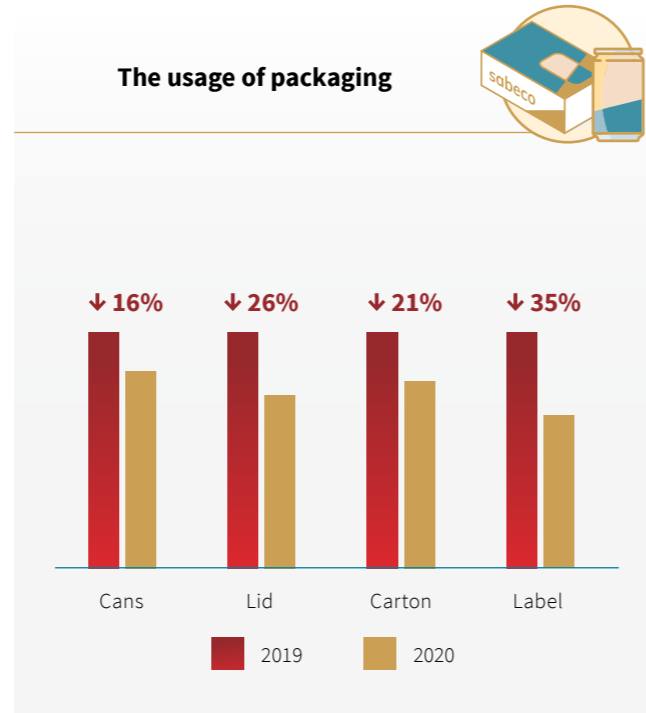
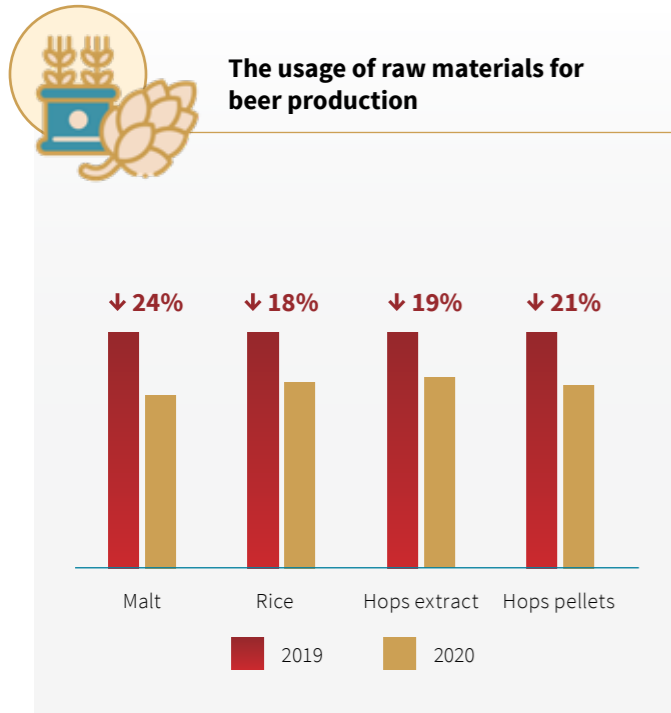
Moreover, SABECO has conducted relevant risk management for the Corporation's supply chain, including periodically reviewing suppliers at their manufacturing sites to ensure process compliance among the related parties.

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, in which 51 Brew Masters were trained throughout the system from 2012. SABECO 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 that are in line with international standards.

ENVIRONMENTAL PROTECTION

MANAGEMENT OF RAW MATERIALS



Given the decreased production volume in 2020 due to Covid-19, SABECO breweries have worked hard on saving costs while still ensuring products' quality, including but not limited to:

- Conducting supply chain planning and backup procurement of raw materials to prepare for continuous production.
- Balancing and strictly monitoring the beer production volume on daily and weekly bases.
- Coordinating closely with trading companies, transportation agencies, and warehouses to timely respond to "weekly order" notices and limit beer inventories at breweries.
- Complying with SABECO's regulations to ensure products' quality and minimize the number of defective products circulated in the market.

As a result, the utilization rates of raw materials and packaging in 2020 were significantly lower than 2019.

ENERGY AND NATURAL RESOURCES

Due to the impacts of Covid-19 and Decree 100, the production volume in 2020 was much lower than that of 2019, especially during social distancing periods when on-trade was suspended. However, the breweries still had to consume energy and water in order to maintain semi-finished goods, which led to increases in production norms per 1,000 liters of beer. Nonetheless, the Technical team has made efforts to apply various saving initiatives to keep the same level of energy and water consumption as in 2019.



Energy consumption

There was a slight increase of 3% in 2020 electricity consumption while the steam consumption maintained the same level as in 2019.



The electricity consumed in production

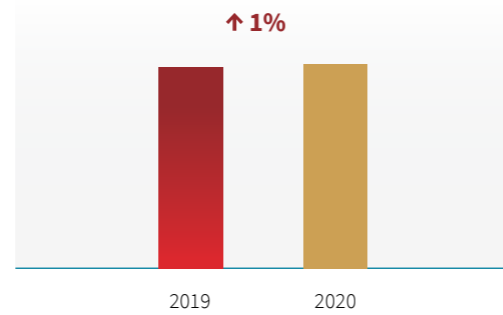
The steam consumed in production

Initiatives for saving energy

- Maintain and upgrade machinery, technology, and infrastructure to save energy.
- Reduce the evaporation rate of wort boiling kettles.
- Recover weak wort from lauter tun and reuse wort and trubs from whirlpool.
- Reuse energy from the vapor of wort kettles.
- Pipes insulation and heat exchangers.
- Insulate pipes and exchange refrigeration systems.
- Use sensor systems to automatically turn on/off lighting for offices and lobby.
- Optimize the operation of refrigeration systems, compressor, CO2, and separate compressed air system from spent grains to save energy.
- Limit use of electricity at peak hours.
- Use heat exchangers to cool down water before supplying to the vacuum pump.
- Use BIOMASS boilers from plant materials (e.g., rice husks, sawdust, cashew shells and leaves).
- Invest in solar power systems.

Water consumption

The 2020 water consumption experienced a minimal increase of 1% compared to the previous year.



The water consumed in production



Initiatives for saving water

- Recover and reuse rinsing water of kettles at the brewhouse.
- Recover and reuse hot water for pasteurized wort pipe.
- Reuse wastewater and warm water from energy saver.
- 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.

ADVANCED TECHNOLOGY

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.)

COMPLIANCE WITH THE LAW ON ENVIRONMENTAL PROTECTION

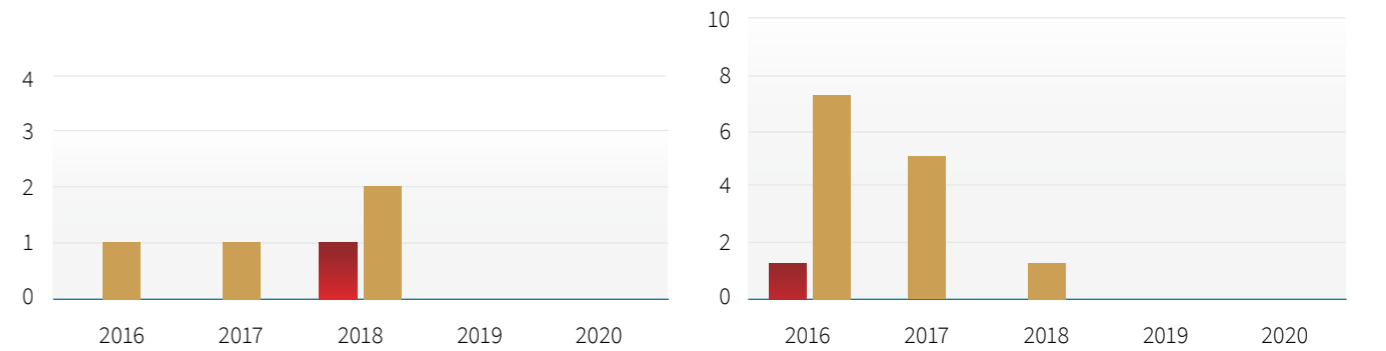
Environmental management system

All breweries have been approved for the Environmental Impact Assessment/Environmental Protection Commitment/Environmental Protection Scheme. 26 breweries have achieved the certificate of environmental management system, i.e., ISO 14001:2004. Some breweries have carried out energy audits and mastered their energy management systems, achieving the ISO 50001:2011 standard such as Saigon Beer - Cu Chi Brewery, Saigon Beer - Nguyen Chi Thanh Brewery, and Huong Sen Brewery.

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 audits every six months to ensure compliance. The breweries, which were built from 2013, have invested in cascade refrigeration systems to reduce electricity consumption while the rest are upgrading cascade refrigeration systems. In addition, BIOMASS boilers have been used to replace the consumption of fossil fuels.

Training on labor safety, food hygiene and safety

All employees have been trained periodically on labor safety, food hygiene and safety as prescribed. Annual examinations of health and occupational diseases have also been organized for employees. SABECO has always paid great attention to mitigating workplace risks and there have been neither labor accidents nor fire incidents in the Corporation’s two owned breweries in 2020.



Labor Accidents (Saigon Beer - Nguyen Chi Thanh Brewery)

Labor Accidents (Saigon Beer - Cu Chi Brewery)

Occupational illness caused by noise Ordinary occupational injury Severe occupational injury

Investment in wastewater and waste treatment systems

All breweries ensure that wastewater has met the QCVN 40:2011 standard (type A or B) before being discharged into the environment or the wastewater collection systems of industrial zones. The monitoring of 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 been invested to generate electricity and make compost.

HUMAN CAPITAL DEVELOPMENT

SABECO has always placed employees at its core as the Corporation believed that people play a vital role in sustaining development for enterprises, as well as respected 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.

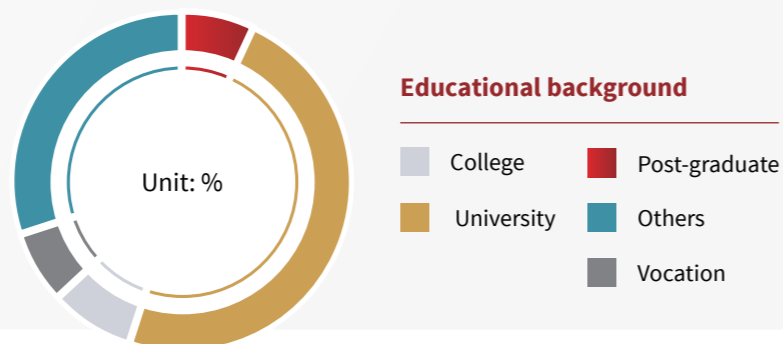
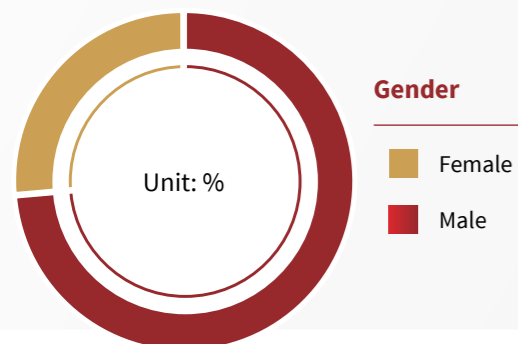
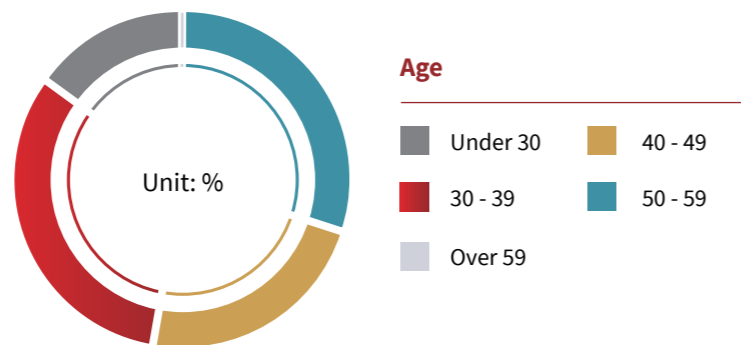


OVERVIEW OF LABOR FORCE

TOTAL NUMBER OF EMPLOYEES

8,388

(according to the latest Audited Consolidated Financial Statements, in which 774 employees are directly under 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.

144
new employees
in 2020

In 2020, SABECO recruited a total of 144 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.

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 tasks completion, as well as 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 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 school year ceremonies, and organizing summer camps in Thanh Da, Ho Chi Minh City.



OCCUPATIONAL SAFETY AND HEALTH

With aims of ensuring occupational safety and health for all employees as well as improving the working environment, SABECO has implemented several proactive programs as follows:

- Periodical health check
- Occupational diseases detection
- Working environment measures
- Supply of protective equipment for individuals
- Compulsory insurances on labor, occupational diseases, and health
- Fire prevention

Business continuity plan (BCP)

Having observed the rapid increase of Covid-19 cases, new regulations and restrictions by the government, as well as guidelines issued by public health experts which called for social distancing and avoiding large gatherings, the Corporation took immediate actions to ensure safety and well-being for all employees, while maintaining business operations at the same time. As a result, BCP for the whole SABECO group of companies was implemented as follows:



KEY ACTIONS

- Allocating employees into two separate teams, which helped avoid physical interactions to mitigate the risk of infection. Each team would take turns working from home for 14 consecutive days.
- Avoiding physical meetings and conducting online meetings.
- Reporting F1, F2, and F3 cases immediately.
- Coming up with different scenarios and backup plans in case of further social distancing regulations.
- Timely updating the development of Covid-19 and closely monitoring all business units through daily BCP meetings.
- Maintaining employees' communication and motivation through internal newsletters.



GUIDELINES

- Complying with medical guidelines recommended by the Ministry of Health.
- Issuing guidelines on BCP implementation.



SUPPORTS

- Medical respirators and hand sanitizers distributed to employees.
- IT support to maintain stable workflow.



Due to the Management's drastic measures together with employees' full compliance, BCP was running smoothly and received lots of positive feedback. The plan not only achieved its purposes of creating an infection-free working environment while maintaining business operations, but also reflected the Corporation's responsibility as well as commitment to social recovery.

Even after the Covid-19 health crisis was brought under control by the Vietnamese government, SABECO has continued to take precautions, including but not limited to medical respirators and hand sanitizers being distributed to employees, body temperature check for employees and visitors, health declaration forms and disinfectant sprays in office, in order to minimize the risk of infection for employees, customers, and partners. Until effective vaccines become available, the Corporation will keep BCP active to be fully prepared in the event of Covid-19 resurgence.



322
Total number of training hours

TRAINING

In 2020, 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 the Corporation's human capital in a sustainable way. The total number of training hours was 322 hours.

EMPLOYEE ENGAGEMENT

Due to the widespread Covid-19 outbreak, Town Hall meetings in January and July was postponed, yet SABECO managed to keep its employees posted on the Corporation's business activities via internal newsletters and virtual Town Hall meetings instead. After the Covid-19 situation was well controlled, a physical Town Hall meeting was organized professionally and safely in October 2020 with the participation of all employees from the head office, as well as representatives from subsidiaries and associates. During these meetings, regardless of being physical or virtual, employees had opportunities to raise their voice and communicate directly to the Board and the Management in terms of the Corporation's strategies and operations.



THE “GROW WITH SABECO” PROJECT



For many SABECO employees, their relationships and partnerships with the Corporation go beyond work, as they have been closely bonding with SABECO and Bia Saigon since being children. Many generations of SABECO employees have grown together in this family, and their children can be proud of where their parents are working at. This is also the inspiration from which “Grow with SABECO” was born.

“Grow with SABECO” is a charity fund established by people with full of love for SABECO to make contributions to children in need of SABECO employees. With the long-term development goal, the fund has called for donations from various sources to be able to support more children in the coming years. This is one of the activities that SABECO has accompanied them on their path of personal development, and also served as a second big warm family where they belong from the very start.

With its meaningful intention, the “Grow with SABECO” fund has received donations from various internal and external supporters. As of January 25, 2021, the “Grow with SABECO” reached the following highlights:

VND597,766,437

TOTAL AMOUNT OF DONATIONS

207

APPLICATIONS

92

AWARDED SCHOLARSHIPS



DONATION GOAL



600 million VND

raised annually to award 75 – 100 scholarships to primary, secondary, and high school students.

With this project, SABECO has aimed at giving employees’ children the best possible start in life.

RESPONSIBILITIES TOWARDS LOCAL COMMUNITIES

SABECO’S CONTRIBUTIONS TO VIETNAM’S FIGHT AGAINST COVID-19

The ongoing Covid-19 pandemic has caused severe damages and fundamentally transformed everyone’s life on an unprecedented scale. However, it has also stressed the importance of standing together and looking after each other in times of need. Capturing that spirit, SABECO has taken proactive actions to support and work with the Vietnamese government to lessen adverse impacts. In April 2020, SABECO partnered with the Vietnamese Fatherland Front of Ho Chi Minh City, the People’s Committees of Can Tho City and Tien Giang Province, and the Communist Youth Unions in Khanh Hoa, Ben Tre, and Binh Duong provinces to implement an aid program which provided essential support, including medical and personnel

support, to over 20,000 individuals in need and people in quarantine facilities across the country.

In order to put together these relief efforts, SABECO worked closely with its network of subsidiaries and suppliers. Purified water and other beverages were supplied by Chuong Duong Beverages Joint Stock Company, Saigon Tay Do Beer – Beverage Joint Stock Company, and Saigon Beer Mien Trung Trading Joint Stock Company, while rice was purchased from the Corporation’s local suppliers. At the same time, Binh Tay Liquor Joint Stock Company also gave a hand by producing hand sanitizers to meet the need of supplies.

- 2.5** TONS OF RICE
- 572,288** BOTTLES OF PURIFIED WATER AND OTHER BEVERAGES
- 40,460** BOTTLES OF HAND SANITIZERS

SABECO saw this aid package as a gift of encouragement to all health agents who had worked hard and showed great resilience in this crisis. Furthermore, by engaging subsidiaries and suppliers within the Corporation’s ecosystem, SABECO could guarantee its sources of supply as well as the quality of donated

products. This was also part of the Corporation’s efforts to help subsidiaries and local partners sustain their respective businesses and maintain jobs for employees to overcome this tough period together.

“RISE WITH VIETNAM” RELAY

In response to the Covid-19 outbreak, which has caused tremendous hardships and led to millions of jobs lost, SABECO launched its “Rise with Vietnam” relay in close collaboration with the VGCL, aiming at raising funds to support impacted workers to overcome this challenging period. Donations raised by the relay would be set aside as a relief effort for affected households by typhoon and flood in the Central region as well as disbursed to those Vietnamese workers before Lunar New Year of 2021.

Remarkable milestones of the “Rise with Vietnam” relay

09/09/2020

Press conference of the “Rise with Vietnam” relay

SABECO collaborated with VGCL to officially launch the “Rise with Vietnam” relay.



09/10/2020

Donations reached VND4 billion

The amount of donations to support runners increased rapidly and reached VND4 billion within a month. This impressive number came from not only runners’ friends, relatives, and colleagues, but also a broad range of domestic and foreign enterprises and sponsors.

17/10/2020

The Heritage relay

SABECO and VGCL organized the opening ceremony of the “Rise with Vietnam” relay and started the Heritage relay which stretched across 1,875 km all the way from Ha Long City to Ho Chi Minh City, symbolizing the establishment year of SABECO. This memorable milestone not only expressed the Corporation’s pride in its long-proven history and heritage but also showed resilience and perseverance of the Vietnamese people.



Due to heavy rain and floods in the Central of Vietnam, one section of the running route from Ha Tinh to Quang Tri was canceled and restarted in an area near Hue City. To reach the initial target of 1,875 km, 27 runners took part in a virtual run to cover the 303 km missing from the canceled route. In addition, SABECO and VGCL decided to contribute VND1 billion as a relief effort for typhoon and flood victims in the Central region.

25/10/2020

The Future relay

Following the Heritage relay, the Future relay covered 145 km from Ho Chi Minh City to Can Tho City, which represented SABECO’s hope and vision of continuing to rise with Vietnam and contributing to the country’s development for the next 145 years and beyond.

26/10/2020

Finishing the “Rise with Vietnam” relay

A total relay length of 2,020 km was successfully accomplished in 10 days by all runners.



The “Rise with Vietnam” relay brought together more than 150 runners from all walks of life, including the participation of leaders from central to provincial levels. Besides, various famous artists also participated actively and called for community support and donations. These actions have demonstrated not only the profound compassion of local authorities, but also affirmed the Vietnamese people’s spirit of mutual support, joining hands to overcome all challenges for better life outcomes.



1,875
KM
HERITAGE

145
KM
FUTURE

1
MISSION
FOR THE NATION

As of December 31, 2020

2,020
RELAY DISTANCE
COMPLETED

2,645
NUMBER OF
DONATIONS

VND5,274,679,443
CURRENT AMOUNT
OF DONATIONS

SUPPORT FOR FLOODED HOUSEHOLDS IN THE CENTRAL OF VIETNAM

In October 2020, the Central of Vietnam was severely hit by consecutive tropical storms, resulting in the worst floods and landslides for the past 100 years. Several houses were destroyed, crops were damaged, and people were left empty-handed. During the “Rise with Vietnam” relay, SABECO witnessed huge damages caused to the Central region, which urged the Corporation to act promptly to support local communities. Consequently, SABECO and the VGCL decided to set aside a minimum amount of VND1 billion as a relief effort for the Central of Vietnam. This decision was completely in line with the spirit of “Rise with Vietnam”, and at the same time represented the strength and solidarity of the Vietnamese people to overcome all difficulties.

SABECO collaborated with the Vietnamese Fatherland Front, VCGL, local Labor Union and People’s Committee in local areas as well as its subsidiaries and breweries organized the program to give relief packages. The program started on December 12, 2020 and ended on December 22, 2020 in Quang Tri, followed by Quang Binh, Quang Ngai, and Ha Tinh provinces where floods and storms hit the most. Overall, there were 1,000 households who received the Corporation’s support of VND1 million each to resume their living.



“TET GAN KET” PROGRAM

On January 18, 2021, SABECO and the VGCL jointly announced the latest CSR program called “Tet Gan Ket”, which was the next phase of the “Rise with Vietnam” campaign. With a total amount of more than VND5.2 billion raised from the “Rise with Vietnam” relay, “Tet Gan Ket” aimed to disburse more than VND4.2 billion to 4,200 Vietnamese workers impacted by Covid-19 under the criteria of VGCL. Previously, the campaign already awarded VND1 billion to support flooded provinces in the Central in December 2020.

From January 21 to February 5, 2021, thanks to the coordination between SABECO’s Labor Union, trading companies, as well as provincial Labor Unions, a relief package of VND4.2 billion was successfully delivered to 4,200 Vietnamese workers from 37 provinces nationwide. Ending SABECO’s 145th anniversary campaign, the “Tet Gan Ket” program was an opportunity for the Corporation, its partners, social organizations, and individuals to join hands in bringing support to the community, especially during this challenging period. It also reflected the Corporation’s commitment to 4C, including Country and Culture, thereby contributing to Vietnam’s socioeconomic development and spreading the spirit of happiness and togetherness on this Lunar New Year occasion.

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 18 May 2020. The Enterprise Registration Certificate and its updates were issued by the Ho Chi Minh City Department of Planning and Investment.

Registered Office

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

Auditor

KPMG Limited Vietnam

Board of Directors

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

Board of Management

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

Audit Committee

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

Legal Representative

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

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 2020.

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 70 give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and of its consolidated results of operations and its 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 2021

INDEPENDENT AUDITOR’S REPORT

To the Shareholders Saigon Beer - Alcohol - Beverage Corporation

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

MANAGEMENT’S RESPONSIBILITY

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

AUDITOR’S RESPONSIBILITY

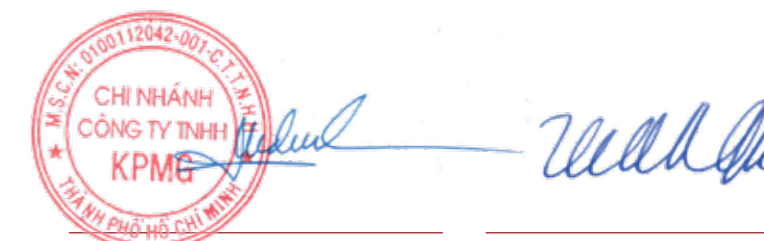
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance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

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

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

AUDITOR’S OPINION

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



**KPMG Limited’s Branch in
Ho Chi Minh City**
Vietnam
Audit Report No.: 20-01-00362-21-4

Ho Chi Minh City, 29 March 2021

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

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

Consolidated balance sheet as at 31 December 2020

Form B 01 – DN/HN

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

Unit: VND

	Code	Note	31/12/2020	1/1/2020
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		19,513,381,452,440	19,164,602,511,633
Cash and cash equivalents	110	6	2,726,137,088,387	4,115,884,646,637
Cash	111		844,203,088,387	953,478,997,565
Cash equivalents	112		1,881,934,000,000	3,162,405,649,072
Short-term financial investments	120		14,547,419,432,877	12,393,226,750,273
Held-to-maturity investments	123	7(a)	14,547,419,432,877	12,393,226,750,273
Accounts receivable – short-term	130		590,846,416,109	568,608,377,917
Accounts receivable from customers	131	8	69,331,890,605	157,654,572,653
Prepayments to suppliers	132		164,204,071,490	54,679,363,371
Other short-term receivables	136	9(a)	699,600,027,317	702,587,109,178
Allowance for doubtful short-term debts	137	10(a)	(342,289,573,303)	(346,312,667,285)
Inventories	140	11(a)	1,446,832,994,933	1,967,137,719,907
Inventories	141		1,525,038,920,678	2,169,540,753,708
Allowance for inventories	149		(78,205,925,745)	(202,403,033,801)
Other current assets	150		202,145,520,134	119,745,016,899
Short-term prepaid expenses	151	12(a)	143,821,768,836	97,129,905,121
Deductible value added tax	152		22,192,035,247	18,203,862,026
Taxes receivable from State Treasury	153	20(b)	36,131,716,051	4,411,249,752
Long-term assets (200 = 210 + 220 + 230 + 240 + 250 + 260)	200		7,861,591,322,918	7,797,873,582,412
Accounts receivable – long-term	210		11,958,390,566	9,110,080,970
Accounts receivable from customers – long-term	211		5,988,013,018	6,005,003,018
Loans receivable – long-term	215		4,000,000,000	4,000,000,000
Other long-term receivables	216	9(b)	41,278,370,471	38,495,491,775
Allowance for doubtful long-term debts	219	10(b)	(39,307,992,923)	(39,390,413,823)

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

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

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

Consolidated balance sheet as at 31 December 2020 (continued)

Form B 01 – DN/HN

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

Unit: VND

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

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

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

29 March 2021

Prepared by:

Approved by:



Hoang Thanh Van
Accountant



Tran Nguyen Trung
Chief Accountant



Teo Hong Keng
Deputy General Director



Neo Gim Siong Bennett
General Director

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

Consolidated statement of income the year ended 31 December 2020

Form B 02 – DN/HN

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

Unit: VND

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

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

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

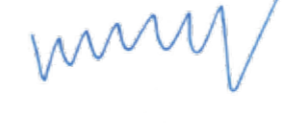
29 March 2021

Prepared by:

Approved by:



Hoang Thanh Van
Accountant



Tran Nguyen Trung
Chief Accountant



Teo Hong Keng
Deputy General Director



Neo Gim Siong Bennett
General Director

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

Consolidated statement of cash flows for the year ended 31 December 2020 (Indirect method)

Form B 03 – DN/HN

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

Unit: VND

	Code	Note	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Accounting profit before tax	01		6,111,818,325,965	6,686,176,624,962
Adjustments for				
Depreciation and amortisation	02		593,451,595,931	647,247,814,181
Allowances and provisions	03		(41,308,902,896)	358,145,344,743
Exchange losses arising from revaluation of monetary items denominated in foreign currencies	04		10,993,808,785	790,189,554
Profits from investing activities	05		(933,512,405,110)	(862,160,728,753)
Shared profits in associates and jointly controlled entities	05		(267,405,919,991)	(378,267,281,269)
Interest expense	06		63,681,326,473	37,367,206,872
Other adjustments	07		-	322,602,195
Operating profit before changes in working capital	08		5,537,717,829,157	6,489,621,772,485
Change in receivables	09		70,185,855,564	95,622,299,886
Change in inventories	10		573,632,990,375	(109,295,244,209)
Change in payables and other liabilities	11		(660,694,079,661)	11,238,478,499
Change in prepaid expenses	12		(44,422,006,927)	218,117,087,755
			5,476,420,588,508	6,705,304,394,416
Interest paid	14		(72,029,586,806)	(36,835,510,098)
Corporate income tax paid	15		(1,038,633,850,562)	(1,398,559,753,310)
Other payments for operating activities	17		(237,145,573,484)	(264,896,575,660)
Net cash flows from operating activities	20		4,128,611,577,656	5,005,012,555,348
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets	21		(367,442,290,535)	(268,997,916,043)
Proceeds from disposals of fixed assets	22		1,440,687,000	4,838,741,500
Placements of term deposits at banks	23		(16,247,323,041,096)	(14,261,677,226,631)
Collections of term deposits at banks	24		14,066,130,358,492	9,379,638,897,122
Receipts of interests and dividends	27		1,023,969,279,237	955,090,518,922

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

	Code	Note	2020	2019
Acquisition of subsidiary, net of cash acquired	28		-	82,063,103,504
Net cash flows from investing activities	30		(1,523,225,006,902)	(4,109,043,881,626)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings	33		3,061,076,110,807	3,235,967,733,915
Payments to settle loan principals	34		(3,309,442,411,518)	(3,346,479,516,980)
Payments to settle finance lease liabilities	35		(12,727,272,727)	-
Payments of dividends	36		(3,734,027,010,258)	(1,136,965,484,108)
Net cash flows from financing activities	40		(3,995,120,583,696)	(1,247,477,267,173)
Net cash flows during the year (50 = 20 + 30 + 40)	50		(1,389,734,012,942)	(351,508,593,451)
Cash and cash equivalents at the beginning of the year	60		4,115,884,646,637	4,467,391,585,137
Effect of exchange rate fluctuations on cash and cash equivalents	61		(13,545,308)	1,654,951
Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61)	70	6	2,726,137,088,387	4,115,884,646,637

29 March 2021

Prepared by:

Approved by:



Hoang Thanh Van
Accountant



Tran Nguyen Trung
Chief Accountant



Teo Hong Keng
Deputy General Director



Neo Gim Siong Bennett
General Director

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

Notes to the consolidated financial statements for the year ended 31 December 2020

Form B 09 – DN/HH
(Issued under Circular No. 202/2014/TT-BTC dated
22 December 2014 of the Ministry of Finance)

These notes form an integral part of and should be read in conjunction with the accompanying 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 2020 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 2020, the Group had 26 subsidiaries and 18 associates and jointly controlled entities (1/1/2020: 26 subsidiaries and 18 associates and jointly controlled entities) as follows:

No	Company name	31/12/2020		1/1/2020	
		% of equity interest	% of voting rights	% of equity interest	% of voting rights
I SUBSIDIARIES					
1	Western - Sai Gon Beer Joint Stock Company	51%	51%	51%	51%
2	Chuong Duong Beverages Joint Stock Company	62.06%	62.06%	62.06%	62.06%
3	Sai Gon - Quang Ngai Beer Joint Stock Company	66.56%	66.56%	66.56%	66.56%
4	Binh Tay Liquor Joint Stock Company	93.32%	93.47%	93.32%	93.47%
5	Sai Gon - Dong Xuan Beer Alcohol Joint Stock Company	55.90%	56.24%	55.90%	56.24%
6	Saigon - Nghetinh Beer Joint Stock Company	54.73%	54.73%	54.73%	54.73%
7	Saigon - Songlam Beer Joint Stock Company	68.78%	68.78%	68.78%	68.78%
8	Sai Gon - Ha Noi Beer Corporation	52.11%	52.11%	52.11%	52.11%
9	Sai Gon Beer Trading Company Limited	100%	100%	100%	100%
10	Northern Sai Gon Beer Trading Joint Stock Company	90.00%	90.00%	94.72%	94.72%
11	Sai Gon Beer Bac Trung Bo Trading Joint Stock Company	95.07%	95.07%	95.07%	95.07%
12	Saigon Beer Center Trading Joint Stock Company	94.45%	94.45%	94.42%	94.42%

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

No	Company name	Principal activities	31/12/2020		1/1/2020	
			% of equity interest	% of voting rights	% of equity interest	% of voting rights
13	Bia Saigon 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%	90%	90%	90%
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%
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	Saigon Song Tien Beer Trading Joint Stock Company	Trading beer, alcohol and beverages; providing warehousing and cargo transportation by road services	90%	90%	90%	90%
18	Saigon Song Hau Beer Trading Joint Stock Company	Trading beer, alcohol and beverages; providing cargo transportation by road and waterway services	90%	90%	90%	90%
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%	100%	51%	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%

No	Company name	Principal activities	31/12/2020		1/1/2020	
			% of equity interest	% of voting rights	% of equity interest	% of voting rights
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%	25%	25%	25%
2	Crown Beverage Cans Saigon Limited	Manufacturing aluminium cans	30%	30%	30%	30%
3	Malaya - Vietnam Glass Limited	Manufacturing glass products	30%	30%	30%	30%
4	San Miguel Yamamura Phu Tho Packaging Company Limited	Manufacturing and trading metal packaging	35%	35%	35%	35%
5	Vietnam Spirits and Wine Ltd	Producing and trading alcohol and alcohol-related products	45%	45%	45%	45%
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%

Form B 09 – DN/HH

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

No	Company name	Principal activities	31/12/2020		1/1/2020	
			% of equity interest	% of voting rights	% of equity interest	% of voting rights
10	Tan Thanh Investment Trading Company Limited	Construction and real estates	29%	29%	29%	29%
11	Mechanical and Industrial Construction Joint Stock Company	Manufacturing, installing machinery, bridges and roads and industrial construction products	26%	26%	26%	26%
12	Sai Gon - Vinh Long Beer Joint Stock Company	Producing and trading beer, alcohol and beverages	20%	20%	20%	20%
13	Sai Gon - Kien Giang Beer Joint Stock Company	Producing and trading beer, alcohol, beverage and spare parts	20%	20%	20%	20%
14	Sai Gon - Khanh Hoa Beer Joint Stock Company	Producing and trading beer, alcohol, beverage and spare parts	26%	26%	26%	26%
15	Saigon - Bentre Beer Joint Stock Company	Producing and trading beer, alcohol and beverages	20%	20%	20%	20%
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	10.2%	20%	10.2%	20%

(*) 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 2020, the ratios are 40% and 60% (2019: 35% and 65%) for the Group and the counter party, respectively.

As at 31 December 2020, the Group had 8,388 employees (1/1/2020: 8,017 employees).

Notes to the consolidated financial statements for the year
ended 31 December 2020 (continued)

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 consolidated 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.

Form B 09 – DN/HH(Issued under Circular No. 202/2014/TT-BTC dated
22 December 2014 of the Ministry of Finance)**(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 intra- group 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 Group's management has the intention and ability to hold until maturity. Held-to-maturity investments include term deposits at banks, bonds and loans receivable held to maturity. 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, except where such a loss was anticipated by the Group's management before making the investment. 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.

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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 direct selling expenses.

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
5 – 30 YEARS

Motor vehicles
3 – 10 YEARS

Office equipment
3 – 15 YEARS

Others
2 – 20 YEARS

(H) INTANGIBLE FIXED ASSETS**(i) Land use rights**

Land use rights comprise:

- Those granted by the State for which land use payments are collected;
- Those acquired in a legitimate transfer; and
- Rights to use leased land obtained before the effective date of Land Law (2003) for which payments have been made in advance for more than 5 years and supported by land use right certificate issued by competent authority.

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 32 to 49 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.

Form B 09 – DN/HN(Issued under Circular No. 202/2014/TT-BTC dated
22 December 2014 of the Ministry of Finance)**(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 construction and machinery 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 straight-line basis over 2 to 3 years.

(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 Circular No. 45/2013/TT-BTC dated 25 April 2013 of the Ministry of Finance providing guidance on management, use and depreciation of fixed assets, 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 are 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.

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(N) SHARE CAPITAL**Ordinary shares**

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

(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.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(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.

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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) by the weighted average number of ordinary shares outstanding during the year.

The Group did not have potentially dilutive shares and regulations on presentation of diluted earnings per share are not applied.

(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 cash flows for the prior year.

4. IMPACTS OF COVID-19 AND NEW REGULATIONS

The outbreak of the 2019 Novel Coronavirus ("Covid-19") pandemic from March 2020 in Vietnam and subsequent measures imposed by the Vietnam Government have had an adverse impact on production and sales of the Group. Decree 100/2019/ND-CP which is effective since 1 January 2020 has also affected the beer and alcohol businesses. The Group's management has adapted its business strategy and applied cost saving measures to reduce the financial impacts of these events. Though Vietnam has allowed all businesses to be reopened, international travel has remained primarily closed. The Group's management is continuing to monitor the situation of the Covid-19 pandemic and apply appropriate measures.

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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.

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 2020 and 1 January 2020 were mainly related to the Group's sales of beers activities. Note 31 and Note 32 disclosed breakdown of revenue and cost of sales per each category of products, which provided sufficient information as to 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.

6. CASH AND CASH EQUIVALENTS**Unit: VND**

	31/12/2020	1/1/2020
Cash on hand	8,109,556,005	1,999,169,826
Cash in banks	836,093,532,382	951,479,827,739
Cash equivalents (*)	1,881,934,000,000	3,162,405,649,072
	2,726,137,088,387	4,115,884,646,637

(*) Cash equivalents represented term deposits at banks with original terms to maturity of three months or less. Cash equivalents are denominated in VND and earned interest at rates ranging from 3.0% to 4.6% per annum (1/1/2020: 4.3% to 5.5% per annum).

7. 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 3.5% to 7.7% per annum (1/1/2020: 6.5% to 8.2% per annum).

(B) HELD-TO-MATURITY INVESTMENTS – LONG-TERM**Unit: VND**

	31/12/2020	1/1/2020
Term deposits (i)	60,000,000,000	33,000,000,000
Bonds (ii)	20,868,879,905	20,868,879,905
	80,868,879,905	53,868,879,905

- (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 rates ranging from 5.5% to 6.1% per annum (1/1/2020: 8.3% per annum).
- (ii) This represented the Group's investments in bonds issued by Shipbuilding Industry Corporation. Allowance was fully made for this investment.

(C) EQUITY INVESTMENTS IN OTHER ENTITIES

	31/12/2020			1/1/2020		
	Equity accounted/ Cost	Allowance	Carrying amount	Equity accounted/ Cost	Allowance	Carrying amount
Investments in associates and jointly controlled entities (i)	2,049,028,504,129	(102,210,427,352)	1,946,818,076,777	1,878,458,174,350	(97,332,469,971)	1,781,125,704,379
Equity investments in other entities (ii)	665,885,700,116	(342,286,659,322)	323,599,040,794	665,885,700,116	(338,141,461,677)	327,744,238,439
	2,714,914,204,245	(444,497,086,674)	2,270,417,117,571	2,544,343,874,466	(435,473,931,648)	2,108,869,942,818

Unit: VND

(i) Investments in associates and jointly controlled entities

Company name	31/12/2020			1/1/2020		
	Equity accounted	Fair value	Allowance	Equity accounted	Fair value	Allowance
Truong Sa Food - Food Business Joint Stock Company	4,877,957,381	(*)	(4,877,957,381)	5,349,040,203	(*)	-
Thanh Nam Consultant Investment - Engineering and Technology Transfer Joint Stock Company	329,653,546	(*)	-	329,653,546	(*)	-
Saigon - Phutho Beer Joint Stock Company	76,988,553,528	76,124,792,250	-	79,280,455,575	103,789,126,800	-
Mechanical and Industrial Construction Joint Stock Company	6,634,611,156	(*)	-	11,239,321,481	(*)	-
Saigon Tay Do Beer - Beverage Joint Stock Company	105,166,392,165	(*)	-	112,110,621,745	(*)	-

Unit: VND

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ngày 22 tháng 12 năm 2014 của Bộ Tài chính)

Company name	31/12/2020			1/1/2020		
	Equity accounted	Fair value	Allowance	Equity accounted	Fair value	Allowance
Me Linh Point Limited	138,972,042,458	(*)	-	129,777,418,614	(*)	-
Crown Beverage Cans Saigon Limited	421,373,260,968	(*)	-	300,165,809,593	(*)	-
Malaya - Vietnam Glass Limited	289,884,838,556	(*)	-	261,432,271,091	(*)	-
San Miguel Yamamura Phu Tho Packaging Company Limited	62,363,920,103	(*)	-	58,224,106,724	(*)	-
Vietnam Spirits and Wine Ltd	26,502,914,250	(*)	(26,502,914,250)	26,502,914,250	(*)	(26,502,914,250)
Saigon Binh Tay Beer Group Joint Stock Company	497,424,046,356	(*)	-	478,371,013,670	(*)	-
Sai Gon - Mien Trung Beer Joint Stock Company	159,912,655,618	405,288,769,700	-	149,579,209,268	381,106,862,200	-
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	37,736,550,074	28,164,607,059	-	39,413,251,891	31,554,189,333	-
Sai Gon - Vinh Long Beer Joint Stock Company	54,828,489,105	(*)	-	49,365,264,038	(*)	-
Sai Gon - Kien Giang Beer Joint Stock Company	23,576,877,118	(*)	-	32,474,770,492	(*)	-
Sai Gon - Khanh Hoa Beer Joint Stock Company	45,329,335,287	(*)	-	48,931,173,926	(*)	-
Saigon - Bentre Beer Joint Stock Company	26,296,850,739	(*)	-	25,082,322,522	(*)	-
	2,049,028,504,129		(102,210,427,352)	1,878,458,174,350		(97,332,469,971)

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

	2020	2019
Opening balance	1,878,458,174,350	1,800,203,395,934
Share of profits during the year	267,405,919,991	378,267,281,269
Dividends income during the year	(96,428,050,315)	(285,568,395,822)
Foreign exchange differences	(407,539,897)	6,173,386,117
Decrease from change in equity interest	-	(20,617,493,148)
CLOSING BALANCE	2,049,028,504,129	1,878,458,174,350

Unit: VND

(ii) **Equity investments in other entities**

Company name	31/12/2020		1/1/2020	
	Cost	Fair value	Cost	Fair value
Orient Commercial Joint Stock Bank	216,579,320,000	375,218,868,800	216,579,320,000	234,115,429,133
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	15,439,345,200	51,475,140,000	14,953,831,200
Underground Space Investment Development Corporation	23,085,000,000	(*) (23,085,000,000)	23,085,000,000	(*) (23,085,000,000)

Unit: VND

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(Ban hành theo Thông tư số 202/2014/TT-BTC
ngày 22 tháng 12 năm 2014 của Bộ Tài chính)

Company name	31/12/2020		1/1/2020	
	Cost	Fair value	Cost	Fair value
Phuong Dong Petroleum Tourism Joint Stock Company	30,700,950,000	5,145,000,000	30,700,950,000	7,056,000,000
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	(*) -
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	(*) (1,810,837,795)
Development Investment Construction Joint Stock Company	14,992,108,200	(*) -	14,992,108,200	(*) (319,597,560)
	665,885,700,116	(342,286,659,322)	665,885,700,116	(338,141,461,677)

(*) 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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Movements of equity investments in other entities during the year were as follows:

	Unit: VND	
	2020	2019
Opening balance	665,885,700,116	688,510,888,053
Decrease through offsetting with other payables	-	(15,350,000,000)
Written off during the year	-	(7,275,187,937)
CLOSING BALANCE	665,885,700,116	665,885,700,116

(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:

	Unit: VND	
	2020	2019
Opening balance	435,473,931,648	390,540,855,782
Allowance made during the year	9,828,266,586	87,873,766,910
Allowance reversed during the year	(805,111,560)	(35,665,503,107)
Allowance utilised during the year	-	(7,275,187,937)
CLOSING BALANCE	444,497,086,674	435,473,931,648

8. ACCOUNTS RECEIVABLE FROM CUSTOMERS**(A) ACCOUNTS RECEIVABLE FROM CUSTOMERS DETAILED BY SIGNIFICANT CUSTOMERS**

	Unit: VND	
	31/12/2020	1/1/2020
Sai Gon - Ninh Thuan Beer Company Limited	9,551,689,138	12,001,936,496
Saigon Binh Tay Beer Group Joint Stock Company	7,687,442,501	30,014,447,972
Sai Gon - Vinh Long Beer Joint Stock Company	7,623,484,602	7,636,502,161
Other customers	44,469,274,364	108,001,686,024
	69,331,890,605	157,654,572,653

(B) ACCOUNTS RECEIVABLE FROM CUSTOMERS WHO ARE RELATED PARTIES

	Unit: VND	
	31/12/2020	1/1/2020
Associates and jointly controlled entities		
Saigon Binh Tay Beer Group Joint Stock Company	7,687,442,501	30,014,447,972
Sai Gon - Vinh Long Beer Joint Stock Company	7,623,484,602	7,636,502,161
Sai Gon - Kien Giang Beer Joint Stock Company	2,771,522,337	10,112,131,104
Saigon - Phutho Beer Joint Stock Company	2,672,119,652	8,367,162,123
Saigon Tay Do Beer - Beverage Joint Stock Company	1,890,142,790	6,307,906,113
Malaya - Vietnam Glass Limited	1,813,347,717	2,134,763,192
Sai Gon - Mien Trung Beer Joint Stock Company	1,362,991,088	8,673,647,771
Saigon - Bentre Beer Joint Stock Company	869,066,325	7,622,147,366
San Miguel Yamamura Phu Tho Packaging Company Limited	283,298,400	375,144,000
Crown Beverage Cans Saigon Limited	288,200	-
Sai Gon - Khanh Hoa Beer Joint Stock Company	-	5,481,242,048

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	Unit: VND	
	31/12/2020	1/1/2020
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	329,185,963,259	313,539,765,595
Dividends receivable	37,954,694,500	48,821,921,232
Other short-term receivables	55,228,636,015	62,994,688,808
	699,600,027,317	702,587,109,178

Other short-term receivables from related parties

Unit: VND

	31/12/2020	1/1/2020
Associates and jointly controlled entities		
Tan Thanh Investment Trading Company Limited	277,230,733,543	277,230,733,543
Sai Gon - Mien Trung Beer Joint Stock Company	34,091,873,907	36,311,825,665
Saigon - Phutho Beer Joint Stock Company	2,163,474,650	-
Sai Gon - Vinh Long Beer Joint Stock Company	746,494,094	6,950,307,806
Sai Gon - Kien Giang Beer Joint Stock Company	738,433,728	1,592,202,248
Saigon Binh Tay Beer Group Joint Stock Company	486,225,636	3,470,918,435
Saigon - Bentre Beer Joint Stock Company	395,806,235	1,868,442,672
Saigon Tay Do Beer - Beverage Joint Stock Company	89,004,219	-
Saigon - Baclieu Beer Joint Stock Company	47,736,076	-
San Miguel Yamamura Phu Tho Packaging Company Limited	-	8,141,000,000
Sai Gon - Khanh Hoa Beer Joint Stock Company	-	83,916,000

(B) OTHER LONG-TERM RECEIVABLES

Unit: VND

	31/12/2020	1/1/2020
Long-term deposits	33,259,505,471	30,466,726,775
Other long-term receivables	8,018,865,000	8,028,765,000
	41,278,370,471	38,495,491,775

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Unit: VND

	31/12/2020				1/1/2020			
	Overdue days	Cost	Allowance	Recoverable amount	Overdue days	Cost	Allowance	Recoverable amount
Other short-term receivables	Over 2 years	327,346,619,725	(327,346,619,725)	-	Over 2 years	329,371,173,672	(329,371,173,672)	-
Prepayments to suppliers	Over 2 years	9,985,832,259	(9,985,832,259)	-	Over 2 years	11,688,783,954	(11,675,439,217)	13,344,737
Accounts receivable from customers	Over 2 years	4,957,121,319	(4,957,121,319)	-	Over 2 years	5,355,275,946	(5,266,054,396)	89,221,550
		342,289,573,303	(342,289,573,303)	-		346,415,233,572	(346,312,667,285)	102,566,287

(B) LONG-TERM

Unit: VND

	31/12/2020				1/1/2020			
	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)	-	Over 2 years	20,868,879,905	(20,868,879,905)	-
Accounts receivable from customers – long-term	Over 2 years	5,988,013,018	(5,988,013,018)	-	Over 2 years	6,005,003,018	(6,005,003,018)	-
Loans receivable – long-term	Over 2 years	4,000,000,000	(4,000,000,000)	-	Over 2 years	4,000,000,000	(4,000,000,000)	-
Other long-term receivables	Over 2 years	8,451,100,000	(8,451,100,000)	-	Over 2 years	8,516,530,900	(8,516,530,900)	-
		39,307,992,923	(39,307,992,923)	-		39,390,413,823	(39,390,413,823)	-

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

Unit: VND

	2020	2019
Opening balance	385,703,081,108	95,268,832,527
Allowance made during the year	991,453,684	291,232,795,662
Allowance reversed during the year	(1,123,305,444)	(450,295,177)
Allowance utilised during the year	(3,973,663,122)	(348,251,904)
CLOSING BALANCE	381,597,566,226	385,703,081,108

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Unit: VND

	31/12/2020		1/1/2020	
	Cost	Allowance	Cost	Allowance
Goods in transit	139,641,084,955	-	206,339,542,512	-
Raw materials	401,351,146,325	(27,018,634,459)	517,894,000,688	(56,730,202,872)
Tools and supplies	147,061,665,076	(43,918,674,860)	285,028,888,383	(123,647,246,994)
Work in progress	214,176,027,541	-	232,611,199,538	(1,939,778,598)
Finished goods	617,075,790,253	(6,522,583,446)	927,663,136,778	(20,085,805,337)
Merchandise inventories	5,733,206,528	(746,032,980)	3,985,809	-
	1,525,038,920,678	(78,205,925,745)	2,169,540,753,708	(202,403,033,801)

Included in inventories as at 31 December 2020 was VND78,206 million (1/1/2020: VND202,403 million) of obsolete or slow-moving inventories that were difficult to sell.

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

Unit: VND

	2020	2019
Opening balance	202,403,033,801	220,309,616,679
Allowance made during the year	22,752,405,970	23,963,592,718
Allowance reversed during the year	(82,788,727,822)	(24,704,592,098)
Allowance utilised during the year	(53,647,174,632)	(16,972,354,971)
Transfer to allowance for long-term tools, supplies and spare parts	(10,513,611,572)	(193,228,527)
CLOSING BALANCE	78,205,925,745	202,403,033,801

(B) LONG-TERM TOOLS, SUPPLIES AND SPARE PARTS

Unit: VND

	31/12/2020		1/1/2020	
	Cost	Allowance	Cost	Allowance
Long-term tools, supplies and spare parts	78,217,769,003	(49,096,070,107)	60,182,188,934	(29,145,767,294)

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

Unit: VND

	2020	2019
Opening balance	29,145,767,294	13,296,219,944
Allowance made during the year	17,166,775,116	18,276,894,934
Allowance reversed during the year	(7,730,083,875)	(2,620,576,111)
Transfer from allowance for inventories	10,513,611,572	193,228,527
CLOSING BALANCE	49,096,070,107	29,145,767,294

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12. PREPAID EXPENSES

(A) SHORT-TERM PREPAID EXPENSES

Unit: VND

	31/12/2020	1/1/2020
Advertising expenses	95,481,128,569	61,446,931,219
Rental expenses	14,409,108,940	17,831,096,101
Tools and instruments	4,319,656,098	2,976,228,969
Others	29,611,875,229	14,875,648,832
	143,821,768,836	97,129,905,121

(B) LONG-TERM PREPAID EXPENSES

Unit: VND

	31/12/2020	1/1/2020
Returnable packaging	138,198,807,564	138,132,411,556
Prepaid land costs	64,212,617,641	66,375,716,506
Property held for future investment (*)	51,602,316,000	51,602,316,000
Tools and instruments	41,793,677,975	32,092,214,503
Others	34,832,049,538	40,401,975,215
	330,639,468,718	328,604,633,780

(*) Property held for future investment represented the value of land use rights awaiting transfer (Note 22(b)).

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

Unit: VND

	2020	2019
Opening balance	328,604,633,780	551,794,760,319
Acquired through business combination	-	3,028,093,892
Additions during the year	160,165,991,884	144,660,537,471
Transfer from construction in progress	3,326,643,517	2,589,479,748
Amortisation for the year	(161,454,452,643)	(372,275,394,494)
Transfer from/(to) tangible fixed assets	71,700,000	(1,108,205,697)
Transfer to short-term prepaid expenses	(75,047,820)	(84,637,459)
CLOSING BALANCE	330,639,468,718	328,604,633,780

13. TANGIBLE FIXED ASSETS

Unit: VND

	Buildings and structures	Machinery and equipment	Motor vehicles	Office equipment	Others	Total
Cost						
Opening balance	2,078,623,291,633	7,700,011,600,756	254,634,372,155	147,640,041,984	9,321,546,674	10,190,230,853,202
Additions	31,050,000	19,050,008,585	2,283,277,272	12,860,080,170	-	34,224,416,027
Transfer from construction in progress	49,164,581,592	521,928,837,541	-	2,623,232,944	-	573,716,652,077
Transfer to investment properties (Note 16(a))	(11,838,105,819)	-	-	-	-	(11,838,105,819)
Reclassification	-	-	(1,895,030,928)	1,895,030,928	-	-
Disposals	-	(8,842,158,317)	(2,288,911,247)	(174,256,731)	-	(11,305,326,295)
Transfer to long-term prepaid expenses	-	-	-	-	(71,700,000)	(71,700,000)
CLOSING BALANCE	2,115,980,817,406	8,232,148,288,565	252,733,707,252	164,844,129,295	9,249,846,674	10,774,956,789,192
Accumulated depreciation						
Opening balance	980,892,096,872	5,153,799,156,887	191,989,917,201	114,036,300,943	5,870,823,109	6,446,588,295,012
Charge for the year	97,104,134,203	459,313,382,699	16,252,231,905	14,847,108,304	792,037,305	588,308,894,416
Transfer to investment properties (Note 16(a))	(2,243,400,565)	-	-	-	-	(2,243,400,565)
Reclassification	-	-	(1,869,845,742)	1,869,845,742	-	-
Disposals	-	(8,622,855,437)	(2,288,911,247)	(174,256,731)	-	(11,086,023,415)
CLOSING BALANCE	1,075,752,830,510	5,604,489,684,149	204,083,392,117	130,578,998,258	6,662,860,414	7,021,567,765,448
Net book value						
Opening balance	1,097,731,194,761	2,546,212,443,869	62,644,454,954	33,603,741,041	3,450,723,565	3,743,642,558,190
CLOSING BALANCE	1,040,227,986,896	2,627,658,604,416	48,650,315,135	34,265,131,037	2,586,986,260	3,753,389,023,744

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Included in tangible fixed assets as at 31 December 2020 were assets costing VND3,177,789 million (1/1/2020: VND2,346,481 million) which were fully depreciated, but which are still in active use.

The net book value of tangible fixed assets retired from active use and held for disposal was to VND62,578 million as at 31 December 2020 (1/1/2020: VND58,590 million).

Historical cost of tangible fixed assets that the Group leased to its associates to earn rental income as at 31 December 2020 was VND61,027 million (1/1/2020: VND61,027 million).

14. FINANCE LEASE TANGIBLE FIXED ASSETS

Unit: VND

	Buildings and structures
Cost	
Additions and closing balance	179,020,927,499
Accumulated depreciation	
Charge for the year and closing balance	886,754,367
Net book value	
CLOSING BALANCE	178,134,173,132

15. INTANGIBLE FIXED ASSETS

Unit: VND

	Land use rights (*)	Software	Others	Total
Cost				
Opening balance	1,024,215,267,144	67,270,890,585	247,447,482	1,091,733,605,211
Additions	-	9,434,466,800	-	9,434,466,800
Transfer from construction in progress	-	1,061,941,589	-	1,061,941,589
Reclassification	-	143,447,482	(143,447,482)	-
Written-off	(33,359,564)	-	-	(33,359,564)
CLOSING BALANCE	1,024,181,907,580	77,910,746,456	104,000,000	1,102,196,654,036
Accumulated amortisation				
Opening balance	83,628,234,464	66,075,272,419	232,201,231	149,935,708,114
Charge for the year	6,806,567,673	2,465,154,053	12,952,251	9,284,673,977
Reclassification	-	143,447,482	(143,447,482)	-
Written-off	(4,180,700)	-	-	(4,180,700)
CLOSING BALANCE	90,430,621,437	68,683,873,954	101,706,000	159,216,201,391
Net book value				
Opening balance	940,587,032,680	1,195,618,166	15,246,251	941,797,897,097
CLOSING BALANCE	933,751,286,143	9,226,872,502	2,294,000	942,980,452,645

Included in intangible fixed assets as at 31 December 2020 were assets costing VND66,192 million (1/1/2020: VND64,172 million) which were fully amortised but still in active use.

The net book value of intangible fixed assets retired from active use and held for disposal was to VND304 million as at 31 December 2020 (1/1/2020: VND304 million).

(*) Land use rights as at 31 December 2020 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 22(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	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 an amount of VND43,276 million (2019: VND26,967 million) following the tax payment notices from local tax authorities.

16. INVESTMENT PROPERTIES

Unit: VND

	31/12/2020	1/1/2020
Investment property held to earn rental (a)	33,412,839,013	26,672,244,376
Investment property held for capital appreciation (b)	31,760,909,657	31,760,909,657
	65,173,748,670	58,433,154,033

(A) INVESTMENT PROPERTY HELD TO EARN RENTAL

Unit: VND

	Land use rights	Buildings and structures	Total
Cost			
Opening balance	27,812,438,744	18,106,255,809	45,918,694,553
Transfer from tangible fixed assets (Note 13)	-	11,838,105,819	11,838,105,819
CLOSING BALANCE	27,812,438,744	29,944,361,628	57,756,800,372
Accumulated depreciation			
Opening balance	7,906,274,291	11,340,175,886	19,246,450,177
Charge for the year	604,618,259	2,249,492,358	2,854,110,617
Transfer from tangible fixed assets (Note 13)	-	2,243,400,565	2,243,400,565
CLOSING BALANCE	8,510,892,550	15,833,068,809	24,343,961,359
Net book value			
Opening balance	19,906,164,453	6,766,079,923	26,672,244,376
CLOSING BALANCE	19,301,546,194	14,111,292,819	33,412,839,013

(B) INVESTMENT PROPERTY HELD FOR CAPITAL APPRECIATION

Unit: VND

	Land use rights
Cost	
Opening and closing balance	34,911,821,575
Accumulated amortisation	
Opening and closing balance	3,150,911,918
Net book value	
Opening and closing balance	31,760,909,657

The Group has not determined fair values of investment properties for disclosure in the consolidated financial statements because 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 investment properties may differ from their carrying amounts.

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Unit: VND

	2020	2019
Opening balance	307,773,703,264	144,377,898,065
Additions during the year	300,190,623,200	259,569,796,251
Acquired through business combination	-	319,912,641
Transfer to tangible fixed assets	(573,716,652,077)	(87,260,303,164)
Transfer to intangible fixed assets	(1,061,941,589)	-
Transfer to long-term prepaid expenses	(3,326,643,517)	(2,589,479,748)
Transfer to short-term prepaid expenses	(906,348,209)	-
Transfer to inventories	(813,912,046)	-
Written off	-	(6,644,120,781)
CLOSING BALANCE	28,138,829,026	307,773,703,264

Major constructions in progress were as follows:

Unit: VND

	31/12/2020	1/1/2020
Beer filtration and separation systems	-	100,342,589,681
Buildings and structures	-	78,407,669,034
Other projects	28,138,829,026	129,023,444,549
	28,138,829,026	307,773,703,264

18. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Unit: VND

	Tax rate	31/12/2020	1/1/2020
Deferred tax assets recognised on:			
Allowance for diminution in the value of long-term financial investments	20%	65,243,864,533	62,078,974,035
Accrued expenses and provisions	20%	42,316,471,671	65,769,374,820
Unrealised profits	20%	39,444,313,110	45,504,272,571
Allowance for inventories and long-term tools, suppliers and spare parts	20%	20,900,876,816	36,470,545,384
Allowance for doubtful debts	20%	2,323,811,667	4,345,263,905
Others	20%	540,202,248	567,880,000
Total deferred tax assets		170,769,540,045	214,736,310,715
Deferred tax liabilities recognised on:			
Allowance for diminution in the value of long-term financial investments	20%	31,945,415,048	25,196,385,655
Tools and instruments	20%	5,150,600,909	6,480,311,474
Accrued expenses and others	20%	(489,633,313)	(1,133,077,056)
Total deferred tax liabilities		36,606,382,644	30,543,620,073

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Unit: VND

	Cost/Amount within payment capacity	
	31/12/2020	1/1/2020
Crown Beverage Cans Saigon Limited	223,084,440,143	235,967,453,301
Hanacans Joint Stock Company	140,641,240,943	255,937,951,196
Other suppliers	1,289,180,933,762	1,935,162,449,390
	1,652,906,614,848	2,427,067,853,887

(ii) Accounts payable to suppliers who are related parties

Unit: VND

	Cost/Amount within payment capacity	
	31/12/2020	1/1/2020
Associates and jointly controlled entities		
Crown Beverage Cans Saigon Limited	223,084,440,143	235,967,453,301
Sai Gon - Mien Trung Beer Joint Stock Company	44,976,587,953	52,041,494,908
Saigon Binh Tay Beer Group Joint Stock Company	19,812,398,470	63,993,357,149
Sai Gon - Khanh Hoa Beer Joint Stock Company	18,108,761,000	5,565,963,898
San Miguel Yamamura Phu Tho Packaging Company Limited	12,707,200,000	15,764,630,891
Saigon - Phutho Beer Joint Stock Company	11,483,668,900	24,851,400,970
Saigon - Bentre Beer Joint Stock Company	9,454,426,850	18,409,920,276
Saigon Tay Do Beer - Beverage Joint Stock Company	6,011,317,950	8,441,778,004
Malaya - Vietnam Glass Limited	5,611,672,105	-
Sai Gon - Vinh Long Beer Joint Stock Company	4,825,865,000	21,125,716,480
Sai Gon - Kien Giang Beer Joint Stock Company	3,218,569,970	27,107,766,113
Saigon - Baclieu Beer Joint Stock Company	2,149,649,700	4,688,242,020
Me Linh Point Limited	319,000,000	-
Other related party		
TBC-Ball Beverage Can Vietnam Co., Ltd	96,115,396,624	52,601,015,251

(B) ACCOUNTS PAYABLE TO SUPPLIERS – LONG-TERM**Accounts payable to suppliers detailed by significant suppliers**

Unit: VND

	Cost/Amount within payment capacity	
	31/12/2020	1/1/2020
Krones AG (*)	167,127,272,000	-
Others	100,000,000	100,000,000
	167,227,272,000	100,000,000

(*) The long-term accounts payable to Krones AG is secured by held-to-maturity investments and tangible fixed assets, and will be repaid in 2022.

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Unit: VND

	1/1/2020	Incurred	Paid	Net-off	Reclassified to taxes receivable	31/12/2020
Special sales tax	492,850,292,427	7,270,730,884,112	(7,000,035,034,853)	-	-	763,546,141,686
Corporate income tax	232,943,964,427	1,124,942,822,470	(1,038,633,850,562)	(1,989,241,864)	2,245,145,731	319,508,840,202
Value added tax	100,284,136,319	13,193,569,622,865	(1,621,338,149,919)	(11,525,111,065,529)	-	147,404,543,736
Personal income tax	26,171,569,215	88,271,290,543	(96,276,371,049)	(463,563,366)	3,717,307,576	21,420,232,919
Import-export tax	-	13,250,584,372	(13,250,584,372)	-	-	-
Other taxes	3,710,050,777	73,785,969,957	(102,095,220,033)	(65,747,292)	30,083,520,081	5,418,573,490
	855,960,013,165	21,764,551,174,319	(9,871,629,210,788)	(11,527,629,618,051)	36,045,973,388	1,257,298,332,033

In 2018, the Group received the Notification of the tax authority requesting provisional payments to the State budget in relation to the late payment penalty and late interest on special sales tax for the period from 2007 to 2015 that had been paid by the Group. In April 2020, the Group received official responses from the relevant authorities informing that matters were resolved.

(B) TAXES RECEIVABLE FROM STATE TREASURY

Unit: VND

	1/1/2020	Net-off	Reclassified from taxes payable	31/12/2020
Value added tax	1,806,954,567	(1,806,954,567)	-	-
Corporate income tax	1,989,241,864	(1,989,241,864)	2,245,145,731	2,245,145,731
Personal income tax	463,563,366	(463,563,366)	3,717,307,576	3,717,307,576
Other taxes	151,489,955	(65,747,292)	30,083,520,081	30,169,262,744
	4,411,249,752	(4,325,507,089)	36,045,973,388	36,131,716,051

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Unit: VND

	31/12/2020	1/1/2020
Advertising and promotion expenses	159,236,197,134	325,832,316,250
Interest expenses	13,139,719,501	21,487,979,834
Others	64,945,549,844	85,850,685,636
	237,321,466,479	433,170,981,720

22. OTHER PAYABLES**(A) OTHER PAYABLES – SHORT-TERM**

Unit: VND

	31/12/2020	1/1/2020
Estimated land use rights payable to the State in connection with equitisation (*)	735,379,872,700	735,379,872,700
Short-term deposits received	134,765,892,226	179,289,889,446
Dividends payable	32,410,792,586	45,680,554,923
Other payables	64,363,267,655	118,997,511,575
	966,919,825,167	1,079,347,828,644

(*) 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 15).

Other payables – short-term to related parties

Unit: VND

	31/12/2020	1/1/2020
Associates and jointly controlled entities		
Thanh Nam Consultant Investment - Engineering and Technology Transfer Joint Stock Company	340,000,000	340,000,000
Saigon Binh Tay Beer Group Joint Stock Company	287,780,949	2,854,448,349
Sai Gon - Mien Trung Beer Joint Stock Company	215,350,400	-
Sai Gon - Khanh Hoa Beer Joint Stock Company	10,937,943	-
Saigon - Baclieu Beer Joint Stock Company	719,210	-
Other related parties		
Super Brands Company Pte. Ltd	2,464,069,317	6,246,344,005
Thai Beverage Public Company Limited	1,878,375,715	-
Chang International Co., Ltd	667,563,948	-
Fraser and Neave, Limited	481,446,018	2,425,671,710
Fraser & Neave (Singapore) Pte. Limited	2,000,000	874,455,121

(B) OTHER PAYABLES – LONG-TERM

Unit: VND

	31/12/2020	1/1/2020
Land tax payable to the State (Note 12(b))	51,602,316,000	51,602,316,000
Long-term deposits received	2,951,200,000	2,471,000,000
	54,553,516,000	54,073,316,000

23. BORROWINGS

(A) SHORT-TERM BORROWINGS

	Unit: VND	
	1/1/2020	31/12/2020
	Carrying amount/ Amount within repayment capacity	Carrying amount/ Amount within repayment capacity
Short-term borrowings	504,913,273,296	439,214,639,859
	Increase	Decrease
Current portion of long-term borrowings (Note 23(b))	54,577,320,000	(100,597,790,000)
	3,061,076,110,807	(3,126,774,744,244)
	560,511,063,296	448,791,959,859
	3,115,653,430,807	(3,227,372,534,244)

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

	Currency	31/12/2020 (VND)	1/1/2020 (VND)
Vietnam Export Import Commercial Joint Stock Bank – Quang Ngai Branch	VND	69,985,955,236	-
Vietnam Joint Stock Commercial Bank for Industry and Trade – Quang Ngai Branch (*)	USD	60,193,452,000	-
Joint Stock Commercial Bank for Investment and Development of Viet Nam – My Dinh Branch	VND	55,805,010,701	-
Vietnam Joint Stock Commercial Bank for Industry and Trade – Quang Ngai Branch	VND	50,500,000,000	91,500,000,000
Vietnam Joint Stock Commercial Bank for Industry and Trade – Branch 4	VND	50,000,000,000	100,000,000,000
Vietnam Joint Stock Commercial Bank for Industry and Trade – Quang Minh Branch	VND	50,000,000,000	39,373,905,690
Vietnam Joint Stock Commercial Bank for Industry and Trade – Branch 4	VND	37,230,221,922	118,766,311,328
Joint Stock Commercial Bank for Foreign Trade of Vietnam – Quang Ngai Branch	VND	35,500,000,000	-
Vietnam International Commercial Joint Stock Bank – Vinh Branch	VND	30,000,000,000	-
Vietnam Joint Stock Commercial Bank for Industry and Trade – Branch 4	VND	-	144,973,056,278
Vietnam Joint Stock Commercial Bank for Industry and Trade – Nam Thang Long Branch	VND	-	10,300,000,000
		439,214,639,859	504,913,273,296

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(*) This borrowing was drawdown by USD and had the outstanding balance as at 31 December 2020 of USD2,596,000, equivalent to VND60,193,452,000 (1/1/2020: Nil).

The short-term VND denominated borrowings bore interest at rates ranging from 3.3% to 5.0% per annum (1/1/2020: from 5.3% to 6.5% per annum) and short-term USD denominated borrowings bore interest at rates ranging from 3.0% to 5.0% per annum (1/1/2020: from 3.3% to 4.0% 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

	Unit: VND	
	31/12/2020	1/1/2020
Long-term borrowings (i)	367,175,110,000	549,842,777,274
Finance lease liabilities (ii)	168,666,168,457	-
	535,841,278,457	549,842,777,274
Repayable within twelve months (Note 23(a))	(9,577,320,000)	(55,597,790,000)
Repayable after twelve months	526,263,958,457	494,244,987,274

(i) Long-term borrowings

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

	Currency	Year of maturity	Unit: VND	
			31/12/2020	1/1/2020
Vietnam Joint Stock Commercial Bank for Industry and Trade – Branch 4	VND	2027	350,000,000,000	525,069,877,274
Joint Stock Commercial Bank for Investment and Development of Vietnam - Quang Minh Branch	VND	2022	13,856,710,000	19,795,300,000
Shinhan Bank Vietnam Ltd - Ha Noi Branch	VND	2022	3,318,400,000	4,977,600,000
			367,175,110,000	549,842,777,274

The long-term borrowings bore interest at rates ranging from 7.80% to 8.44% per annum (1/1/2020: 7.80% to 8.44% per annum) and are secured by tangible fixed assets, assets to be formed in the future and investment properties.

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

Unit: VND

	31/12/2020		
	Payments	Interest	Principal
Within one year	5,947,689,088	5,947,689,088	-
Within two to five years	65,736,670,272	65,736,670,272	-
More than five years	458,787,177,940	290,121,009,483	168,666,168,457
	530,471,537,300	361,805,368,843	168,666,168,457

24. BONUS AND WELFARE FUND

This fund is established by appropriating amounts 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:

Unit: VND

	2020	2019
Opening balance	294,925,203,277	222,305,047,166
Appropriation during the year (Note 26)	170,112,525,933	290,010,109,064
Adjustments to bonus and welfare fund (Note 26)	(57,485,195,218)	32,858,350,618
Utilisation during the year	(224,031,754,233)	(250,248,303,571)
CLOSING BALANCE	183,520,779,759	294,925,203,277

25. PROVISIONS – LONG-TERM

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

Unit: VND

	2020	2019
Opening balance	135,416,747,716	145,868,448,336
Provision made during the year	5,332,112,060	2,413,258,271
Transfer from provisions – short-term	172,000,000	-
Provision reversed during the year	(1,593,618,751)	(3,322,314,534)
Provision utilised during the year	(13,113,819,251)	(9,542,644,357)
CLOSING BALANCE	126,213,421,774	135,416,747,716

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Unit: VND

	Share capital	Other capital	Foreign exchange differences	Investment and development fund	Other equity funds	Retained profits	Total equity attributable to owners of the Company	Non-controlling interest	Total
Balance as at 1 January 2019	6,412,811,860,000	3,208,666,226	21,099,487,654	1,130,147,220,442	5,327,112,664	7,473,777,581,426	15,046,371,928,412	1,065,496,239,757	16,111,868,168,169
Net profit for the year	-	-	-	-	-	5,053,363,919,165	5,053,363,919,165	316,783,789,377	5,370,147,708,542
Appropriation to bonus and welfare fund (Note 24)	-	-	-	-	-	(258,732,607,752)	(258,732,607,752)	(31,277,501,312)	(290,010,109,064)
Adjustments to bonus and welfare fund (Note 24)	-	-	-	-	-	(30,004,529,945)	(30,004,529,945)	(2,853,820,673)	(32,858,350,618)
Appropriation to investment and development fund	-	-	-	221,570,621	-	(221,570,621)	-	-	-
Dividends	-	-	-	-	-	(961,921,779,000)	(961,921,779,000)	(173,082,243,279)	(1,135,004,022,279)
Foreign exchange differences	-	-	6,173,386,117	-	-	-	6,173,386,117	-	6,173,386,117
Appropriation to social activities fund	-	-	-	-	-	(48,395,939,581)	(48,395,939,581)	(1,187,283,714)	(49,583,223,295)
Adjustments to social activities fund	-	-	-	-	-	(2,116,745,426)	(2,116,745,426)	176,278,556	(1,940,466,870)
Transfer from other equity funds to retained profits	-	-	-	-	(5,327,112,664)	5,327,112,664	-	-	-
Acquisition of a subsidiary	-	-	-	-	-	-	-	97,131,363,467	97,131,363,467
Change in proportion of non-controlling interests	-	-	-	-	-	99,219,823	99,219,823	(99,219,823)	-
Others	-	-	-	4,038,094	-	421,806,867	425,844,961	(103,242,766)	322,602,195
BALANCE AS AT 31 DECEMBER 2019	6,412,811,860,000	3,208,666,226	27,272,873,771	1,130,372,829,157	-	11,231,596,467,620	18,805,262,696,774	1,270,984,359,590	20,076,247,056,364

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Unit: VND

	Share capital	Other capital	Foreign exchange differences	Investment and development fund	Other equity funds	Retained profits	Total equity attributable to owners of the Company	Non-controlling interest	Total
Balance as at 1 January 2020	6,412,811,860,000	3,208,666,226	27,272,873,771	1,130,372,829,157	-	11,231,596,467,620	18,805,262,696,774	1,270,984,359,590	20,076,247,056,364
Net profit for the year	-	-	-	-	-	4,723,496,860,190	4,723,496,860,190	213,349,110,064	4,936,845,970,254
Appropriation to bonus and welfare fund (Note 24)	-	-	-	-	-	(149,318,980,876)	(149,318,980,876)	(20,793,545,057)	(170,112,525,933)
Adjustments to bonus and welfare fund (Note 24)	-	-	-	-	-	51,522,281,739	51,522,281,739	5,962,913,479	57,485,195,218
Adjustments to investment and development fund	-	-	-	(7,538,772,810)	-	7,538,772,810	-	-	-
Dividends (Note 29)	-	-	-	-	-	(3,527,046,523,000)	(3,527,046,523,000)	(193,710,724,921)	(3,720,757,247,921)
Foreign exchange differences	-	-	(407,539,897)	-	-	-	(407,539,897)	-	(407,539,897)
Appropriation to social activities fund	-	-	-	-	-	(5,160,121,829)	(5,160,121,829)	(879,933,576)	(6,040,055,405)
Adjustments to social activities fund	-	-	-	-	-	40,235,334,870	40,235,334,870	(187,026,621)	40,048,308,249
Others	-	-	-	12,114,283	-	1,634,714,209	1,646,828,492	320,401,507	1,967,229,999
BALANCE AS AT 31 DECEMBER 2020	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

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The Company's authorised and issued share capital are:

	31/12/2020 and 1/1/2020	
	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 2020 and 31 December 2019.

28. 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.

29. DIVIDENDS

The Resolution of the Board of Directors of the Company on 21 January 2020 resolved to declare dividends to shareholders amounting to VND2,244,484 million (equivalent to VND3,500 per share) (2019: the Resolution of the Board of Directors of the Company on 21 August 2019 resolved to declare dividends to shareholders amounting to VND961,922 million, equivalent to VND1,500 per share).

The Resolution of the Board of Directors of the Company on 13 November 2020 also approved to advance dividends to shareholders amounting to VND1,282,563 million (equivalent to VND2,000 per share) (2019: Nil).

30. OFF BALANCE SHEET ITEMS**(A) LEASES**

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

Unit: VND

	31/12/2020	1/1/2020
Within one year	246,064,601,593	185,533,784,273
Within two to five years	674,713,367,337	626,011,774,676
More than five years	556,310,437,539	488,152,938,344
	1,477,088,406,469	1,299,698,497,293

(B) ASSETS, MATERIALS AND GOODS HELD FOR THIRD PARTIES

	Unit	31/12/2020	1/1/2020
Beers	box/crate	3,668,219	3,960,378
Plastic crates	piece	142,727	-
Beverages	box/crate	72,637	1,040

(C) FOREIGN CURRENCIES

	31/12/2020		1/1/2020	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	348,970	8,025,226,712	788,013	18,205,699,512
EUR	5,921	165,702,273	7,613	196,014,284
		8,190,928,985		18,401,713,796

(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:

Unit: VND

	31/12/2020	1/1/2020
Approved and contracted	416,256,572,434	185,144,507,293

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

Net revenue comprised:

Unit: VND

	2020	2019
Total revenue		
Sales of beers	24,825,638,007,449	32,713,860,434,875
Sales of raw materials	2,960,705,983,070	4,991,064,456,953
Sales of beverages	171,263,021,494	250,920,276,337
Sales of alcohol and wine	71,736,427,084	55,724,630,554
Others	106,279,185,202	122,220,299,554
	28,135,622,624,299	38,133,790,098,273
Less revenue deductions		
Sales discounts	171,883,259,341	234,657,207,883
Sales returns	2,415,527,947	73,389,095
	174,298,787,288	234,730,596,978
NET REVENUE	27,961,323,837,011	37,899,059,501,295

32. COST OF GOODS SOLD AND SERVICES PROVIDED**Unit: VND**

	2020	2019
Total cost of goods sold and services provided:		
Beers sold	16,418,911,045,685	23,157,713,223,335
Raw materials sold	2,895,943,429,154	4,932,930,673,347
Beverages sold	120,956,970,990	172,072,628,372
Alcohol and wine sold	59,231,832,046	50,581,136,908
Allowance (reversed)/made for inventories and long-term tools, suppliers and spare parts	(50,599,630,611)	14,915,319,443
Others	15,785,405,298	20,217,827,876
	19,460,229,052,562	28,348,430,809,281

33. FINANCIAL INCOME**Unit: VND**

	2020	2019
Interest income from term deposits at banks	929,227,793,354	854,825,190,787
Dividends income	3,092,406,500	7,489,996,873
Foreign exchange gains	42,079,317,739	27,535,583,268
Other financial income	2,117,277	1,734,367
	974,401,634,870	889,852,505,295

34. FINANCIAL EXPENSES**Unit: VND**

	2020	2019
Interest expense	63,681,326,473	37,367,206,872
Foreign exchange losses	32,531,682,398	3,434,115,785
Allowance for diminution in the value of long-term financial investments	9,023,155,026	52,208,263,803
Other financial expenses	213,213,669	-
	105,449,377,566	93,009,586,460

35. SELLING EXPENSES**Unit: VND**

	2020	2019
Advertising and promotion expenses	1,563,612,031,993	1,478,600,968,196
Staff costs	727,197,975,815	783,525,063,648
Returnable packaging expenses	97,507,110,762	273,839,287,032
Rental expenses	138,836,925,600	147,384,900,248
Transportation expenses	41,332,560,798	36,639,865,534
Depreciation and amortisation	23,129,282,780	25,633,103,240
Others	267,420,893,335	257,667,529,537
	2,859,036,781,083	3,003,290,717,435

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Unit: VND

	2020	2019
Staff costs	415,940,713,863	456,926,050,808
Depreciation and amortisation	29,952,163,870	32,897,497,524
Rental expenses	75,269,818,546	53,761,096,307
Provision and allowance	2,238,837,235	292,148,677,747
Others	178,603,811,001	212,108,602,759
	702,005,344,515	1,047,841,925,145

37. PRODUCTION AND BUSINESS COSTS BY ELEMENTS

Unit: VND

	2020	2019
Raw material costs included in production cost	5,367,647,284,900	5,902,129,918,563
Labour costs and staff costs	1,507,607,536,510	1,716,805,355,987
Depreciation and amortisation	593,451,595,931	647,247,814,181
Outside services	2,876,725,251,113	3,338,684,534,370
Other expenses	542,196,698,775	1,143,628,786,976

38. CORPORATE INCOME TAX**(A) RECOGNISED IN THE CONSOLIDATED STATEMENT OF INCOME**

Unit: VND

	2020	2019
Current tax expense		
Current year	1,123,217,746,589	1,315,976,891,222
Under provision in prior years	1,725,075,881	31,194,761,772
	1,124,942,822,470	1,347,171,652,994
Deferred tax expense/(benefit)		
Origination and reversal of temporary differences	50,029,533,241	(31,142,736,574)
Income tax expense	1,174,972,355,711	1,316,028,916,420

(B) RECONCILIATION OF EFFECTIVE TAX RATE

Unit: VND

	2020	2019
Accounting profit before tax	6,111,818,325,965	6,686,176,624,962
Tax at the Company's tax rate	1,222,363,665,193	1,337,235,324,992
Effect of different tax rates in subsidiaries	(13,238,380,543)	(18,973,369,714)
Tax incentives	(15,746,768,043)	(17,835,281,641)
Tax exempt income	(54,099,665,298)	(77,151,455,628)
Non-deductible expenses	13,224,601,912	81,076,709,514
Changes in unrecognised deferred tax assets	20,984,159,491	(24,470,256,147)
Tax losses utilised	(296,462,626)	(833,805,992)
Under provision in prior years	1,725,075,881	31,194,761,772
Others	56,129,744	5,786,289,264
	1,174,972,355,711	1,316,028,916,420

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

(i) Net profit attributable to ordinary shareholders

Unit: VND

	2020	2019 (Restated)
Net profit for the year	4,723,496,860,190	5,053,363,919,165
Appropriation to bonus and welfare fund	(149,318,980,876)	(207,210,326,013)
Net profit attributable to ordinary shareholders	4,574,177,879,314	4,846,153,593,152

The appropriation of bonus and welfare fund for the year ended 31 December 2020 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 2019 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 2019 have been restated to VND7,557 per share based on the adjusted amount appropriated to bonus and welfare fund (as previously reported: VND7,477 per share).

(ii) Weighted average number of ordinary shares

There was no movement in the number of shares for the year ended 31 December 2020 and 31 December 2019. The weighted average number of ordinary shares used to calculate basic earnings per share for two presented periods are 641,281,186 shares.

40. 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:

Unit: VND

	Transaction value	
	2020	2019
The intermediate parent company		
BeerCo Limited		
Payments on behalf of the Group	-	4,019,622,199
The parent company		
Vietnam Beverage Company Limited		
Dividends	1,890,034,228,500	515,463,880,500
Associates and jointly controlled entities		
Sai Gon - Khanh Hoa Beer Joint Stock Company		
Sales of raw materials	196,805,131,646	352,635,879,929
Provision of services	100,000,000	753,600,000
Sales of finished goods	-	44,918,500
Purchases of merchandise goods	597,503,580,844	994,553,660,150
Other transactions	993,519,451	1,539,498,353
Dividends received	2,600,000,000	3,900,000,000
Sai Gon - Kien Giang Beer Joint Stock Company		
Sales of raw materials	258,289,840,556	460,351,534,763
Provision of services	1,535,147,177	3,320,940,227
Purchases of merchandise goods	872,774,105,609	1,529,542,004,800
Other transactions	1,583,294,711	3,903,160,089
Dividends received	2,300,000,000	4,600,000,000
Saigon - Phutho Beer Joint Stock Company		
Sales of raw materials	192,019,007,038	371,203,537,187
Provision of services	120,000,000	766,305,176
Sales of other goods	-	71,964,297
Purchases of merchandise goods	557,922,051,140	1,010,086,840,070
Other transactions	516,984,000	691,511,289
Dividends received	6,347,700,000	14,811,300,000

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Unit: VND

	Transaction value	
	2020	2019
Sai Gon - Mien Trung Beer Joint Stock Company		
Sales of raw materials	377,561,114,090	654,418,952,988
Provision of services	4,193,958,670	9,897,355,864
Purchases of merchandise goods	1,334,315,992,270	2,073,797,940,960
Warehouse rental fee	905,274,906	686,053,167
Other transactions	1,270,671,636	1,282,638,925
Dividends received	33,660,770,500	53,199,462,696
Sai Gon - Vinh Long Beer Joint Stock Company		
Sales of raw materials	267,513,653,769	424,672,745,453
Provision of services	4,210,699,000	7,448,094,938
Sales of finished goods	38,442,800	110,547,300
Purchases of merchandise goods	884,009,075,535	1,359,862,377,800
Dividends received	1,500,000,000	12,000,000,000
Other transactions	-	2,393,640,486
Saigon Binh Tay Beer Group Joint Stock Company		
Sales of raw materials	508,210,659,792	709,559,693,610
Provision of services	4,732,609,337	7,271,197,075
Purchases of merchandise goods	1,555,408,213,021	2,145,297,668,670
Other transactions	69,288,720	2,254,412,541
Dividends received	-	19,412,601,464
Dividends payment	5,216,685,900	6,166,739,400
Saigon - Baclieu Beer Joint Stock Company		
Sales of raw materials	71,138,672,280	100,779,714,589
Provision of services	2,286,970,184	3,950,658,194
Sales of finished goods	-	248,423,370
Purchases of merchandise goods	385,105,659,990	537,021,532,820
Other transactions	1,495,701,920	962,499,252
Dividends received	2,402,400,000	3,603,600,000

	Transaction value	
	2020	2019
Saigon Tay Do Beer - Beverage Joint Stock Company		
Sales of raw materials	191,131,544,834	351,446,086,552
Sales of finished goods	88,010,730	193,002,520
Sales of other goods	-	48,076,364
Provision of services	960,158,600	2,557,180,912
Purchases of merchandise goods	649,926,506,740	1,053,417,990,380
Other transactions	1,915,323,823	1,293,549,940
Dividends received	11,756,614,000	9,078,299,100
Malaya - Vietnam Glass Limited		
Sales of other goods	6,261,779,366	8,570,951,847
Purchases of packaging materials	43,155,318,816	116,424,770,688
Me Linh Point Limited		
Dividends received	29,987,776,415	29,213,424,951
Purchase of services	2,942,120,109	-
San Miguel Yamamura Phu Tho Packaging Company Limited		
Sales of finished goods	1,778,112,000	2,015,412,000
Purchases of packaging materials	99,383,947,300	138,901,504,428
Dividends received	-	8,141,000,000
Other transactions	236,645,638	-
Truong Sa Food - Food Business Joint Stock Company		
Purchases of raw materials	-	2,527,349,800
Crown Beverage Cans Saigon Limited		
Sales of raw materials and other goods	1,860,158,464	-
Purchases of merchandise goods	3,616,558,447	-
Purchases of packaging materials	1,541,129,091,401	1,813,373,317,964
Dividends received	-	127,608,707,612
Saigon - Bentre Beer Joint Stock Company		
Sales of raw materials	289,630,370,143	402,137,282,352
Provision of services	1,572,178,328	3,362,989,702
Purchases of merchandise goods	954,540,383,059	1,283,978,376,300

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22 December 2014 of the Ministry of Finance)

Unit: VND

	Transaction value	
	2020	2019
Other transactions	-	4,252,279,684
Dividends received	4,000,000,000	-
Other related parties		
TBC-Ball Beverage Can Vietnam Co., Ltd		
Purchases of packaging materials	792,456,083,542	475,900,079,788
Best Spirits Company Limited		
Sales of merchandise and finished goods	-	228,111,930
MM Mega Market (Vietnam) Company Limited		
Purchases of goods	-	1,329,824,158
Super Brands Company Pte, Ltd,		
Payments on behalf of the Group	5,386,560,273	6,246,344,005
Fraser and Neave, Limited		
Payments on behalf of the Group	4,797,551,923	2,425,671,710
Fraser & Neave (Singapore) Pte, Limited		
Payments on behalf of the Group	2,000,000	874,455,121
InterBev (Singapore) Limited		
Sales of finished goods	214,472,290	-
Sales of merchandise goods	708,326,810	-
Chang International Co., Ltd		
Payments on behalf of the Group	5,655,431,923	-
Thai Beverage Public Company Limited		
Payments on behalf of the Group	7,606,756,051	-
Key management personnel		
Salary and remuneration	35,250,751,200	27,345,596,469

41. NON-CASH INVESTING ACTIVITIES

Unit: VND

	2020	2019
Purchases of fixed assets and construction in progress but not yet paid	180,447,468,495	77,931,721,548

42. POST BALANCE SHEET EVENT**Dividends declared after the year end**

Subsequent to the financial year-end, dividends of VND961,922 million (equivalent to VND1,500 per share) has been declared to the shareholders per Resolution dated 26 January 2021. The dividends payable has not been accrued in these consolidated financial statements.

43. COMPARATIVE INFORMATION

Except for the restatement of EPS as disclosed in Note 39, other comparative information as at 1 January 2020 were derived from the balances and amounts reported in the Group's consolidated financial statements as at and for the year ended 31 December 2019.

29 March 2021

Prepared by:

Approved by:



Hoang Thanh Van
Accountant



Tran Nguyen Trung
Chief Accountant



Teo Hong Keng
Deputy General Director



Neo Gim Siong Bennett
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