



Saigon - Bentre Beer Joint Stock Company

Financial Statements for the year ended
31 December 2020



Saigon - Bentre Beer Joint Stock Company Corporate Information

Business Registration Certificate No.	1301026370 1301026370	17 March 2017 31 May 2018
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The Company's business registration certificate has been amended two times, the most recent of which is by Business Registration Certificate No. 1301026370 dated 31 May 2018. The business registration certificate and its amendment were issued by Business Registration Department of Ben Tre Province.

Board of Directors	Mr. Luu Van Tuan Ms. Bui Thi Thuy Mr. Nguyen Son Duong Mr. Pham Tan Loi Mr. Pham Hong Minh	Chairman Member Member Member Member
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Board of Supervisors	Mr. Do Van Bien Mr. Ha Duc Trung Ms. Luu Thanh Thao	Head of Board of Supervisors Member Member
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Board of Management	Mr. Luu Van Tuan Ms. Le Thi To Uyen Mr. Nguyen Quoc Khanh	Director Deputy Director Deputy Director
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Registered Office	Phuoc Hau Hamlet (Plot No. 379, Map No. 7) An Phuoc Commune, Chau Thanh District Ben Tre Province Vietnam
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Auditor	KPMG Limited Vietnam
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Saigon - Bentre Beer Joint Stock Company Statement of the Board of Management

The Board of Management of Saigon - Bentre Beer Joint Stock Company (“the Company”) presents this statement and the accompanying financial statements of the Company for the year ended 31 December 2020.

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

- (a) the financial statements set out on pages 5 to 27 give a true and fair view of the financial position of the Company as at 31 December 2020, and of the results of operations and the cash flows of the Company for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Company will not be able to pay its debts as and when they fall due.

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

On behalf of the Board of Management



Luu Van Tuan
Director

Ben Tre Province, 12 March 2021



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10th Floor, Sun Wah Tower
115 Nguyen Hue Street, Ben Nghe Ward
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders Saigon - Bentre Beer Joint Stock Company

We have audited the accompanying financial statements of Saigon - Bentre Beer Joint Stock Company ("the Company"), which comprise the balance sheet as at 31 December 2020, the related 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 12 March 2021, as set out on pages 5 to 27.

Management's Responsibility

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

Auditor's Responsibility

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

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

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



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Auditor's Opinion

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



KPMG Limited's Branch in Ho Chi Minh City
Vietnam
Audit Report No.: 20-01-00382-21-1


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

Ho Chi Minh City, 12 March 2021


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



Saigon - Bentre Beer Joint Stock Company
Balance sheet as at 31 December 2020

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

	Code	Note	31/12/2020 VND	1/1/2020 VND
ASSETS				
Current assets (100 = 110 + 130 + 140 + 150)	100		125,728,415,160	143,001,667,264
Cash and cash equivalents	110	5	76,102,841,906	79,030,751,817
Cash	111		22,102,841,906	530,751,817
Cash equivalents	112		54,000,000,000	78,500,000,000
Accounts receivable – short-term	130		9,803,628,678	19,461,846,990
Accounts receivable from customers	131	6	9,454,921,850	18,432,175,465
Prepayments to suppliers	132		186,799,670	743,467,106
Other short-term receivables	136		161,907,158	286,204,419
Inventories	140	7	38,877,293,691	44,140,923,631
Other current assets	150		944,650,885	368,144,826
Short-term prepaid expenses	151		944,650,885	368,144,826
Long-term assets (200 = 210 + 220 + 240 + 260)	200		630,045,744,229	690,014,075,841
Accounts receivable – long-term	210		50,000,000	10,000,000
Other long-term receivables	216		50,000,000	10,000,000
Fixed assets	220		609,037,929,021	657,645,609,440
Tangible fixed assets	221	8	609,037,929,021	657,645,609,440
Cost	222		740,557,501,461	729,051,735,416
Accumulated depreciation	223		(131,519,572,440)	(71,406,125,976)
Long-term work in progress	240		306,068,672	908,963,845
Construction in progress	242		306,068,672	908,963,845
Other long-term assets	260		20,651,746,536	31,449,502,556
Long-term prepaid expenses	261	9	19,628,975,435	30,508,811,736
Deferred tax assets	262		1,022,771,101	940,690,820
TOTAL ASSETS (270 = 100 + 200)	270		755,774,159,389	833,015,743,105

The accompanying notes are an integral part of these financial statements

Saigon - Bentre Beer Joint Stock Company
Balance sheet as at 31 December 2020 (continued)

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

	Code	Note	31/12/2020 VND	1/1/2020 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		623,096,350,911	691,482,389,556
Current liabilities	310		220,902,850,911	213,035,920,104
Accounts payable to suppliers	311	10	20,670,680,728	46,241,720,640
Advances from customers	312		27,188,273	-
Taxes payable to State Treasury	313	11	74,693,808,714	75,762,226,568
Accrued expenses	315	12	9,673,515,687	11,921,300,543
Other payables – short-term	319	13	1,035,895,880	4,470,053,171
Short-term borrowings	320	14(a)	114,750,346,637	72,000,000,000
Bonus and welfare fund	322		51,414,992	2,640,619,182
Long-term liabilities	330		402,193,500,000	478,446,469,452
Other payables – long-term	337		193,500,000	-
Long-term borrowings	338	14(b)	402,000,000,000	478,446,469,452
EQUITY (400 = 410)	400		132,677,808,478	141,533,353,549
Owners' equity	410	15	132,677,808,478	141,533,353,549
Share capital	411	16	100,000,000,000	100,000,000,000
- Ordinary shares with voting rights	411a		100,000,000,000	100,000,000,000
Retained profits	421		32,677,808,478	41,533,353,549
- Retained profit/(accumulated losses) brought forward	421a		21,533,353,549	(10,289,718,818)
- Retained profit for the current year	421b		11,144,454,929	51,823,072,367
TOTAL RESOURCES (440 = 300 + 400)	440		755,774,159,389	833,015,743,105

12 March 2021

Prepared by:



Pham The Loc
Chief Accountant

Approved by:



Liu Van Tuan
Director

The accompanying notes are an integral part of these financial statements

Saigon - Bentre Beer Joint Stock Company
Statement of income for the year ended 31 December 2020

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

	Code	Note	2020 VND	2019 VND
Revenue from sales of goods	01	18	499,349,249,983	689,586,641,976
Cost of sales	11	19	434,944,266,830	565,785,879,710
Gross profit (20 = 01 - 11)	20		64,404,983,153	123,800,762,266
Financial income	21	20	705,773,498	3,010,664,858
Financial expenses	22	21	41,121,289,904	46,652,516,458
<i>In which: Interest expense</i>	23		41,097,029,104	46,651,928,732
Selling expenses	25		18,169,806	1,822,985,013
General and administration expenses	26	22	11,566,382,805	13,114,721,979
Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		12,404,914,136	65,221,203,674
Other income	31		1,930,878,794	1,356,434,398
Other expenses	32		273,974,269	162,294,094
Results of other activities (40 = 31 - 32)	40		1,656,904,525	1,194,140,304
Accounting profit before tax (50 = 30 + 40)	50		14,061,818,661	66,415,343,978
Income tax expense – current	51	24	2,999,444,013	12,392,343,249
Income tax benefit – deferred	52	24	(82,080,281)	(940,690,820)
Net profit after tax (60 = 50 - 51 - 52)	60		11,144,454,929	54,963,691,549
Basic earnings per share	70	25	1,114	5,232

12 March 2021

Prepared by:



Pham The Loc
Chief Accountant

Approved by:



Luu Van Tuan
Director

The accompanying notes are an integral part of these financial statements

Saigon - Bentre Beer Joint Stock Company
Statement of cash flows for the year ended 31 December 2020 (Indirect method)

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

	Code Note	2020 VND	2019 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounting profit before tax	01	14,061,818,661	66,415,343,978
Adjustments for			
Depreciation	02	60,113,446,464	56,015,367,335
Interest income	05	(705,773,498)	(3,010,664,858)
Interest expense	06	41,097,029,104	46,651,928,732
Operating profit before changes in working capital	08	114,566,520,731	166,071,975,187
Change in receivables	09	8,838,016,848	19,155,280,974
Change in inventories	10	5,263,629,940	2,865,901,626
Change in payables and other liabilities	11	(12,245,813,021)	(6,668,086,023)
Change in prepaid expenses	12	10,303,330,242	11,278,655,582
		126,725,684,740	192,703,727,346
Interest paid	14	(41,892,996,135)	(46,218,842,353)
Corporate income tax paid	15	(6,610,839,900)	(5,781,503,349)
Other receipts from operating activities	16	11,920,000	-
Other payments for operating activities	17	(280,732,346)	(74,304,040)
Net cash flows from operating activities	20	77,953,036,359	140,629,077,604
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets	21	(28,005,939,417)	(104,886,666,998)
Receipts of interests	27	821,115,962	2,820,116,914
Net cash flows from investing activities	30	(27,184,823,455)	(102,066,550,084)



The accompanying notes are an integral part of these financial statements

Saigon - Bentre Beer Joint Stock Company
Statement of cash flows for the year ended 31 December 2020
(Indirect method – continued)

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

	Code	Note	2020 VND	2019 VND
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings	33		323,516,841,309	72,716,770,620
Payments to settle loan principals	34		(357,212,964,124)	(65,000,000,000)
Payments of dividends	36		(20,000,000,000)	-
Net cash flows from financing activities	40		(53,696,122,815)	7,716,770,620
Net cash flows during the year (50 = 20 + 30 + 40)	50		(2,927,909,911)	46,279,298,140
Cash and cash equivalents at the beginning of the year	60		79,030,751,817	32,751,453,677
Cash and cash equivalents at the end of the year (70 = 50 + 60)	70	5	76,102,841,906	79,030,751,817

12 March 2021

Prepared by:



Pham The Loc
Chief Accountant

Approved by:



Luu Van Tuan
Director

The accompanying notes are an integral part of these financial statements

Saigon - Bentre Beer Joint Stock Company
Notes to the financial statements for the year ended 31 December 2020

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

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

1. Reporting entity

(a) Ownership structure

Saigon - Bentre Beer Joint Stock Company (“the Company”) is incorporated as a joint stock company in Vietnam.

(b) Principal activities

The principal activities of the Company are to produce and trade beer, alcohol and beverages.

(c) Normal operating cycle

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

(d) Company structure

As at 31 December 2020, the Company had 121 employees (1/1/2020: 136 employees).

2. Basis of preparation

(a) Statement of compliance

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

(b) Basis of measurement

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

Saigon - Bentre Beer Joint Stock Company
Notes to the financial statements for the year ended 31 December 2020 (continued)

Form B 09 – DN

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

(c) Going concern assumption

The financial statements have been prepared on a going concern basis. At the balance sheet date, current liabilities exceeded current assets by VND95,174 million (1/1/2020: VND70,034 million). The Company also had significant loans that will require refinancing within the next 12 months (Note 14). Furthermore, the Company receives orders and sells its products mainly to Saigon Beer – Alcohol – Beverage Corporation, a related party. The validity of the going concern assumption fundamentally depends on the Company continuing to receive enough orders from Saigon Beer – Alcohol – Beverage Corporation, to generate positive net operating cash flows and to maintain unused credit lines to enable the Company to meet its liabilities as and when they fall due and to maintain the Company in existence as a going concern for the foreseeable future.

At the time of this report, there is no reason for the Company's management to believe that the Company will not continue to receive enough orders from Saigon Beer – Alcohol – Beverage Corporation and to generate positive net operating cash flows for the foreseeable future.

(d) Annual accounting period

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

(e) Accounting and presentation currency

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

3. Summary of significant accounting policies

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

(a) Foreign currency transactions

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

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

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

(b) Cash and cash equivalents

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

Saigon - Bentre Beer Joint Stock Company
Notes to the financial statements for the year ended 31 December 2020 (continued)

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

(c) Accounts receivable

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

(d) 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 Company applies the perpetual method of accounting for inventories.

(e) Tangible fixed assets

(i) Cost

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

(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	25 years
▪ machinery and equipment	5 – 11 years
▪ motor vehicles	11 years

(f) Construction in progress

Construction in progress represents the costs 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.



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Saigon - Bentre Beer Joint Stock Company
Notes to the financial statements for the year ended 31 December 2020 (continued)

Form B 09 – DN

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

(g) Long-term prepaid expenses

(i) Prepaid land costs

Prepaid land costs comprise prepaid land lease rentals, including those for which the Company obtained land use rights certificate but are not qualified as intangible fixed assets in accordance with applicable regulations, and other costs incurred in conjunction with securing the use of leased land. These costs are recognised in the statement of income on a straight-line basis over the term of the lease of 48 to 52 years.

(ii) Returnable packaging

Returnable packaging includes bottles and crates being used in the Company's production and business activities and is initially stated at cost. Returnable packaging is amortised on a straight-line basis in 2 years.

(iii) Tools and instruments

Tools and instruments include assets held for use by the Company 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 in 3 years.

(h) Trade and other payables

Trade and other payables are stated at their cost.

(i) Provisions

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

(j) Share capital

Ordinary shares

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

Saigon - Bentre Beer Joint Stock Company
Notes to the financial statements for the year ended 31 December 2020 (continued)

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

(k) Taxation

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

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

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

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

(l) Revenue and other income

(i) Goods sold

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

(ii) Interest income

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

(m) Borrowing costs

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



Saigon - Bentre Beer Joint Stock Company

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

Form B 09 – DN

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

(n) Lease payments

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

(o) Earnings per share

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

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

(p) Segment reporting

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

(q) Related parties

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

(r) Comparative information

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

Saigon - Bentre Beer Joint Stock Company**Notes to the financial statements for the year ended 31 December 2020 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***4. Segment reporting**

The Company's principal business activities are to produce and trade beer. Other activities are to provide and trade alcohol and beverages. During the year, there were no business activities other than the principal business activities of the Company, accordingly the financial information presented in the balance sheet as at 31 December 2020 and 1 January 2020 and all revenue and expenses presented in the statement of income for the years ended 31 December 2020 and 31 December 2019 were related to the Company's principal business activities.

Geographically, the Company only operates in the territory of Vietnam.

5. Cash and cash equivalents

	31/12/2020 VND	1/1/2020 VND
Cash in bank	22,102,841,906	530,751,817
Cash equivalents	54,000,000,000	78,500,000,000
	76,102,841,906	79,030,751,817

Cash equivalents represented term deposits at banks with original terms to maturity of three months or less and earned interest rates 3% per annum (1/1/2020: 5% per annum).

6. Accounts receivable from customers

	31/12/2020 VND	1/1/2020 VND
Saigon Beer – Alcohol – Beverage Corporation – a related party	9,454,426,850	18,409,920,276
Other customers	495,000	22,255,189
	9,454,921,850	18,432,175,465

The trade related amounts due from a related party were unsecured, interest free and are receivable upon demand.

Saigon - Bentre Beer Joint Stock Company

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

Form B 09 – DN

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

7. Inventories

	31/12/2020		1/1/2020	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Raw materials	11,473,699,235	-	19,288,032,833	-
Tools and supplies	3,409,889,084	-	3,315,021,420	-
Work in progress	14,432,988,168	-	14,025,762,251	-
Finished goods	9,560,717,204	-	7,512,107,127	-
	38,877,293,691	-	44,140,923,631	-

8. Tangible fixed assets

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Total VND
Cost				
Opening balance	197,901,249,918	529,114,950,407	2,035,535,091	729,051,735,416
Additions	-	58,000,000	-	58,000,000
Transfers from construction in progress	(90,000,000)	11,537,766,045	-	11,447,766,045
Closing balance	197,811,249,918	540,710,716,452	2,035,535,091	740,557,501,461
Accumulated depreciation				
Opening balance	8,658,951,673	62,491,592,118	255,582,185	71,406,125,976
Charge for the year	7,998,227,468	51,930,170,344	185,048,652	60,113,446,464
Closing balance	16,657,179,141	114,421,762,462	440,630,837	131,519,572,440
Net book value				
Opening balance	189,242,298,245	466,623,358,289	1,779,952,906	657,645,609,440
Closing balance	181,154,070,777	426,288,953,990	1,594,904,254	609,037,929,021

As at 31 December 2020, tangible fixed assets with net book value of VND609,038 million (1/1/2020: VND657,646 million) were pledged with banks as security for loans granted to the Company.

Saigon - Bentre Beer Joint Stock Company
Notes to the financial statements for the year ended 31 December 2020 (continued)

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

9. Long-term prepaid expenses

	Prepaid land costs VND	Returnable packaging VND	Tools and instruments VND	Total VND
Opening balance	19,299,057,347	8,827,141,795	2,382,612,594	30,508,811,736
Additions	-	249,250,000	580,656,028	829,906,028
Amortisation for the year	(384,188,880)	(8,806,778,780)	(2,518,774,669)	(11,709,742,329)
Closing balance	18,914,868,467	269,613,015	444,493,953	19,628,975,435

As at 31 December 2020, long-term prepaid expenses with carrying amount of VND18,915 million (1/1/2020: VND19,299 million) were pledged with banks as security for loans granted to the Company.

10. Accounts payable to suppliers

(a) Accounts payable to suppliers detailed by significant suppliers

	Cost/Amount within payment capacity	
	31/12/2020 VND	1/1/2020 VND
Bach Khoa Refrigeration Electrical Engineering Co., Ltd	15,000,000,000	32,767,927,545
Saigon Beer – Alcohol – Beverage Corporation	863,360,275	7,622,147,366
Other suppliers	4,807,320,453	5,851,645,729
	20,670,680,728	46,241,720,640

(b) Accounts payable to suppliers who are related parties

	31/12/2020 VND	1/1/2020 VND
Saigon Beer - Alcohol - Beverage Corporation	863,360,275	7,622,147,366
Saigon Beer Trading Company Limited	311,793,657	157,423,909
Sa Be Co Mechanical Co., Ltd	5,706,050	-

The trade related amounts due to related parties were unsecured, interest free and payable upon demand.

Saigon - Bentre Beer Joint Stock Company
Notes to the financial statements for the year ended 31 December 2020 (continued)

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

11. Taxes payable to State Treasury

	1/1/2020 VND	Incurred VND	Paid/net-off VND	31/12/2020 VND
Value added tax	8,745,062,959	95,789,634,804	(96,382,233,634)	8,152,464,129
Special consumption tax	60,209,140,255	462,646,287,841	(459,537,150,009)	63,318,278,087
Corporate income tax	6,610,839,900	2,999,444,013	(6,610,839,900)	2,999,444,013
Personal income tax	197,183,454	1,287,668,520	(1,261,229,489)	223,622,485
Other taxes	-	3,021,960	(3,021,960)	-
	<u>75,762,226,568</u>	<u>562,726,057,138</u>	<u>(563,794,474,992)</u>	<u>74,693,808,714</u>

12. Accrued expenses

	31/12/2020 VND	1/1/2020 VND
Interest expenses	3,916,199,954	4,712,166,985
Bonus expenses	5,113,855,503	4,703,454,099
Other accrued expenses	643,460,230	2,505,679,459
	<u>9,673,515,687</u>	<u>11,921,300,543</u>

13. Other payables – short-term

	31/12/2020 VND	1/1/2020 VND
Payable to social activities fund	82,598,844	425,695,960
Short-term deposits received	424,000,000	420,000,000
Other payables	529,297,036	3,624,357,211
	<u>1,035,895,880</u>	<u>4,470,053,171</u>



Saigon - Bentre Beer Joint Stock Company
Notes to the financial statements for the year ended 31 December 2020 (continued)

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

14. Borrowings

(a) Short-term borrowings

	1/1/2020 Carrying amount/ Amount within repayment capacity VND	Movements during the year		31/12/2020 Carrying amount/ Amount within repayment capacity VND
		Increase VND	Decrease VND	
Short-term borrowings (*)	-	323,516,841,309	(284,766,494,672)	38,750,346,637
Current portion of long-term borrowings (Note 14(b))	72,000,000,000	76,446,469,452	(72,446,469,452)	76,000,000,000
	<u>72,000,000,000</u>	<u>399,963,310,761</u>	<u>(357,212,964,124)</u>	<u>114,750,346,637</u>

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

	Currency	Annual interest rate	31/12/2020 VND	1/1/2020 VND
Vietnam Joint Stock Commercial Bank for Industry and Trade – Branch 4, Ho Chi Minh City	VND	4.8%	38,750,346,637	-

(b) Long-term borrowings

	31/12/2020 VND	1/1/2020 VND
Long-term borrowings (*) Repayable within twelve months (Note 14(a))	478,000,000,000 (76,000,000,000)	550,446,469,452 (72,000,000,000)
Repayable after twelve months	<u>402,000,000,000</u>	<u>478,446,469,452</u>

Saigon - Bentre Beer Joint Stock Company
Notes to the financial statements for the year ended 31 December 2020 (continued)

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

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

	Currency	Annual interest rate	Year of maturity	31/12/2020 VND	1/1/2020 VND
Vietnam Joint Stock Commercial Bank for Industry and Trade - Branch 4, Ho Chi Minh City	VND	7.96% - 8.63%	2026	478,000,000,000	550,446,469,452

This loan is secured by the land use rights and all assets located in the land in An Phuoc Commune, Chau Thanh District, Ben Tre Province with net book value as at 31 December 2020 of VND627,953 million (1/1/2020: VND676,945 million) (Note 8 and Note 9).

15. Changes in owners' equity

	Share capital VND	(Accumulated losses)/retained profits VND	Total VND
Balance at 1 January 2019	100,000,000,000	(10,289,718,818)	89,710,281,182
Net profit for the year	-	54,963,691,549	54,963,691,549
Appropriation to bonus and welfare fund	-	(2,640,619,182)	(2,640,619,182)
Appropriation to social activities fund	-	(500,000,000)	(500,000,000)
Balance at 1 January 2020	100,000,000,000	41,533,353,549	141,533,353,549
Net profit for the year	-	11,144,454,929	11,144,454,929
Dividends (Note 17)	-	(20,000,000,000)	(20,000,000,000)
Balance at 31 December 2020	100,000,000,000	32,677,808,478	132,677,808,478

Saigon - Bentre Beer Joint Stock Company**Notes to the financial statements for the year ended 31 December 2020 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***16. Share capital**

The Company's authorised and issued share capital are:

	31/12/2020 and 1/1/2020	
	Number of shares	VND
Authorised share capital		
Ordinary shares	10,000,000	100,000,000,000
Issued share capital		
Ordinary shares	10,000,000	100,000,000,000
Shares currently in circulation		
Ordinary shares	10,000,000	100,000,000,000

All ordinary shares have a par value of VND10,000. Each share is entitled to one vote at meetings of the Company. Shareholders are entitled to receive dividend as declared from time to time. All ordinary shares are ranked equally with regard to the Company's residual assets.

There were no movements share capital for the year ended 31 December 2020 and 31 December 2019.

The shareholders of the Company at the reporting date are as follows:

	31/12/2020		1/1/2020	
	Number of shares	%	Number of shares	%
Saigon Beer - Alcohol – Beverage Corporation	2,000,000	20%	2,000,000	20%
Other shareholders	8,000,000	80%	8,000,000	80%
	10,000,000	100%	10,000,000	100%

17. Dividends

At the meeting on 14 January 2020, the General Meeting of Shareholders of the Company resolved to distribute dividends amounting to VND20,000 million (equivalent to VND2,000/share) from retained profit in 2019 (2019: Nil).

Saigon - Bentre Beer Joint Stock Company**Notes to the financial statements for the year ended 31 December 2020 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***18. Revenue from sales of goods**

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

	2020	2019
	VND	VND
Total revenue		
▪ Sales of finished goods	492,196,682,598	680,824,617,824
<i>Revenue sales of finished goods inclusive special consumption tax</i>	<i>954,842,970,439</i>	<i>1,283,978,376,300</i>
<i>Special consumption tax</i>	<i>(462,646,287,841)</i>	<i>(603,153,758,476)</i>
▪ Sales of brewer's grains	5,484,578,000	4,093,938,400
▪ Sales of packaging	-	4,182,238,984
▪ Others	1,667,989,385	485,846,768
	<hr/>	<hr/>
	499,349,249,983	689,586,641,976
	<hr/> <hr/>	<hr/> <hr/>

19. Cost of sales

	2020	2019
	VND	VND
Total cost of sales		
▪ Finished goods sold	434,803,655,469	561,453,839,108
▪ Merchandise goods sold	140,611,361	4,332,040,602
	<hr/>	<hr/>
	434,944,266,830	565,785,879,710
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20. Financial income

	2020	2019
	VND	VND
Interest income	705,773,498	3,010,664,858
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Saigon - Bentre Beer Joint Stock Company**Notes to the financial statements for the year ended 31 December 2020 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***21. Financial expenses**

	2020 VND	2019 VND
Interest expense	41,097,029,104	46,651,928,732
Realised foreign exchange losses	24,260,800	587,726
	<hr/>	<hr/>
	41,121,289,904	46,652,516,458
	<hr/>	<hr/>

22. General and administration expenses

	2020 VND	2019 VND
Staff costs	8,741,782,517	9,599,108,953
Materials costs	458,973,757	692,301,876
Depreciation	187,548,648	192,693,812
Outside services	1,969,570,393	2,262,253,865
Other expenses	208,507,490	368,363,473
	<hr/>	<hr/>
	11,566,382,805	13,114,721,979
	<hr/>	<hr/>

23. Production and business costs by elements

	2020 VND	2019 VND
Raw material costs included in production costs	346,770,287,588	513,840,345,819
Labour and staff costs	24,344,038,616	23,011,283,976
Depreciation	60,113,446,464	56,015,367,335
Outside services	17,358,870,005	20,975,954,817
Other expenses	663,820,726	809,588,886
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Saigon - Bentre Beer Joint Stock Company
Notes to the financial statements for the year ended 31 December 2020 (continued)

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

24. Corporate income tax

(a) Recognised in the statement of income

	2020	2019
	VND	VND
Current tax expense		
Current year	2,999,444,013	12,392,343,249
Deferred tax benefit		
Origination of temporary differences	(82,080,281)	(940,690,820)
Income tax expense	2,917,363,732	11,451,652,429

(b) Reconciliation of effective tax rate

	2020	2019
	VND	VND
Accounting profit before tax	14,061,818,661	66,415,343,978
Tax at the Company's tax rate	2,812,363,732	13,283,068,796
Non-deductible expenses	105,000,000	80,000,000
Tax losses utilised	-	(1,755,467,195)
Utilised deferred tax asset not recognised in prior years	-	(155,949,172)
Income tax expense	2,917,363,732	11,451,652,429

(c) Applicable tax rates

Under the terms of its Investment Certificate, the Company has an obligation to pay the government income tax at the rate of 20% of taxable profits.



Saigon - Bentre Beer Joint Stock Company
Notes to the financial statements for the year ended 31 December 2020 (continued)

Form B 09 – DN

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

25. Basic earnings per share

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

	2020 VND	2019 VND
Net profit for the year	11,144,454,929	54,963,691,549
Appropriation to bonus and welfare fund	-	(2,640,619,182)
	<hr/>	<hr/>
Net profit attributable to ordinary shareholders	11,144,454,929	52,323,072,367

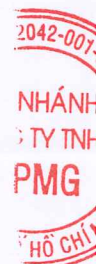
(ii) Weighted average number of ordinary shares

There was no movement in the number of shares for the year ended 31 December 2020 and 31 December 2019. Weighted average number of ordinary shares used to calculate basic earnings per share for both reporting periods is 10,000,000 shares.

26. Significant transactions with related parties

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

	Transaction value	
	2020 VND	2019 VND
Saigon Beer – Alcohol – Beverage Corporation		
Sales of finished goods (inclusive of special consumption tax)	954,417,674,260	1,283,978,376,300
Sales of others	129,600,000	793,667,160
Purchases of raw materials	289,483,445,143	405,066,285,955
Sai Gon Beer Trading Company Limited		
Bottle utilisation fee	1,316,959,000	2,048,389,702
Sales of packaging	-	3,388,571,824
Sa Be Co Mechanical Co., Ltd		
Purchases of raw materials	104,219,327	-
Purchases of fixed assets	-	1,218,600,000



Saigon - Bentre Beer Joint Stock Company
Notes to the financial statements for the year ended 31 December 2020 (continued)

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

	Transaction value	
	2020 VND	2019 VND
Saigon Soc Trang Beer One Member Limited Company		
Purchases of raw materials	17,325,000	-
Sales of others	-	28,665,000
Saigon Binh Tay Beer Joint Stock Company		
Sales of others	195,436,500	-
Sai Gon – Tay Do Beer – Beverage Joint Stock Company		
Sales of others	33,043,500	-
Saigon – Vinh Long Beer Joint Stock Company		
Sales of others	5,603,540	-
Saigon – Kien Giang Beer Joint Stock Company		
Sales of others	-	27,625,500
Key management personnel		
Salary, bonus and remuneration	3,119,355,480	2,308,014,203

27. Comparative information

Comparative information as at 1 January 2020 were brought forward from Company's financial statements as at and for the year ended 31 December 2019.

12 March 2021

Prepared by:



Pham The Loc
Chief Accountant

Approved by:



Luu Van Tuan
Director