



SAIGON BEER - ALCOHOL - BEVERAGE CORPORATION

MEETING MINUTES ANNUAL GENERAL MEETING OF SHAREHOLDERS 2023

Ho Chi Minh City, April 27, 2023

Name of company: Saigon Beer - Alcohol - Beverage Corporation (SABECO)

Address of Head Office: No. 187 Nguyen Chi Thanh, Ward 12, District 5, Ho Chi Minh City

Enterprise registration number: 0300583659

Time: April 27, 2023 at 8.30 am

Venue: Grand Ballroom 1&2, InterContinental Saigon Hotel,
Corner Hai Ba Trung Street & Le Duan Boulevard, District 1, HCMC, Vietnam

PART I: OPENING & INTRODUCTION

A. Participants:

1. The total number of shareholders and authorized representatives attended the Annual General Meeting of Shareholders (AGM) was 136 persons, represented 604,447,978 shares, equivalent to 94.2563 % of voting shares.
2. Delegates and guests invited to the Annual General Meeting:
 - The Board of Directors, excluding Mr. Koh Poh Tiong – Chairman of the Board and Ms. Ngo Minh Chau – Board Member, who could not attend the AGM due to personal reasons.
 - The Board of Management, SABECO's executives.
 - The Annual General Meeting was honored to welcome the following guests:
 - + Former senior leaders of SABECO.
 - + Representatives from major shareholders.
 - + Representative from the independent auditor.

B. Report on shareholders' eligibility verification:

Shareholders' Eligibility Verification Committee:

- | | | |
|-------------------------|--------------------------------|----------|
| - Mr. Duong Van Minh | - Director of Legal Department | - Head |
| - Mr. Tran Nguyen Trung | - Chief Accountant | - Member |
| - Mr. Nguyen Van Trung | - Shareholder of SABECO | - Member |

Mr. Duong Van Minh - Head of Shareholders' Eligibility Verification Committee reported the results of shareholders' eligibility verification:

Total number of invited shareholders: All shareholders in the list of shareholders as of March 27, 2023, represented 641,281,186 shares with voting rights of SABECO.

At 9:00 am, April 27, 2023, the total number of shareholders and authorized representatives was 98 persons, represented 603,721,524 shares, equivalent to 94.1430% of voting shares of SABECO. Thus, pursuant to SABECO Charter, constituted a quorum and the 2023 AGM was able to convene.

All shareholders and shareholders' representatives were eligible to attend the Annual General Meeting of Shareholders 2023.

C. Introduction of Chairpersons, Secretaries, and the Vote Counting Committee

AGM Chairpersons:

Mr. Koh Poh Tiong – Chairman of the Board had authorized Mr. Michael Chye Hin Fah – Board Member to be the Chairperson of AGM 2023. Chairpersons of the meeting were as follows:

- Mr. Michael Chye Hin Fah	- Board Member	- Chairperson
- Mr. Pramoad Phornprapha	- Independent Director	- Member
- Mr. Nguyen Tien Vy	- Independent Director	- Member
- Ms. Tran Kim Nga	- Board Member	- Member
- Mr. Le Thanh Tuan	- Board Member	- Member
- Mr. Neo Gim Siong Bennett	- General Director	- Member
- Mr. Koo Liang Kwee	- Deputy General Director	- Member

AGM Secretaries:

In order to record the Minutes and Resolution of AGM, the Chairperson appointed the following AGM Secretaries:

- Mr. Tran Nguyen	- IR Manager
- Mr. Trang Duc Thinh	- Senior Associate of BOD Office

Vote Counting Committee:

- Mr. Duong Van Minh	- Director of Legal Department	- Head
- Mr. Tran Nguyen Trung	- Chief Accountant	- Member
- Mr. Nguyen Van Trung	- Shareholder of SABECO	- Member

The AGM approved the vote counting committee.

D. Agenda and Regulations at AGM

1. Agenda items include:

- Agenda 1: - Audited separate and consolidated financial statements for the fiscal year 2022
- Agenda 2: - Report of the Board of Directors on 2022 performance and 2023 orientation
- Agenda 3: - Report on activities of the Independent Directors in the Audit Committee in 2022
- Agenda 4: - Proposal on selecting the independent auditor for the fiscal year 2023 and Q1 2024
- Agenda 5: - Proposal on the 2022 profit distribution
- Agenda 6: - Proposal on the 2023 profit distribution plan
- Agenda 7: - Proposal on the settlement of remuneration in 2022 for the Board of Directors
- Agenda 8: - Proposal on the plan of remuneration in 2023 for the Board of Directors

- Agenda 9: - Proposal on related party transactions within SABECO group of companies
- Agenda 10: - Proposal to approve the shares issuance plan to existing shareholders to increase share capital from owner's equity
- Agenda 11: - Proposal on the election of new Board members for the 2023 – 2028 term

The AGM approved the Agenda.

2. AGM Working Regulation

The AGM approved this regulation.

3. Regulation on Nomination, Self-nomination and Election of New Board Members for the 2023 – 2028 Term

The AGM approved this regulation.

PART II: CONTENTS OF THE MEETING

A. Presentation

All agenda items to be voted on had been posted on SABECO's website for the first time on April 03, 2023 and updated since then, and were included in the set of documents provided to shareholders and authorized representatives who attended AGM and were taken as read.

Mr. Bennett Neo, the General Director, presented the 2022 performance and 2023 business plan.

B. Q&A

The Chairperson informed the AGM to start the Q&A session.

1. Question:

How competitive is the Vietnamese beer market when imported beer is on the rise and domestic competitors have also launched many new products? Did SABECO's market share decrease? So how will SABECO respond to maintain market share in the next two to three years?

Answer:

The competition has intensified. Our market share has increased over the past few years. So we have to continue to do what we have been doing from phase 1 to phase 2 of the transformation to help us become more professional and reach international standards. Focus is not only on one area but across all the strategic pillars from sales to marketing, supply chain, production, people, and governance. We have done well in phase 1 and are well-equipped now to implement phase 2. We have to focus on strengthening people competencies and focus on brand building in the mass premium and premium segments. We will do it either organically or by collaborating with other brands. All these efforts will improve our competitiveness and help us gain market share in the future.

2. Question:

The price of raw materials in 2023 has been fixed until which month and how is the difference compared to 2022? Given the decline in prices of aluminum and malt, how much gross margin in 2023 is expected to improve compared to 2022?

Answer:

We have a forward hedging policy in SABECO. Raw materials and packaging materials can be hedged from six to nine months ahead. For malt, we have it covered for this year whereas our cans can be covered up to Q3. As we have hedged since the end of last year when raw material prices were higher, the average input costs for this year are therefore expected to be higher compared to last year. In addition to hedging, we are working on improving production norms, cost optimization, and cost management initiatives for production related activities. We expect the margin will hold. We have done well for the past few years in reducing raw materials and energy usage. Some of the transportation and supply chain costs have also impacted the gross margin. As we move towards achieving world class supply chain standards, we will be able to reduce costs even further and give a positive boost to the gross margin.

3. Question:

What is the investment plan in the next two to three years? What is the total expected Capex?

Answer:

We have Capex for planned maintenance, Capex for expansion of breweries to improve their efficiencies and effectiveness and Capex for investments and acquisition plans. We are looking at somewhere between USD 50 to 70 million for 2023 including Capex carried forward from last year. A portion of 2023 Capex has been allocated for brewery expansion. The expansion will take about 2 - 2.5 years to complete as part of our 3-year brewery expansion plan.

4. Question:

Why does SABECO increase its ownership in 2 companies including SABIBECO Group and Saigon Packaging Group?

Answer:

When we have a majority stake, we can consolidate the earnings and improve overall profit. And through synergies of working together, we could further improve the yield of the breweries. SABIBECO has good operations and good brands. By working together, SABECO could help to further improve on that. There would be synergies in sales and distribution between SABIBECO and SABECO's brands. We are glad to welcome SABIBECO to our group when the transaction is successfully executed.

5. Question:

In 2022, SABECO implemented many marketing programs, expanding many points of sales for the on-trade channel. As a result, 2022 selling expenses rose 29.5% year on year. So how does the investment in these activities help the selling volume and market share gain?

Answer:

The competition was intensified and we have to spend more than before to fight. A lot of people saw marketing expense as a cost. We saw that as an investment. We believe these investments will yield returns in the short, mid, and long terms. When our products/ brands are strong, we do not have to push them to the consumers,

they would come to us. When the brand is strong, you do not have to worry about stocking your products because the distributors would come and find you. When the brand is strong, employees, distributors, and outlets will be motivated to sell. We have to continue to do what we are doing today while balancing costs and profits.

6. Question:

What is SABECO's plan for expanding in the Northern market? As Heineken and HABECO have a large market share in the Northern market, what is SABECO's plan for competing?

Answer:

We would like to thank all of our former Directors and Management because they have built a good platform for SABECO to grow over the past few years. In the past 5 to 8 years, SABECO's market share in the North has more than doubled. SABECO is holding the 2nd position in the North and still growing. We will continue to invest in brands and people in the North. Current plans and strategies have proved to be effective, as our market share in the North has been growing faster than anywhere in the country.

7. Question:

We know that SABECO has many solutions to reduce greenhouse gas and energy consumption. Please let us know more about the sustainability KPIs for this year.

Answer:

SABECO has been embarking on a sustainable development program covering environmental, social and governance initiatives over the years. So far, we have not used the word "sustainability" proactively. We are going to consolidate our sustainability efforts and call them sustainability for people to understand. We would consolidate all the KPIs and communicate those KPIs in a way that people could understand in the second half of the year. We have employed a sustainability manager to focus on this idea of consolidation.

8. Question:

What is the demand outlook in the upcoming quarters? When will consumption recover? Does tourism contribute materially to beer demand?

Answer:

The financial markets are stabilizing. Interest rates are also stabilizing and have dropped a little in Vietnam. These factors will in turn promote more consumption. However, Vietnam is also relying heavily on export activities. We think that the country's export performance was not as good compared to last year, especially in the past three quarters. Therefore, with stabilizing financial markets and recovering world demand, our exports will grow and will be good for consumption. There is also a lot of foreign direct investment coming to Vietnam, which will affect our livelihood more positively, and more consumption will come.

Regarding tourism, China is reopening, and we hope that there will be more tourists coming to Vietnam, including from China. We hope that tourist arrivals will surpass 15 million people as pre-Covid. Tourist arrivals do not mean tourists drinking, it means that people in the hospitality industry will become employed, and their salaries will go up. We expect these favorable factors will materialize from the second half of the year, barring any other unexpected circumstances.

9. Question:

Can SABECO elaborate more on how you plan to monetize land held by subsidiaries?

Answer:

Land is a sensitive and complex issue. Over the past few years, we believe only two projects were approved in Ho Chi Minh City. We do not expect land issues to be easily resolved within the next three to five years. However, we will monitor it closely and work with the authorities to optimize the use of the land that we have. The Board of Management has met with provincial governments to discuss this matter.

10. Question:

Any expected price hikes this year? What is its effect on gross profit margin?

Answer:

We intend to hold the gross margin in 2023. In terms of price increase, we will review it, and it is also subject to competition as well in the market.

11. Question:

Will the effective dividend per share go up this year, factoring in the bonus share issue?

Answer:

We have proposed a special dividend of 15% of the charter capital to be approved at this AGM. In addition to the 15% special dividend, we have also proposed a 1:1 ratio bonus share issuance, as part of the Unlock pillar for AGM approval. If the bonus share issuance of 1:1 ratio is successfully executed, shareholders will receive double dividends.

12. Question:

Does SABECO plan to develop non-alcoholic products in the future or any new products?

Answer:

We have non-alcoholic products and they are distributed under our subsidiary Chuong Duong. We will continue to develop non-alcoholic beverages, which is a part of our strategy. We also have product innovations in the pipeline.

13. Question:

Please share the current portion of mass premium segment in the total beer volume. What is Bia Saigon Chill's market share?

Answer:

The mass premium segment comprised more than 20% of the total beer market segment, which is mainly dominated by one brand. Our mass premium product is not only Bia Saigon Chill but also Bia Saigon Special. Compared to the dominant brand, we are small. However, we still see a lot of opportunities for us to grow. All of our brands are seeing good growth, and we are confident that momentum will continue to pick up in the coming years.

14. Question:

Do you believe that you will reach the 2023 plan and break the record again while the Covid situation is getting more complicated? Does the 2023 plan include unexpected factors?

Answer:

Our 2023 plan was approved by the Board in February. At that time, the market was tough but not as tough as what we have seen today. We have included unexpected factors in our plan, but we do not expect the market situation to be as tough as it is now. However, our track record shows that either we deliver our targets or are near our guidance. It is going to be tough, but after all it is still depending on various positive and negative factors. Overall, we will push ourselves to meet the AGM targets.

15. Question:

As Q1 revenue performance decreased 15% YoY while PAT decreased 19% YoY, please share the reasons. Is the decrease expected by SABECO?

Answer:

The net revenue decline is mainly driven by volume shortfall, which impacted the bottom line. As mentioned earlier, the other two factors hitting the bottom line are higher input costs as well as higher A&P expenses arising from Tet activities in 2023 that we have to invest to maintain and grow our market share.

16. Question:

Why are there many big outlets/restaurants in Ho Chi Minh City not selling Bia Saigon? Does the Board of Management have any plans to bring your products there? Do you want to open more distribution points in general trade?

Answer:

Our competitor is very strong in Ho Chi Minh City. and their market share is the highest in the world. Over the past few years, we have increased our market share. Our competitor will continue to defend while we will continue to make inroads. There are many outlets in Ho Chi Minh City selling Bia Saigon, and we have seen big improvements in Ho Chi Minh compared to the past. With our investments in the six strategic pillars as highlighted, we are confident that we will grow at a faster rate in the coming months.

17. Question:

Why did you decide to replace the General Director at this juncture?

Answer:

Bennett has been in SABECO for more than five years, and that is a long time to be away from his family and friends. We think that he has done a tremendously good job in transforming SABECO in the last five years. The last year was our record profit year, and we were able to propose bonus share issuance to reward our shareholders. We believe that it is the right time for SABECO to renew its leadership to bring in new fresh perspectives. Bennett shared that this is a very long journey, and he is just the first runner. After completing his path, he would pass the baton to the next runner. We are confident that Lester Tan will be able to bring SABECO to even greater heights with new energy and enthusiasm.

PART III: VOTING AND ELECTING

Mr. Duong Van Minh - Head of the Vote Counting Committee explained the voting and election rules for this AGM. Shareholders/authorized persons voted by filling in the voting ballot and electing ballot and sent them to the Vote Counting Committee for vote counting.

A. Voting:

Mr. Duong Van Minh – Head of the Vote Counting Committee reported voting results as follows:

1. Audited separate and consolidated financial statements for the fiscal year 2022

Approve	604,345,316 shares	99.9830%	of the voting rights attending at the AGM
Disapprove	0 shares	0.0%	of the voting rights attending at the AGM
Abstain	900 shares	0.0001%	of the voting rights attending at the AGM
Invalid	10 shares	0.0%	of the voting rights attending at the AGM

2. Report of the Board of Directors on 2022 performance and 2023 orientation

Approve	604,346,216 shares	99.9832%	of the voting rights attending at the AGM
Disapprove	0 shares	0.0%	of the voting rights attending at the AGM
Abstain	0 shares	0.0%	of the voting rights attending at the AGM
Invalid	10 shares	0.0%	of the voting rights attending at the AGM

3. Report on activities of the Independent Directors in the Audit Committee in 2022

Approve	604,346,216 shares	99.9832%	of the voting rights attending at the AGM
Disapprove	0 shares	0.0%	of the voting rights attending at the AGM
Abstain	0 shares	0.0%	of the voting rights attending at the AGM
Invalid	10 shares	0.0%	of the voting rights attending at the AGM

4. Proposal on selecting the independent auditor for the fiscal year 2023 and Q1 2024

Approve	601,109,096 shares	99.4476%	of the voting rights attending at the AGM
Disapprove	0 shares	0.0%	of the voting rights attending at the AGM
Abstain	3,237,120 shares	0.5355%	of the voting rights attending at the AGM
Invalid	10 shares	0.0%	of the voting rights attending at the AGM

5. Proposal on the 2022 profit distribution

Approve	603,846,216 shares	99.9004%	of the voting rights attending at the AGM
Disapprove	500,000 shares	0.0827%	of the voting rights attending at the AGM
Abstain	0 shares	0.0%	of the voting rights attending at the AGM
Invalid	10 shares	0.0%	of the voting rights attending at the AGM

6. Proposal on the 2023 profit distribution plan

Approve	603,491,116 shares	99.8417%	of the voting rights attending at the AGM
Disapprove	855,100 shares	0.1415%	of the voting rights attending at the AGM
Abstain	0 shares	0.0%	of the voting rights attending at the AGM
Invalid	10 shares	0.0%	of the voting rights attending at the AGM

7. Proposal on the settlement of remuneration in 2022 for the Board of Directors

Approve	603,845,316 shares	99.9003%	of the voting rights attending at the AGM
Disapprove	500,000 shares	0.0827%	of the voting rights attending at the AGM
Abstain	900 shares	0.0001%	of the voting rights attending at the AGM

Invalid	10 shares	0.0% of the voting rights attending at the AGM
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8. Proposal on the plan of remuneration in 2023 for the Board of Directors

Approve	603,845,316 shares	99.9003% of the voting rights attending at the AGM
Disapprove	500,000 shares	0.0827% of the voting rights attending at the AGM
Abstain	900 shares	0.0001% of the voting rights attending at the AGM
Invalid	10 shares	0.0% of the voting rights attending at the AGM

9. Proposal on related party transactions within SABECO group of companies

Approve	593,463,986 shares	98.1831% of the voting rights attending at the AGM
Disapprove	10,658,400 shares	1.7633% of the voting rights attending at the AGM
Abstain	221,920 shares	0.0367% of the voting rights attending at the AGM
Invalid	10 shares	0.0% of the voting rights attending at the AGM

10. Proposal to approve the shares issuance plan to existing shareholders to increase share capital from owner's equity

Approve	603,846,216 shares	99.9004% of the voting rights attending at the AGM
Disapprove	500,000 shares	0.0827% of the voting rights attending at the AGM
Abstain	0 shares	0.0% of the voting rights attending at the AGM
Invalid	10 shares	0.0% of the voting rights attending at the AGM

11. Proposal on the election of new Board members for the 2023 – 2028 term

Approve	601,655,176 shares	99.5380% of the voting rights attending at the AGM
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Disapprove	500,000 shares	0.0827% of the voting rights attending at the AGM
Abstain	2,191,040 shares	0.3625% of the voting rights attending at the AGM
Invalid	10 shares	0.0% of the voting rights attending at the AGM

⇒ As a result, all agenda items were approved by the General Meeting of Shareholders with the above approval rates.

B. Election

Mr. Duong Van Minh – Head of the Vote Counting Committee reported electing results as follows:

No.	Name	Total shares of election	% elected of the total voting rights attending the AGM
1	Mr. Koh Poh Tiong	601,544,921	99.5197%
2	Mr. Le Thanh Tuan	601,521,790	99.5159%
3	Mr. Michael Chye Hin Fah	601,578,255	99.5252%
4	Ms. Ngo Minh Chau	601,533,950	99.5179%
5	Mr. Nguyen Tien Vy	601,589,638	99.5271%
6	Mr. Pramoad Phornprapha	601,559,055	99.5221%
7	Ms. Tran Kim Nga	601,604,907	99.5296%

⇒ List of elected candidates:

- Ms. Tran Kim Nga
- Mr. Nguyen Tien Vy
- Mr. Michael Chye Hin Fah
- Mr. Pramoad Phornprapha
- Mr. Koh Poh Tiong
- Ms. Ngo Minh Chau
- Mr. Le Thanh Tuan

PART IV: APPROVING THE RESOLUTION AND MINUTES OF THE MEETING

Mr. Trang Duc Thinh presented the Minutes of the 2023 AGM.

The AGM approved the Minutes and Resolution of the 2023 AGM with 100% of votes.

This Minutes were made in two copies and were kept at SABECO's office.

The 2023 AGM ended at 12:00 pm on the same day.

SECRETARIES

**ON BEHALF OF CHAIRPERSONS
CHAIRPERSON**

-signed-

-signed-

-signed-

Tran Nguyen

Trang Duc Thinh

Michael Chye Hin Fah