



## SAIGON BEER - ALCOHOL - BEVERAGE CORPORATION

### MEETING MINUTES ANNUAL GENERAL MEETING OF SHAREHOLDERS 2024

Ho Chi Minh City, April 25, 2024

**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 25, 2024 at 8.30 am

**Venue:** Grand Ballroom, Sheraton Saigon Hotel & Towers,  
80 Dong Du, 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 210 persons, represented 1,196,844,505 shares, equivalent to 93.3167% of voting shares.
2. Delegates and guests invited to the Annual General Meeting:
  - The Board of Directors
  - The Board of Management, SABECO's executives.
  - The Annual General Meeting was honored to welcome the following guests:
    - + 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 25, 2024, represented 1,282,562,372 shares with voting rights of SABECO.

At 9:01 am, April 25, 2024, the total number of shareholders and authorized representatives was 114 persons, represented 1,167,676,919 shares, equivalent to 91.0425% of voting shares of SABECO. Thus, pursuant to SABECO Charter, constituted a quorum and the 2024 AGM was able to convene.

All shareholders and shareholders' representatives were eligible to attend the Annual General Meeting of Shareholders 2024.

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

### AGM Chairpersons:

Chairpersons of the meeting were as follows:

- Mr. Koh Poh Tiong	- Chairman	- Chairperson
- Mr. Pramoad Phornrapha	- Independent Director	- Member
- Mr. Nguyen Tien Vy	- Independent Director	- Member
- Mr. Michael Chye Hin Fah	- Board Member	- Member
- Ms. Tran Kim Nga	- Board Member	- Member
- Mr. Le Thanh Tuan	- Board Member	- Member
- Ms. Ngo Minh Chau	- Board Member	- Member
- Mr. Tan Teck Chuan Lester	- 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. Nguyen Hoang Hiep	- Finance Manager (Supply Chain)
- 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 Regulation at AGM

### 1. Agenda items include:

- Agenda 1: - Audited separate and consolidated financial statements for the fiscal year 2023
- Agenda 2: - Report of the Board of Directors on 2023 performance and 2024 orientation
- Agenda 3: - Report on activities of the Independent Directors in the Audit Committee in 2023
- Agenda 4: - Proposal on selecting the independent auditor for the fiscal year 2024 and Q1 2025
- Agenda 5: - Proposal on the 2023 profit distribution
- Agenda 6: - Proposal on the 2024 profit distribution plan
- Agenda 7: - Proposal on the settlement of remuneration in 2023 for the Board of Directors
- Agenda 8: - Proposal on the plan of remuneration in 2024 for the Board of Directors

Agenda 9: - Proposal on related party transactions within SABECO group of companies

The AGM approved the Agenda.

2. AGM Working Regulation

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 on April 03, 2024, and were included in the set of documents provided to shareholders and authorized representatives who attended AGM and were taken as read.

Mr. Tan Teck Chuan Lester, the General Director, presented the 2023 performance and 2024 business plan.

### **B. Q&A**

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

**1. Question:**

Your sales and profit forecasts for 2024 indicate a deterioration in margins. Can you give some comments on why this is the case? And where are margin enhancement and contraction coming from?

**Answer:**

There are two elements that affect the margins. One of them is that we are using up higher input cost contracts that we have hedged earlier, hence the cost is higher. Linking to the first point, some of these input costs are in USD terms, so there is also a Forex element impact in margins.

We will continue to protect our margins as much as we can via production norm improvements, as well as some of our sustainability initiatives.

**2. Question:**

Could you please share some color about your market share by the end of 2023? How about the Vietnam beer market outlook during a strict enforcement of Decree 100? How will SABECO respond to maintain market share and growth in the next few years?

**Answer:**

We want to differentiate between brand market share and company market share. For brand market share, Bia Saigon continues to be the number one beer brand in Vietnam. Over the course of 2023, Bia Saigon continued to grow steadily and strengthen its number one position. On the company level, our biggest competitor and us, we traded first and second places throughout the year. On a 12-month moving average, our market share has grown on a YoY basis. While we do not normally announce our market share, I can say the trend continues to improve in Q1.

It is clear that Decree 100 has affected the total market. Companies that are selling mainly in bars and pubs are affected a little bit more because that is where the drink driving law tries to control. As a company, we do support Decree 100, we do support responsible drinking. In many countries around the world, there is some tolerance meaning you can drink a little bit and still drive. We are trying to mitigate Decree 100 by working together with the government to be responsible in selling

beer and making sure people drink responsibly, but at the same time have some tolerance in the enforcement of the law.

We do not want to maintain market share. We want to grow market share. As mentioned, we will focus on three areas which are commercial excellence, supply chain efficiency, and then doing it in a very responsible way. We have shown some results in Q1 already and we need to continue doing this. With the guidance of the Board, I am confident that we will be successful in the next few years.

**3. Question:**

Does the Board have any thoughts on the revision of the beer and wine special tax rates in the upcoming quarter?

**Answer:**

It has been announced that the special sales tax will remain as it is. There will be no changes in the upcoming quarter. Being part of the industry, we continue to try to push back the implementation of this tax as far back as possible. What we want to do is to make sure that the sales structure is fair for Vietnamese companies and international companies competing in Vietnam. Even though there are no changes in the upcoming quarter, we will continue to engage with the government on tax matters.

**4. Question:**

Until which month in 2024 have raw materials including aluminum and malt been fixed? What is the difference between now and 2023? How about your expected gross margin of 2024 versus 2023?

**Answer:**

As mentioned earlier, the contracts that we hedged for both aluminum as well as malt will all be exhausted by the end of 2024. There is also the USD impact since commodity prices are denominated in USD. Again, we will finish all these higher raw materials as well as some packaging material costs at least in 2024. The current spot prices will be something that we will enjoy in 2025.

Although the cost of goods may have gone up because of all these input prices, there are multiple levers we can try to pull like improvements in production norms, wastage reduction, more efficiency in terms of overhead usage. The other thing we can do is to manage through product mix. And last but not least, we can also do a price increase which will be subjected to market conditions.

**5. Question:**

What is the proportion of net revenue for domestic and export?

**Answer:**

The percentage of export is very small which is less than 1%. We are primarily a domestic beer producer focusing on the domestic market. Export activities allow us to expand a little bit to serve some of the customers that are outside of Vietnam, but again we primarily serve in the domestic market.

**6. Question:**

Does SABECO have any plans for M&A in 2024?

**Answer:**

We are always looking at M&A opportunities. The market in Vietnam does offer quite a few M&A opportunities for us. If the offer is favorable, we will always consider it positively.

**7. Question:**

Can you share your plan to do business in e-commerce?

**Answer:**

We started e-commerce relatively late in the game, about October last year. By November and December, we were already number one in some of the e-commerce websites. E-commerce presents big opportunities for us in Vietnam. We have a large population that is very tech-savvy who uses online shopping a lot.

**8. Question:**

Any plans on a share buyback from the stock market instead of paying large cash dividends? What are your plans for dividend payments in 2024?

**Answer:**

We are not considering any share buyback at this stage primarily because right now the liquidity out in the market is actually very tight, about 10% plus. Last October, we did a 1:1 bonus share issuance to give more trading opportunities to retail investors. In terms of cash dividend guidance, we are proposing 35% of the share capital, but it is based on a larger float post bonus shares last year. This is one way for us to thank the shareholders who have stayed with us over the years.

**9. Question:**

What is your market share expectation in 2024?

**Answer:**

We think that for all FMCG companies, it is about market share position rather than market share expectation. We all want to be number one in the market. Bia Saigon is already the number one beer brand in the market. Our next target is to make sure that SABECO as a company goes to and remains at number one. This is our mission for 2024. We are confident that our market share will grow.

**10. Question:**

What are you doing to expand the off-premise segment?

**Answer:**

The off-premise segment comprises two portions: modern off-premise and traditional off-premise. For the modern off-premise which is related to supermarket chains, convenience stores, and other modern chains, we set up a new trading company to especially take care of all modern trade accounts to ensure a clear focus on that area. And this modern trade company is one of the strongest performers in SABECO. The second part of modern off-premise is e-commerce, which was mentioned earlier. Both will play a big role in our growth in the future.

However, the main part of the Vietnam beer market is actually the traditional off-trade, which is "tap hoa". Even though they are small, there are so many of them in Vietnam, and they contribute a very large amount of volume to us. The approach for this one is slightly different from the modern off-trade. We work through the entire supply chain, which involves working with our C1 distributors to improve our capabilities and skills, and working with individual "tap hoa" to make sure that our products are sold in all shops.

These are our approaches to the off-premise, and again, this is a very big portion of the total beer market which is very important to us, and will contribute to our growing market share.

**11. Question:**

KPMG has been SABECO's auditing company for more than 5 years. We suggest that the Company should apply good governance practices by changing the auditor after every 5 years.

**Answer:**

The principle of good corporate governance and retaining independence is the utmost priority for SABECO. We can confirm that we have extensive discussions

on this issue every time. The auditor selection is based on several factors. The first one is to retain independence as we have stated. We reassure you that even if the same auditor is selected, there will be rotation and a different team will be in charge. The second consideration is someone who is capable and has good track records in Vietnam, and that usually does not sway away from the Big 4. The third consideration, which is the key, is their ability to do a good job, and being familiar with the industry and the practice of SABECO as well. All those three factors are taken seriously every time this issue is brought to the table.

**12. Question:**

Why were selling expenses decreasing in 1Q24 compared to 4Q23?

**Answer:**

In Q4, all the activities were going into Tet so the spending was a little bit higher. However, we internally have a lot of cost controls for A&P, which not only come from domestic but also from our regional group office to help us in the control of A&P expenditure. We want every Dong that we spend to have more effective returns so that we can cut the spending but still get the same good results. The Company will continue to focus on this area because it is controllable, and we can take actions to improve our margin.

**13. Question:**

Could you share more about the losses from associates in 1Q24?

**Answer:**

The losses came from two of our associates. One of them is Crown Saigon which produces aluminum cans for us. They contributed to the losses because they had lesser orders in the quarter. The other one is Binh Tay Beer Group, which turned in bigger losses in 1Q24 resulting in a negative contribution to the shared profits. We are working to help them in 2Q24.

**14. Question:**

What are the key growth drivers for 1Q24 sales and net profit? What is the margin outlook in 2024?

**Answer:**

As mentioned in the presentation, we focus on commercial excellence as the main topic. The sales team has been working very hard to ensure execution excellence in the market. It is the discipline of the sales team to ensure that things are done properly and in a way that needs to be done in the market every day. This works through the entire chain from C1 distributors to outlets. All competitors in the market are doing the same thing as we are. It is a matter of who can do it better and faster. For us, Ho Chi Minh City must be one of the most competitive markets in Vietnam, and our Director of Center Trading has to be out there every day to ensure that all small details are met. This is how we gain market share.

In terms of the margin outlook, it includes two sides. One is from the revenue side, not spending as much to get the same amount of sales. The other comes from production and logistics, always reducing our costs and looking for ways to improve efficiencies. In that sense, we can improve the margin outlook in 2024.

**15. Question:**

Any possibility of increasing the share price of SABECO to 100,000 VND per share once again?

**Answer:**

Unfortunately, most of the companies' share prices in the world have dropped significantly due to political and macroeconomic conditions. As far as the share price is concerned, since we cannot control the external environment, let's focus

on our performance. If the Company performs well, the share price will go up and benefit all shareholders.

**16. Question:**

Any plans to launch mineral water in light of Decree 100 and to compete with PepsiCo?

**Answer:**

SABECO focuses on the core beer business, but we have investments in other beverage companies which are Binh Tay Liquor and Chuong Duong Beverages, a non-alcoholic beverages company. Chuong Duong already has a mineral water brand which is included in our portfolio. We have upgraded its packaging to ensure that the mineral water starts to improve its performance in the market. We hope that we can be successful in the market with this product.

**PART III: VOTING**

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

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 2023**

Approve	1,193,039,797 shares	99.6821% of the voting rights attending at the AGM
Disapprove	0 shares	0.0000% of the voting rights attending at the AGM
Abstain	92,075 shares	0.0077% of the voting rights attending at the AGM
Invalid	1,146,800 shares	0.0958% of the voting rights attending at the AGM

**2. Report of the Board of Directors on 2023 performance and 2024 orientation**

Approve	1,193,054,397 shares	99.6833% of the voting rights attending at the AGM
Disapprove	0 shares	0.0000% of the voting rights attending at the AGM
Abstain	77,475 shares	0.0065% of the voting rights attending at the AGM
Invalid	1,146,800 shares	0.0958% of the voting rights attending at the AGM



**3. Report on activities of the Independent Directors in the Audit Committee in 2023**

Approve	1,193,042,217 shares	99.6823%	of the voting rights attending at the AGM
Disapprove	0 shares	0.0000%	of the voting rights attending at the AGM
Abstain	89,655 shares	0.0075%	of the voting rights attending at the AGM
Invalid	1,146,800 shares	0.0958%	of the voting rights attending at the AGM

**4. Proposal on selecting the independent auditor for the fiscal year 2024 and Q1 2025**

Approve	1,187,416,719 shares	99.2123%	of the voting rights attending at the AGM
Disapprove	1,488,100 shares	0.1243%	of the voting rights attending at the AGM
Abstain	4,227,053 shares	0.3532%	of the voting rights attending at the AGM
Invalid	1,146,800 shares	0.0958%	of the voting rights attending at the AGM

**5. Proposal on the 2023 profit distribution**

Approve	1,192,995,899 shares	99.6784%	of the voting rights attending at the AGM
Disapprove	200 shares	0.0000%	of the voting rights attending at the AGM
Abstain	135,773 shares	0.0113%	of the voting rights attending at the AGM
Invalid	1,146,800 shares	0.0958%	of the voting rights attending at the AGM

**6. Proposal on the 2024 profit distribution plan**

Approve	1,193,007,182 shares	99.6794%	of the voting rights attending at the AGM
Disapprove	200 shares	0.0000%	of the voting rights attending at the AGM



Abstain	124,490 shares	0.0104% of the voting rights attending at the AGM
Invalid	1,146,800 shares	0.0958% of the voting rights attending at the AGM

**7. Proposal on the settlement of remuneration in 2023 for the Board of Directors**

Approve	1,192,954,581 shares	99.6750% of the voting rights attending at the AGM
Disapprove	215 shares	0.0000% of the voting rights attending at the AGM
Abstain	177,076 shares	0.0148% of the voting rights attending at the AGM
Invalid	1,146,800 shares	0.0958% of the voting rights attending at the AGM

**8. Proposal on the plan of remuneration in 2024 for the Board of Directors**

Approve	1,193,020,781 shares	99.6805% of the voting rights attending at the AGM
Disapprove	215 shares	0.0000% of the voting rights attending at the AGM
Abstain	110,876 shares	0.0093% of the voting rights attending at the AGM
Invalid	1,146,800 shares	0.0958% of the voting rights attending at the AGM

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

Approve	1,184,636,741 shares	98.9800% of the voting rights attending at the AGM
Disapprove	8,361,800 shares	0.6987% of the voting rights attending at the AGM
Abstain	133,331 shares	0.0111% of the voting rights attending at the AGM
Invalid	1,146,800 shares	0.0958% 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.

**PART IV: APPROVING THE RESOLUTION AND MINUTES OF THE MEETING**

Mr. Trang Duc Thinh presented the Minutes of the 2024 AGM.

The AGM approved the Minutes and Resolution of the 2024 AGM with 100% of votes.

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

The 2024 AGM ended at 11:30 am on the same day.

**SECRETARIES****ON BEHALF OF  
CHAIRPERSONS  
CHAIRPERSON**

-signed-

-signed-

-signed-

-signed-

Tran Nguyen

Nguyen Hoang Hiep

Trang Duc Thinh

Koh Poh Tiong