

**SAIGON BEER - ALCOHOL - BEVERAGE  
CORPORATION**

**SOCIALIST REPUBLIC OF VIETNAM  
Independence - Freedom - Happiness**

*Ho Chi Minh City, April 12<sup>th</sup>, 2019*

**MINUTES  
OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS 2019  
SAIGON BEER - ALCOHOL - BEVERAGE CORPORATION**

**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

**Certificate of enterprise registration number:** 0300583659

**Time:** April 12<sup>th</sup>, 2019 at 8h30

**Venue:** Grand Ballroom, Floor 3 – Sheraton Saigon Hotels & Towers, 80 Dong Du, District 1, Ho Chi Minh City

**PART I: INTRODUCTION ON OPENING CEREMONY**

**I. Participants:**

1. The total number of shareholders and authorized representatives attended the Annual General Meeting of Shareholders (AGM) was 117 persons, represented 632,926,324 shares, equivalent to 98.6972% of voting shares.

2. Delegates and guests invited to the Annual General meeting:

- The Board of Directors, the Board of Management, SABECO's executives, Representatives of subsidiaries and associated companies.
- The Annual General meeting was honored to receiving the presence of the following delegates:
  - + Representatives of Ministry of Industry and Trade
  - + Representatives of Subsidiaries, Associate Companies
  - + Representatives of Banks, Audit Company

**II. Report on the results of shareholders' eligibility examination:**

Shareholders' eligibility Examination Committee:

- |                         |                              |          |
|-------------------------|------------------------------|----------|
| - Mr. Duong Van Minh    | - Deputy 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 Examination Committee reported the results of shareholders' eligibility examination:

Total number of invited shareholders: All shareholders in the list of shareholders as of March 20<sup>th</sup>, 2019, represented 641,281,186 shares with voting rights of Saigon Beer - Alcohol - Beverage Corporation (SABECO).

At 09:00 a.m, April 12<sup>th</sup> ,2019, the total number of shareholders and authorized representatives was 93 persons, represented 629,116,494 shares, equivalent to 98.1031% of voting shares of SABECO. Thus, pursuant to Clause 1, Article 20 of SABECO's charter, the 2019 AGM was able to convene.

All shareholders and shareholders' representatives were eligible to attend the Annual General Meeting of Shareholders 2019.

### **III. Introduce the Chairman, the Secretary and Vote Counting Committee**

#### **List of Chairpersons of the Meeting:**

- |                             |                                 |               |
|-----------------------------|---------------------------------|---------------|
| - Mr. Koh Poh Tiong         | - Chairman of the BOD           | - Chairperson |
| - Mr. Nguyen Tien Vy        | - Independent Member of the BOD | - Member      |
| - Mr. Pramoad Phornprapha   | - Independent Member of the BOD | - Member      |
| - Mr. Michael Chye Hin Fah  | - Member of the BOD             | - Member      |
| - Ms. Tran Kim Nga          | - Member of the BOD             | - Member      |
| - Mr. Nguyen Tien Dung      | - Member of the BOD             | - Member      |
| - Mr. Luong Thanh Hai       | - Member of the BOD             | - Member      |
| - Mr. Neo Gim Siong Bennett | - General Director              | - Member      |
| - Mr. Teo Hong Keng         | - Deputy General Director       | - Member      |

#### **Vote Counting Committee:**

- |                         |                              |          |
|-------------------------|------------------------------|----------|
| - Mr. Duong Van Minh    | - Deputy 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.

#### **AGM's Secretary:**

In order to record the minutes and the resolution of the AGM, the Chairman appointed the following as AGM secretaries:

- Mr. Trang Duc Thinh – Specialist of BOD Office
- Mr. Doan Ngoc Nam – Specialist of BOD Office

### **IV. Agenda and Working regulations at AGM**

1. The main contents of the agenda include:

- Audited separate and consolidated financial statements 2018
- Board of Directors' report on business performance in 2018 and orientation for 2019
- Activity report of the Board of Supervisors from January 1st 2018 to July 21st 2018
- Activity report of the Audit Committee in 2018
- Selection of independent auditor for SABECO's financial statements in the fiscal year 2019 and Q1/2020

- 2018 profit distribution
- 2019 profit distribution plan
- Settlement of salary, remuneration and bonus of Board of Directors in 2018 and Board of Supervisors from January 1st 2018 to July 21st 2018
- Salary, remuneration and bonus plan of the Board of Directors in 2019
- Amendment of the Charter
- Amendment of the Internal Regulations on Corporate Governance

The AGM approved the Agenda

2. Working Regulations:

The AGM approved the Working regulation

## **PART II: CONTENT OF THE GENERAL MEETING**

### **I. Presentation of the reports and proposals:**

All the details of agenda items to be voted on today have been posted on SABECO website first time on March 28<sup>th</sup>, 2019 and other updated documents that have been posted later on, are included in the document provided to shareholders and authorized representatives attended AGM and are taken as read.

- Mr. Koh Poh Tiong – Chairman of the BOD presented the brief report of the Board of Directors.
- Mr. Neo Gim Siong Bennett – General Director presented 2018 performance and 2019 business plan.

### **II. Q&A**

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

**1. Question:**

Can you share about the competitive dynamic in Hanoi, the north, our status and direction?

**Answer:**

In the north, HABECO was the biggest competitor and also the market was highly competitive. We increased market shares in the past few years and would continue to increase the market shares in the North.

**2. Question:**

Can you share about areas for improvement on sale management?

**Answer:**

In term of sale management, there were 4 areas to improve:

- 1) Sale force capability and competency
- 2) Distributor quality
- 3) Improve the effectiveness of our promoter agents

4) Price stability for SABECO products

If we can improve all mentioned above, it would benefit SABECO.

**3. Question:**

Have you increased selling prices year to date? By how much and for which brands?

**Answer:**

We had increased selling price for selected brands, but we would not disclose this information.

**4. Question:**

Your marketing budget for 2019 vs 2018?

**Answer:**

We increased the marketing budget taken into account an expected impact raised to the business. We expected the impact to be more than the increase of budget. We tried to increase the efficiency of every USD spent and focused on the marketing effort, not the amount spent.

**5. Question:**

Could you share the business result in Q1/2019? Revenue growth driven by volume growth or price growth?

**Answer:**

The unaudited result would be published on HOSE by the end of the month, so we were not able to share at the moment. However, the result was in line with the plan.

**6. Question:**

Could you share more information about the current special consumption tax calculation? Will the special consumption tax increase more in this year?

**Answer:**

For the SST calculation, Mr. Teo Hong Keng could share with you later after the meeting. On the SST, this year, there was no announcement yet. SABECO was working with the Vietnam Beer Association for engagement on this matter.

**7. Question:**

Please share your plan on product innovations and premiumization?

**Answer:**

Our focus was to get our current portfolio strong first. We were improving the current portfolio and seeing some results. We had Innovation Committee and were looking for innovation in the coming years. The current portfolio of the mother brands must be strong in order to drive innovation. This may take time and we would not disclose this information as it was confidential.

**8. Question 8:**

SABECO market share in 2018 and target market share in 2019?

**Answer:**

For market share, we planned to grow the volume by 6.3% while beer market share was estimated to grow by 5%. That meant we would grow market share in 2019. However, the absolute market share was not critical to us. The most 02 important things were that we were the leader and we were growing our market share.

**9. Question:**

Could you quantify the amount of savings you expect from all your cost saving projects in 2019? How about beyond 2019?

**Answer:**

We would not disclose the exact amount, but it was millions of USD. All of these cost savings would be recurring in the future. We followed the 7 strategic pillars with short-term, medium-term and long-term plans that would bring results in different points of time. SABECO 4.0 would bring a lot of saving in term of manpower and the better use of resources to generate sale.

**10. Question:**

Your assessment of overall volume growth for Vietnam beer market in the next 5 years?

**Answer:**

The population of Vietnam was growing, especially the people within the drinking age. Base on our estimation, the market would grow at the rate of 4-5% in the next 5 years.

**11. Question:**

Selling and General Administration expense is accounting for 10% of sales. Are you expecting to reduce the ratio to 2% or 5% in upcoming years?

**Answer:**

Among SG&A expense, selling expense contributed huge portion. In term of selling expense, we would continue to invest so there would affect on the revenue. However, we would reduce G&A expense. For overall, we would not increase in term of percentage. There would be continuous effort to drive efficiency in the SG&A expense.

**12. Question:**

How many percentages that premium products are accounting for in total sales? Do you expect to increase premium products contribution?

**Answer:**

Our estimation of the premium segment of the market in Vietnam was approximately 4%, which was not our area of strength. We would continue to focus on the mainstream and sub-premium segments.

**13. Question:**

Does SABECO plan to restructure subsidiaries and associates. If yes, how the restructuring will be?

**Answer:**

The restructuring matter was under consideration. We were engaging subsidiaries and associates to discuss about the restructuring for benefit of our group of company as a whole.

**14. Question:**

Can you share about the orientation for export activities in 2019?

**Answer:**

Last year, export sale was a few percentages of total sales. This year we would look through the way to categorize markets. For example, in some markets we would invest in brands, marketing and promotion while, in some markets, we would only focus on trade. Our focus was always on making mother brand strong in Vietnam which would bring the credit in over the world.

**15. Question:**

The quality and taste of Chuong Duong Saxi was not as good as before. What is the solution for this?

**Answer:**

Saxi was our heritage brand and potential product. At this moment, we were investing in brand, product quality and people and we had shared this mission at Chuong Duong AGM on last Tuesday. New management of Chuong Duong - Mr. Schubert Neo would strive for this mission and also apply our 7 strategic pillars to Chuong Duong. In this regard, SABECO and F&N would provide fully support.

**16. Question:**

Our competitor - Tiger beer had leaked some news and also has competitive programs to compete with SABECO's products including provide cash support for outlets, limit selling or display SABECO's products and there was a rumor that SABECO is Chinese company. What would be your response?

**Answer:**

There was no Chinese shareholder in SABECO, F&N and ThaiBev. We focus on sale at outlet and believe that if we work transparently and professionally, stakeholders would want to work with us.

**17. Question:**

Can you share the distribution gaps in the market where it presents an opportunity for us to grow, especially in HCMC?

**Answer:**

We had the biggest distribution network in Vietnam. However, we had not done well in HCMC that there were more opportunities to improve. For distribution, we focus on both number and quality of distributor.

**18. Question:**

Is ThaiBev interested in SABECO's shares if the government divest more?

**Answer:**

We were happy with the current stage and we had a lot of things to do. However, we do believe that ThaiBev would consider if MOIT decide to divest SABECO's shares.

**III. Voting and election:**

Reports and Proposals:

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

**1. Audited financial statements 2018**

Approve	632,601,614 shares	99.9487% of the total voting rights attending at the AGM
Disapprove	0 shares	0.0000% of the total voting rights attending at the AGM
Abstain	308,440 shares	0.0487% of the total voting rights attending at the AGM
Invalid	20 shares	0.0000% of the total voting rights attending at the AGM

**2. Board of Directors's report on business performance in 2018 and orientation for 2019**

Approve	632,601,614 shares	99.9487 % of the total voting rights attending at the AGM
Disapprove	0 shares	0.0000% of the total voting rights attending at the AGM
Abstain	308,440 shares	0.0487% of the total voting rights attending at the AGM
Invalid	20 shares	0.0000% of the total voting rights attending at the AGM

**3. Activity report of the Board of Supervisors from January 1<sup>st</sup> 2018 to July 21<sup>st</sup> 2018**

Approve	632,601,614 shares	99.9487 % of the total voting rights attending at the AGM
Disapprove	0 shares	0.0000% of the total voting rights attending at the AGM
Abstain	308,440 shares	0.0487% of the total voting rights attending at the AGM
Invalid	20 shares	0.0000% of the total voting rights attending at the AGM

**4. Activity report of the Audit Committee in 2018**

Approve	632,601,614 shares	99.9487 % of the total voting rights attending at the AGM
Disapprove	0 shares	0.0000% of the total voting rights attending at the AGM
Abstain	308,440 shares	0.0487% of the total voting rights attending at the AGM
Invalid	20 shares	0.0000% of the total voting rights attending at the AGM

**5. Selection of independent auditor for SABECO's financial statements in the fiscal year 2019 and Q1/2020**

Approve	632,587,414 shares	99.9465% of the total voting rights attending at the AGM
Disapprove	0 shares	0.0000% of the total voting rights attending at the AGM
Abstain	322,640 shares	0.0510% of the total voting rights attending at the AGM
Invalid	20 shares	0.0000% of the total voting rights attending at the AGM

**6. 2018 profit distribution**

Approve	401,724,367 shares	63.4710% of the total voting rights attending at the AGM
Disapprove	230,876,647 shares	36.4776% of the total voting rights attending at the AGM
Abstain	309,040 shares	0.0488% of the total voting rights attending at the AGM
Invalid	20 shares	0.0000% of the total voting rights attending at the AGM

**7. 2019 profit distribution plan**

Approve	401,724,367 shares	63.4710% of the total voting rights attending at the AGM
Disapprove	230,876,647 shares	36.4776% of the total voting rights attending at the AGM
Abstain	309,040 shares	0.0488% of the total voting rights attending at the AGM
Invalid	20 shares	0.0000% of the total voting rights attending at the AGM



**8. Settlement of salary, remuneration and bonus of Board of Directors in 2018 and Board of Supervisors (from January 1<sup>st</sup> 2018 to July 21<sup>st</sup> 2018)**

Approve	632,011,254 shares	99.8554% of the total voting rights attending at the AGM
Disapprove	589,760 shares	0.0932% of the total voting rights attending at the AGM
Abstain	309,040 shares	0.0488% of the total voting rights attending at the AGM
Invalid	20 shares	0.0000% of the total voting rights attending at the AGM

**9. Salary, remuneration and bonus plan of the Board of Directors in 2019**

Approve	632,011,254 shares	99.8554% of the total voting rights attending at the AGM
Disapprove	589,760 shares	0.0932% of the total voting rights attending at the AGM
Abstain	309,040 shares	0.0488% of the total voting rights attending at the AGM
Invalid	20 shares	0.0000% of the total voting rights attending at the AGM

**10. Amendment of the Charter**

Approve	592,674,774 shares	93.6404% of the total voting rights attending at the AGM
Disapprove	38,395,610 shares	6.0664% of the total voting rights attending at the AGM
Abstain	1,839,670 shares	0.2907% of the total voting rights attending at the AGM
Invalid	20 shares	0.0000% of the total voting rights attending at the AGM

**11. Amendment of the Internal Regulations on Corporate Governance**

Approve	599,722,614 shares	94.7539% of the total voting rights attending at the AGM
Disapprove	32,879,000 shares	5.1948% of the total voting rights attending at the AGM
Abstain	308,440 shares	0.0487% of the total voting rights attending at the AGM
Invalid	20 shares	0.0000% of the total voting rights attending at the AGM

**VI: NOTICE OF RESOLUTION AND MINUTES OF THE MEETING**

Mr. Trang Duc Thinh presented the Minutes of the 2019 AGM.

The AGM approved the Minutes and the Resolution of the 2019 AGM with 100% of votes.

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

The 2019 AGM ended at 11:30 the same day.

**SECRETARIAT**

**ON BEHALF OF  
CHAIRPERSONS  
CHAIRMAN**

-signed-

-signed-

-signed-

Trang Duc Thinh

Doan Ngoc Nam

Koh Poh Tiong