



**SAIGON BEER - ALCOHOL - BEVERAGE CORPORATION**

**MEETING MINUTES  
ANNUAL GENERAL MEETING OF SHAREHOLDERS 2022**

Ho Chi Minh City, April 27, 2022

**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, 2022 at 8:30 am

**Venue:** 5<sup>th</sup> Floor, Castor Ballrooms 1 & 2, GEM Center, 8 Nguyen Binh Khiem Street, Da Kao Ward, District 1, HCMC, Vietnam

**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 129 persons, represented 602,775,744 shares, equivalent to 93.9955% 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 receive the following delegates:
    - + Former senior leaders of SABECO.
    - + Representatives of Audit Company.

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

**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, 2022, represented 641,281,186 shares with voting rights of SABECO.

At 9 a.m., April 27, 2022 the total number of shareholders and authorized representatives was 99 persons, represented 598,145,424 shares, equivalent to 93.2735% of voting shares of SABECO. Thus, pursuant to SABECO's charter, constituted a quorum and the 2022 AGM was able to convene.

All shareholders and shareholders' representatives were eligible to attend the Annual General Meeting of Shareholders 2022.

### III. Introduce Chairpersons, Secretaries, and the Vote Counting Committee

#### List of Chairpersons of the Meeting:

- Mr. Koh Poh Tiong	- Chairman of the Board	- Chairperson
- Mr. Pramoad Phornprapha	- Independent Director of the Board	- Member
- Mr. Nguyen Tien Vy	- Independent Director of the Board	- Member
- Mr. Michael Chye Hin Fah	- Member of the Board	- Member
- Ms. Tran Kim Nga	- Member of the Board	- Member
- Mr. Le Thanh Tuan	- Member of the Board	- Member
- Ms. Ngo Minh Chau	- Member of the Board	- Member
- Mr. Neo Gim Siong Bennett	- General Director	- Member
- Mr. Alan Koo Liang Kwee	- Deputy General Director	- Member

#### AGM Secretaries:

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

- Mr. Trang Duc Thinh	- BOD Office
- Ms. Lam My Hong	- 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.

### IV. Agenda and Regulations at AGM

#### 1. The main contents of the agenda

Agenda 1: - Audited separate and consolidated financial statements for the fiscal year 2021

Agenda 2: - Report of the Board of Directors on 2021 performance and 2022 orientation

- Agenda 3: - Report on activities of the Independent Directors in the Audit Committee in 2021
- Agenda 4: - Proposal on selecting the independent auditor for the fiscal year 2022 and Q1 2023
- Agenda 5: - Proposal on the 2021 profit distribution
- Agenda 6: - Proposal on the 2022 profit distribution plan
- Agenda 7: - Settlement of salary, remuneration, bonus in 2021 for the Board of Directors
- Agenda 8: - Plan of salary, remuneration, bonus in 2022 for the Board of Directors
- Agenda 9: - Proposal on related party transactions within SABECO group of companies
- Agenda 10: - Proposal on the addition of business line

The AGM approved the Agenda.

## 2. AGM Working Regulations

The AGM approved the Working regulations.

## PART II: CONTENTS OF THE MEETING

### I. Presentation of the reports and proposals

All agenda items to be voted on today were posted on SABECO's website for the first time on April 6, 2022 and other updated documents, which were posted later on, are included in the set of documents provided to shareholders and authorized representatives who attend AGM and are taken as read.

Mr. Neo Gim Siong Bennett, the General Director, presented 2021 performance and 2022 business plan.

### II. Q&A

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

#### 1. Question:

What was the current market share of SABECO? What was the targeted market share at the end of this year, 2022?

#### Answer:

We could not reveal exact market share data; however, it was more important to look at the trends of the market share. As presented earlier, in 2021, we saw an uptrend of market share, and of course, the Board of Directors targeted further growth in market share. We have set more aggressive targets for further market share in 2022.

#### 2. Question:

Would the distributors support program reduce the company's profit?

#### Answer:

SABECO had distributors support program in 2021 under the Covid situation. We did not have COVID support program this year. However, we did have distributor incentive programs. If the distributors sold more, they would get more incentives, and we also got more profits.

**3. Question:**

How does SABECO 4.0 help the company control cost and increase profit?

**Answer:**

SABECO 4.0 was about simplification, standardization, and centralization of all processes. When looking at simplification and standardization, we would reduce resources to work on processes and activities, which would lead to increased productivity. Centralization meant that we put all the data together in the head office to help us have more visibility of what was happening on the ground. We were also able to compare the performance of each entity or company. We pull all the data on raw material usage, energy usage, and productivity collecting from 26 breweries. We looked at who was the best and who was not so good performer. We were able to pass on the best practice to the breweries that were not performing as well. Regarding the Warehouse Management System, we were able to see stock levels at different places. We could better control the stock levels to prevent over usage, wastage, and more efficient deliveries. These were all cost reductions. Regarding the Salesforce Automation System and Distributor Management System, we could look at how the salespeople were performing. Hence, we had better visibility of how many outlets we supplied the products to. Therefore, we could improve the overall sales. In short, if you increased revenue and reduced costs, you would have higher profits. You could also control capital expenses better, and your depreciation would come down as well. Hence, SABECO 4.0 has affected all areas, from the revenue line to the bottom line.

**4. Question:**

Was there any plan to increase the price of the products in 2022? What was the maximum price increase for the products?

**Answer:**

Vietnam has a competition law; therefore, we cannot announce the price increase in advance. There are many reasons, such as the competition, cost increase, or upgrading the product, which could lead to the price increase. Hence, many variables would determine how much and when SABECO would increase prices.

**5. Question:**

Whether the inventory of raw materials at the moment and would it be sufficient for 2022?

**Answer:**

SABECO had the purchase programs to buy in advance, especially for strategic materials like malt and aluminum cans. So far, we have been quite fortunate that we were well covered for the year 2022, and we were looking for the year 2023 right now. However, the input cost would increase. We would manage the input cost as we went along. Moreover, at our quarterly investor briefing, we had always mentioned another factor that was equally important as cost which was the availability of materials. The local logistical challenges were all around us given the current situation of the Ukraine war, Covid-19 and the recent Shanghai lockdown. Even though our products did not go through China Port, there were repercussions. In short, if there were no raw materials, we could not produce beer. We worked day and night to ensure availability at the optimal cost.

**6. Question:**

Could you share the market share of SABECO in provinces and city?

**Answer:**

We have responded to this question earlier.

**7. Question:**

Whether the company plans to increase selling price in 2021 and 2022?

**Answer:**

We have responded to this question earlier.

**8. Question:**

What is the production capacity of breweries? What was the capacity utilization of breweries in 2022?

**Answer:**

Regarding the production capacity, SABECO has a production capacity of excess of 2 billion liters. During a Covid year, the capacity utilization was low. Based on two billion liters capacity and our revenue, we were probably between 60% to 80% of total capacity during 2021. We would have sufficient capacity for 2022 and even 2023. We did not look at only this year and next year, but we looked at the next three to five years and plans for capacity expansions in two to three years. At the appropriate time, we will announce the expansion plans.

**9. Question:**

Could SABECO share more on your goals in a transformation 2.0, especially regarding the “unlock” pillar?

**Answer:**

“Unlocked” meant it has not opened yet. SABECO had much potential in terms of processes, structure, assets, etc., that it has not optimized yet. If we could simplify processes, we would have better productivity, revenue, and cost reduction. Another example could be that SABECO can do share services with its 44 companies, and there are a lot of common activities that can be centralized. Besides, there are a lot of assets that Management has not touched yet. If we could change the structure, we would be able to become more comfortable. There are some sensitive projects that we cannot announce now, but we will try to unlock profitability in the short-term and long-term.

**10. Question:**

How is the progress of the mass premium segment in Q1/2022 and going forward?

**Answer:**

We would continue to grow our mass premium segment. We relaunched Bia Saigon Special to focus on the mass premium segment, in addition to Bia Saigon Chill. We are very optimistic about both brands, so if shareholders have the opportunity, please taste the new Bia Saigon Special and continue to support Bia Saigon Chill.

**11. Question:**

Did you still face anti-competitive practices such as channel blocking from your competitors, or is your brand now stronger to withstand that practice?

**Answer:**

In terms of anti-competitive behaviors, we think that all companies are responsible and hope that they continue to be a level playing field in the beer industry. With the brand investment that SABECO has put in over the past few years, we feel that our brands are much stronger than before. We want to ride this momentum to grow the business further.

**12. Question:**

Can the Board of Directors share the Q1 result and orientation for Q2?

**Answer:**

We already released our Q1 result last night, and shareholders could take a look. Overall, we have done well with double-digit growths of top line and bottom line. The good result was the continuation of the good work that we have done and basically what was mentioned earlier. Higher net sales come from increased growth, pricing, and a positive product mix. Our cost management initiatives continue to help us achieve efficiency gains, hence, double-digit growth of our bottom line.

**13. Question:**

Do you have any plans to increase the Average Selling Price (ASP) in 2022 to mitigate the impact of high input costs?

**Answer:**

We have responded to this question earlier.

**14. Question:**

According to ThaiBev's strategy of Passion 2025, could SABECO share the target growths from 2022 to 2025 in terms of revenue, profit, and market cap?

**Answer:**

This was the SABECO AGM; therefore, we cannot share what ThaiBev intends to do.

Management also shared that ThaiBev, as a shareholder, has got transformation programs in Thailand and the rest of the region. We shared best practices with ThaiBev. There were things that ThaiBev taught us and contributed to us, but there were also things that we contributed back to ThaiBev.

**15. Question:**

How many months of inventory for raw materials, malt, and tin did SABECO have so far?

**Answer:**

We have responded to this question earlier.

**16. Question:**

Could the Board of Directors of SABECO share about the stock dividend as this will improve the stock liquidity and support the stock attractiveness to retail investors?

**Answer:**

We are looking at all options and also considering this one.

**17. Question:**

What was SABECO's orientation in electricity production and wind power?

**Answer:**

We do not use wind power, but we use solar power. Seven of our breweries were using solar power now, and we hope to implement it in more breweries. Unfortunately, we think that the biggest capacity we can put in for solar is one megawatt. We would have more savings if we could have more than one megawatt. We wanted to reiterate that the production team and Mr. Lam Du An had done a good job over the past year. We reduced our energy consumption by about 10% compared to last year.

**18. Question:**

How much was the new capacity of Lam Dong Brewery and Quang Ngai Brewery?

**Answer:**

Lam Dong has a capacity of around 100 million liters. This critical brewery was running efficiently. We believed it was the best brewery for two years. Quang Ngai was currently going through an expansion. We were proud to say that it would be fully operational to roughly 250 million liters by the end of this week, which would be a new capacity. It meant that we were better positioned to cater to consumer demand from the central to the south if we needed to. Hence, 2022 is an exciting year.

**19. Question:**

What is SABECO Management's point of view about the current market competition, especially the biggest competitor Heineken?

**Answer:**

We do not normally comment on our competitors.

**20. Question:**

Do you think about investing in more premium segments to compete with Heineken to increase profit and margin?

**Answer:**

Our strategy is a portfolio strategy. We have portfolios in premium, mass premium, mainstream, and to a certain extent, the economy segment of the market. As a result, we want to have good shares in all market segments, especially where we have lower shares and higher opportunities.

**21. Question:**

How does a higher material price impact a company's project? Does SABECO consider any price adjustment and any price increase?

**Answer:**

We have responded to this question earlier.

**22. Question:**

How many percent do the packaging costs account for the input costs? Whether the costs increase much in 2021 and 2022?

**Answer:**

The packaging costs account for a substantial proportion of input costs. Typically, we do not open up the proportion details when sharing the input costs. The packaging costs were high for 2021 and 2022. We could address this question from another angle and what we were doing about it. Instead of buying forward to try to have a view on the cost, we were basically looking internally to improve our efficiencies in the areas of consumption and energy usage. The reduction was in other fixed overheads in our manufacturing. Another angle to look at was how to improve our product mix or brand mix to improve profitability and mitigate all these input cost increases. Last option, we will do a price increase when the market permits. Hence, we were always looking at both internal and external factors to manage income costs.

**23. Question:**

Currently, 20% of the asset value of SABECO was in cash and short-term investment. Do you think of ways to optimize a company's capital structure?

**Answer:**

Internally, we were always looking at how to optimize our capital structure. The work was in progress, and this question was also asked last year. We were looking at how best to do so. Hence, we will come back with this later if we start work on it.

**24. Question:**

Is there any information regarding the plan to further divest SCIC's shares this year?

**Answer:**

Mr. Le Thanh Tuan, representative of SCIC's shares responded that on March 17, 2022, the Prime Minister issued Decision No. 360 on the structure of state-owned corporations and groups. SCIC is a state-owned corporation. Currently, SCIC is submitting a list of restructuring enterprises in SCIC's investment portfolio, including SABECO, to the Commission for the Management of State Capital at Enterprises. Therefore, after getting approval from the Commission, we will publicly announce the business restructuring plan. A restructuring plan is currently being developed to submit to the relevant authorities; therefore, SCIC was unsure about the plan related to SABECO.



**PART III: VOTING**

Shareholders/ authorized persons voted by filling in the voting ballots and sending the voting ballots 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 2021**

Approve	602,772,814 shares	99.9995% of the voting rights attending at the AGM
Disapprove	0 shares	0.0000% of the voting rights attending at the AGM
Abstain	0 shares	0.0000% of the voting rights attending at the AGM
Invalid	30 shares	0.0000% of the voting rights attending at the AGM

**2. Report of the Board of Directors on 2021 performance and 2022 orientation**

Approve	602,772,814 shares	99.9995% of the voting rights attending at the AGM
Disapprove	0 shares	0.0000% of the voting rights attending at the AGM
Abstain	0 shares	0.0000% of the voting rights attending at the AGM
Invalid	30 shares	0.0000% of the voting rights attending at the AGM

**3. Report on activities of the Independent Directors in the Audit Committee in 2021**

Approve	602,272,764 shares	99.9166% of the voting rights attending at the AGM
Disapprove	500,000 shares	0.0829% of the voting rights attending at the AGM
Abstain	50 shares	0.0000% of the voting rights attending at the AGM
Invalid	30 shares	0.0000% of the voting rights attending at the AGM

**4. Proposal on selecting the independent auditor for the fiscal year 2022 and Q1 2023**

Approve	601,469,964 shares	99.7834% of the voting rights attending at the AGM
Disapprove	432,230 shares	0.0717% of the voting rights attending at the AGM
Abstain	870,620 shares	0.1444% of the voting rights attending at the AGM
Invalid	30 shares	0.0000% of the voting rights attending at the AGM

**5. Proposal on the 2021 profit distribution**

Approve	602,272,814 shares	99.9166% of the voting rights attending at the AGM
Disapprove	500,000 shares	0.0829% of the voting rights attending at the AGM
Abstain	0 shares	0.0000% of the voting rights attending at the AGM
Invalid	30 shares	0.0000% of the voting rights attending at the AGM

**6. Proposal on the 2022 profit distribution plan**

Approve	602,270,414 shares	99.9162% of the voting rights attending at the AGM
Disapprove	500,000 shares	0.0829% of the voting rights attending at the AGM
Abstain	2400 shares	0.0004% of the voting rights attending at the AGM
Invalid	30 shares	0.0000% of the voting rights attending at the AGM

**7. Settlement of salary, remuneration, bonus in 2021 for the Board of Directors**

Approve	602,260,814 shares	99.9146% of the voting rights attending at the AGM
Disapprove	500,000 shares	0.0829% of the voting rights attending at the AGM
Abstain	12,000 shares	0.0020% of the voting rights attending at the AGM
Invalid	30 shares	0.0000% of the voting rights attending at the AGM

**8. Plan of salary, remuneration, bonus in 2022 for the Board of Directors**

Approve	602,258,414 shares	99.9142% of the voting rights attending at the AGM
Disapprove	500,000 shares	0.0829% of the voting rights attending at the AGM
Abstain	14,400 shares	0.0024% of the voting rights attending at the AGM
Invalid	30 shares	0.0000% of the voting rights attending at the AGM

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

Approve	590,663,724 shares	97.9907% of the voting rights attending at the AGM
Disapprove	11,950,740 shares	1.9826% of the voting rights attending at the AGM
Abstain	68,040 shares	0.0113% of the voting rights attending at the AGM
Invalid	90,130 shares	0.0150% of the voting rights attending at the AGM

**10. Proposal on the addition of business line**

Approve	590,003,744 shares	97.8811% of the voting rights attending at the AGM
Disapprove	12,145,880 shares	2.0150% of the voting rights attending at the AGM
Abstain	463,050 shares	0.0768% of the voting rights attending at the AGM
Invalid	160,170 shares	0.0266% 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: NOTICE OF RESOLUTION AND MINUTES OF THE MEETING**

Mr. Trang Duc Thinh presented the Minutes of AGM 2022.

The AGM approved the Minutes and the Resolution of AGM 2022 with 100% of votes.

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

The 2022 AGM ended at 11.32 am the same day.

**SECRETARIAT****ON BEHALF OF CHAIRPERSONS  
CHAIRPERSON**

-signed-

-signed-

-signed-

Trang Duc Thinh

Lam My Hong

Koh Poh Tiong