

VINAMILK





HIGHLIGHTS



47



Years of accompanying and serving Vietnamese consumers

VND 60,075 Billion



Consolidated total revenue

VND 10,496 Billion

Consolidated net profit before tax and interest



VND 159,046 Billion

Market capitalization as of December 31, 2021



More than

146,000

Total cows under management



20 +

Newly launched and re-launched products



230,000

Points of sale in Vietnam



6th

Ranking in the TOP global dairy companies in terms of brand value ⁽¹⁾



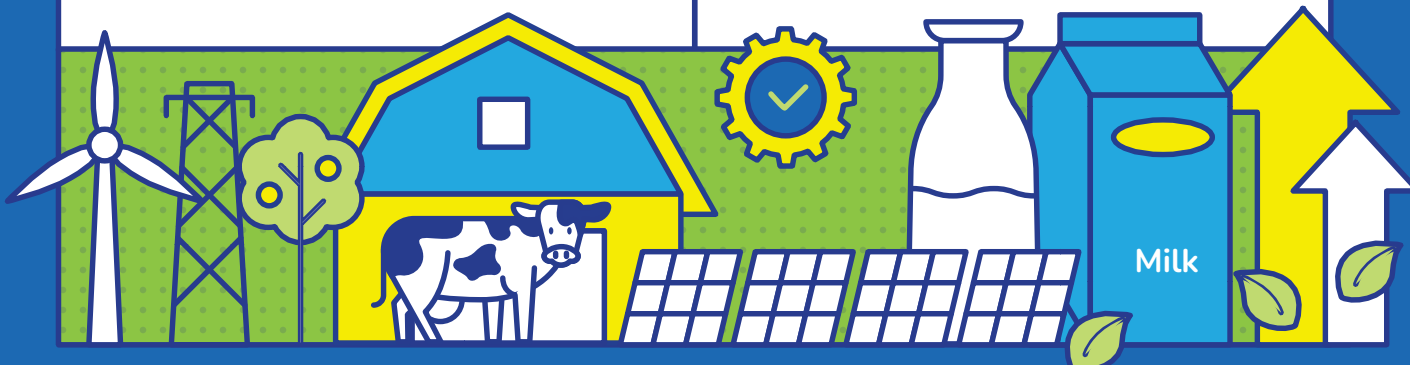
USD 2.8 Billion



Brand value of Vinamilk ⁽¹⁾

2050

Target to achieve Net Zero



⁽¹⁾ Brand Finance

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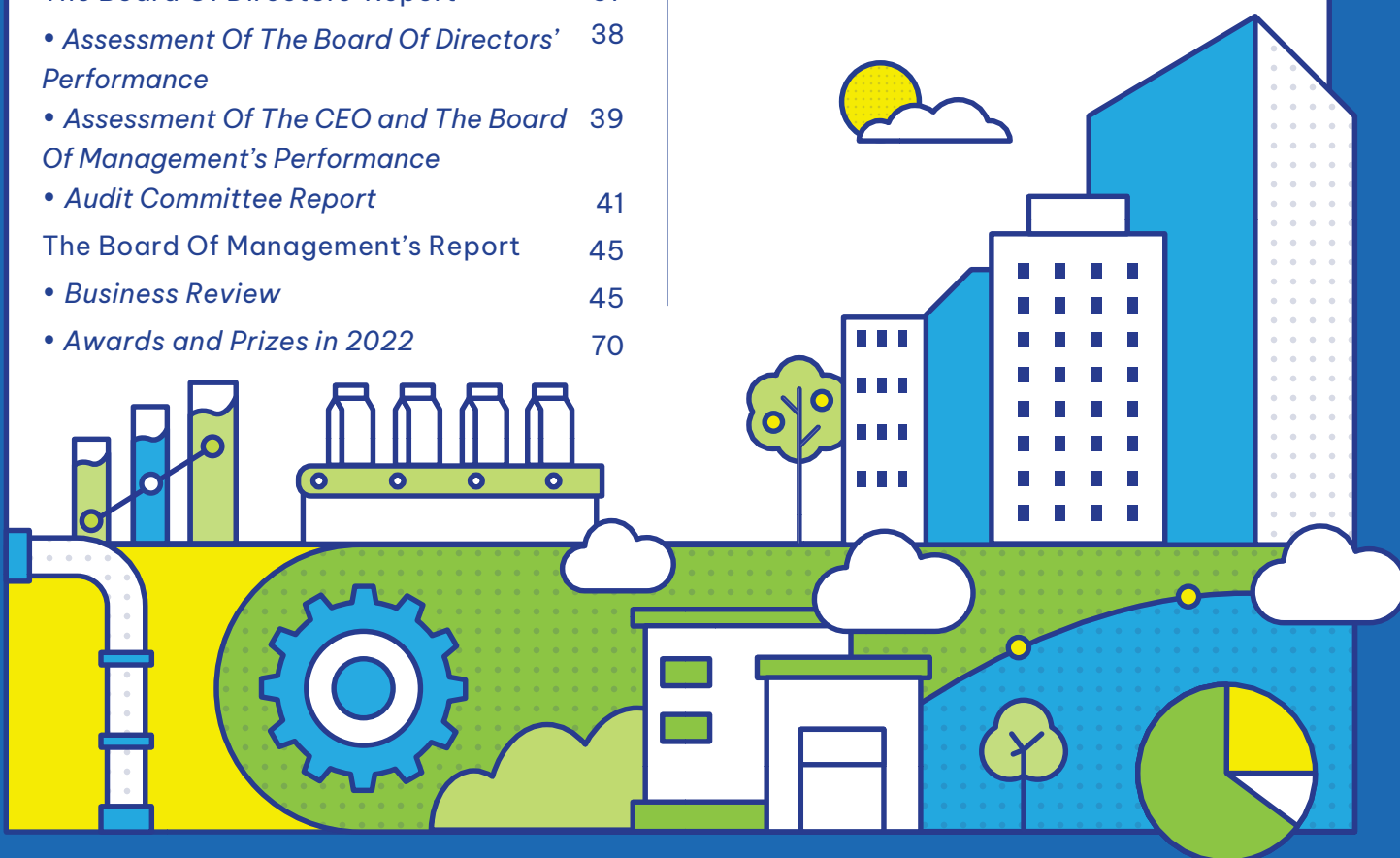
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ABBREVIATION

ASEAN	The Association Of Southeast Asian Nations
ADMIN	Administration
CNG	Compressed Natural Gas
IT	Information Technology
CSI	Corporate Sustainability Index
CSR	Corporate Social Responsibility
CEO	Chief Executive Officer
JSC	Joint Stock Company
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
ESG	Environmental - Social - Governance
EPS	Earning Per Share
COP26	United Nations Climate Change Conference
HOSE	Hochiminh City Stock Exchange
HR	Human Resources
IFRS	International Financial Reporting Standards
KPI	Key Performance Indicator
Lao PDR	Lao People's Democratic Republic
M&A	Merge and Acquisition
NPAT	Net Profit After Tax
PR	Public Relations
R&D	Research and Development
ROE	Return On Equity
SG&A	Selling, General and Administrative
SSC	The State Securities Commission Of Vietnam
TPM	Total Productive Maintenance
Vinamilk/ VNM	Vietnam Dairy Products Joint Stock Company

CHAIRMAN'S MESSAGE



Vinamilk's brand value in 2022 increased by 18% year-on-year, placing it second among the Top 5 strongest global dairy brands and sixth among the Top 10 most valuable global dairy brands.



Dear Shareholders,

On reflection, 2022 was yet another challenging year for us, as the geopolitical issue fueled raw material cost rises and complicated oil and gas price movements, affecting the import and export of raw materials and products, while soaring inflation and interest rates in the final months of the year created a volatile business environment. Despite this, with bravery, wisdom and experience, Vietnam Dairy Products Joint Stock Company ("Vinamilk") has demonstrated the ability to overcome obstacles and adapt to changes through excellent use of available resources.

In particular, Vinamilk has overcome supply chain disruptions to ensure the execution of production plans and proactively implemented digital transformation and distribution channel optimization solutions to lay the groundwork for future growth. In addition to improving financial efficiency, Vinamilk has also focused on creating a sustainable future for the Company and the world with the goal of becoming carbon neutral by 2050. To achieve that goal, Vinamilk is investing in circular economy solutions, such as green energy and technology application, effective waste sources management and tree planting in Vietnam. Furthermore,

the Company is committed to and has a roadmap for increasing transparency and publishing meaningful Environmental, Social and Governance (ESG) indicators in accordance with domestic and international standards. With the aforementioned efforts, Vinamilk's brand value in 2022 increased by 18% from previous year, placing it second among the Top 5 strongest global dairy brands and sixth among the Top 10 most valuable global dairy brands.

In terms of dividends, Vinamilk is proud to maintain its commitment to distribute a significant portion of profits to shareholders. The dividend payment for 2022 is expected to be VND 3,850 per share, equivalent to nearly 40% of par value and more than 90% of profit distributed to the Parent Company's shareholders, an outstanding payout ratio in recent years as well as in comparison to the overall market.

As we enter 2023, the second year of implementing the AGM Resolution for the term 2022-2026, we will continue to strive to achieve the Resolution's growth goals, despite the fact that the first months of the year were still difficult due to the previous year's influence. The specific goals include using and purchasing raw materials at reasonable prices, producing at

designed capacity, providing high-quality products and launching new products to meet the demands of all customers, developing unique strategic business plans for different regions, promoting the use of digital technology to gain market share, building a reasonable salary scheme and carrying out succession planning for capable management personnel to meet the Company's development needs.

On the auspicious occasion of the new year 2023, on behalf of Vinamilk's Board of Directors, I would like to express my sincere thanks to the Board of Management and the entire staff for their efforts to overcome all the challenges and achieve the business plan of 2022. I would also like to thank our customers, partners, shareholders and stakeholders for always accompanying and cooperating with Vinamilk over the past year. Your trust and support are essential for Vinamilk to make bold transformations that will drive future growth.

Nguyen Hanh Phuc
Chairman of the Board of Directors

CEO'S MESSAGE

“ Vinamilk is honored to be granted the First Class Independence Medal by the Party and Government, a rare noble prize for companies that have made remarkable contributions to the country's growth. ”



Photo: Forbes Vietnam

Dear Shareholders,

Despite the prediction that 2022 would be the year of economic recovery in the post-Covid era, the situation remained complicated as multi-faceted crises related to geopolitical conflicts, epidemics, and climate change arose, increasing risks to global financial markets, energy security, and food security. These issues have led to multi-decade highs in inflation, causing governments to tighten monetary policy and lowering income and consumer demand.

In such context, the entire staff of Vinamilk has adapted and leveraged all resources and competitive advantages to achieve the Company's business plan as best as we could. These efforts have been acknowledged by the rise of Vinamilk's brand value to sixth place in the global dairy industry rankings and recognition as the most promising dairy brand, as well as the Government's granting of the First Class Independence Medal by the Party and Government, a rare noble prize for companies that have made remarkable contributions to the country's growth.

BUSINESS RESULTS IN 2022

By the end of 2022, Vinamilk had maintained a total consolidated revenue of more than VND 60 trillion,

almost unchanged from the previous year, and had completed 94% of the annual plan. Efforts to stabilize sales and reduce operational expenses, however, were just partially offset the combination of rising raw material prices, high transportation costs, and exchange rate fluctuations. As a result, the consolidated profit before tax was VND 10,496 billion, completed 88% of the year's target.

DOMESTIC BUSINESS

The domestic business contributed VND 50,704 billion in consolidated net revenue and VND 20,556 billion in gross profit. Despite various short-term challenges owing to the macro condition, Vinamilk strategically implemented sustainable distribution solutions from the second to the fourth quarter of 2022 to lay the groundwork for medium- and long-term development. Particularly, the Company has improved trade policies to balance benefits and avoid risks of cannibalization across distribution channels, while also reviewing points of sale to maintain inventories at a

reasonable level and assure consistent service quality throughout the system.

The Vinamilk store chain “Giac Mo Sua Viet”, with revenue growth of more than 20% thanks to nearly 40 newly opened stores, and the Key Account channel, with revenue growth of more than 10% given the recovery of the tourism and service industries, were the highlights of 2022.

Revenue from the e-commerce channel also increased by more than 30% year on year. Vinamilk's distribution system has reached over 230,000 locations throughout Vietnam as of December 31, 2022, including nearly 650 Giac Mo Sua Viet stores.

In terms of products, a number of key product lines, such as Yogurt, Drinking Yogurt, and Condensed Milk, performed well. Despite smaller contribution to revenue, the Plant-based Milk category was growing strongly at a double-digit rate, with Super Nut, which was introduced in 2022, quickly becoming a prominent product.

Moc Chau Dairy Cow Breeding Joint Stock Company recorded net revenue of VND3,133 billion, an increase of 7.1% year on year, given 1) healthy development of traditional channels and 2) expansion of its own store system with more than 50% revenue growth and nearly 60 points of sale by the end of 2022.

Total consolidated revenue

VND **60,075** billion

Consolidated profit before tax

VND **10,496** billion

INTERNATIONAL BUSINESS

In 2022, the international business generated a net revenue of VND 9,252 billion, with foreign subsidiaries accounting for VND 4,424 billion and export accounting for VND 4,828 billion, while gross profit hit VND 3,342 billion.

Foreign subsidiaries were the primary growth driver for Vinamilk's international business in 2022. Driftwood's revenue recorded a growth of over 30% as a result of distribution channel diversification to compensate for the key channel of schools which has yet to return to pre-Covid-19 levels. Driftwood also kept introducing several Vinamilk products into the US market. Meanwhile, Angkormilk's revenue rose by more than 10% as a result of new product developments and expansive distribution.

Regarding direct export, Vinamilk has flexibly provided support solutions for current customers and enhanced trade promotion efforts, as seen by the acquisition of ten new customers in 2022. In addition to exporting Vinamilk branded goods, the Company seized processing opportunities at specialist trade fairs to expand its customer base and enter new markets, as well as offered innovative packaging and products for high-end markets such as the United States, Canada, Japan, Korea, Australia, and New Zealand. The Vinamilk-Del Monte joint venture continued to penetrate the Filipino market by expanding its product coverage and increasing brand awareness in the Philippines. The joint venture's products, such as liquid milk, drinking yogurt, and milk tea, have high consumption frequency, are having high return ratio, indicating tremendous growth potential.

THE 5-YEAR STRATEGY IMPLEMENTATION

PREMIUM PRODUCTS AND CUSTOMER EXPERIENCE

Vinamilk has consistently observed consumer trends and launched

innovative products to fulfill the needs of each target client segment. Enhancing the taste and packaging of existing products was another major emphasis in 2022. Over the year, the Company launched and renovated over 20 SKUs ranging from mid-end to high-end segment. We will aggressively apply new strategies in the future to improve customer experience by thoroughly gathering and controlling business data at both the distributor and point of sale levels.

Vinamilk is the first company in Asia to win the United States' Purity Award for Optimal Gold infant powder, as well as the Clean Label Project's certification for 100% Green Farm and Organic fresh milk. This is an unequivocal confirmation of Vinamilk's world-class quality.

PROMOTING HIGH-TECHNOLOGY APPLICATION IN SUSTAINABLE AGRICULTURE

Vinamilk has executed renewable energy initiatives, including the installation and operation of rooftop solar power systems at farms and factories. In addition, the Company has adopted a new cost-effective packaging production lines for some products. In the meantime, farming system has been maintaining GlobalGAP and ISO 9001 certifications for farms and the Embryo Transfer Center.

SEEKING NEW BUSINESS OPPORTUNITIES

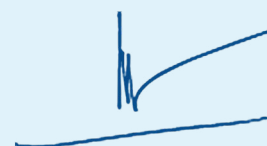
Apart from its core dairy business, Vinamilk is continuously pursuing new business opportunities via mergers and acquisitions, joint ventures, and venture capital. The successful partnership in the beef cattle project and the establishment of Japanese Vietnam Livestock Co., Ltd (JVL), a joint venture between Sojitz Corporation (Japan) and Vilico, a Vinamilk's 68%-owned subsidiary, in which the latter holds 51% of share.

2023 OUTLOOK

Despite our confidence in plans to accelerate change and transition in 2023, the business environment remains challenging. With rising interconnectedness between nations in worldwide commerce, the effects of a recession in one country would also be felt intensely in others, unlike in the past. This might have an impact on both Vinamilk's customers and partners.

Faced with these challenges, Vinamilk has started the new year with prudence and a desire to change, since only transformation can remove the shadow cast by previous accomplishments and enable Vinamilk to reach its full potential in the next age. Vinamilk's short-term priority will be to increase market share and sales in a sustainable and profitable manner. As a result, Vinamilk will focus on reducing operational expenses in order to reinvest in expanding distribution channels and reinforcing brand strength. We will also prioritize new product quality and leverage customer data obtained via digital technologies to fine-tune our product portfolio to better meet consumer demands.

What doesn't break us makes us stronger, I believe. Vinamilk has survived multiple economic downturns and has remained a market leader for 47 years by making the right decisions at the right time while adapting flexibly to market fluctuations. Vinamilk's scale and business strategy, together with the mentality of **"READY TO INNOVATE - READY TO CONQUER"** embued in every Vinamilk employee, will help us to tackle the present challenges and overcome the current crisis, as many times before, to continue pursuing the objective of **"STAND TALL VIETNAM - RISE IN THE WORLD"**.



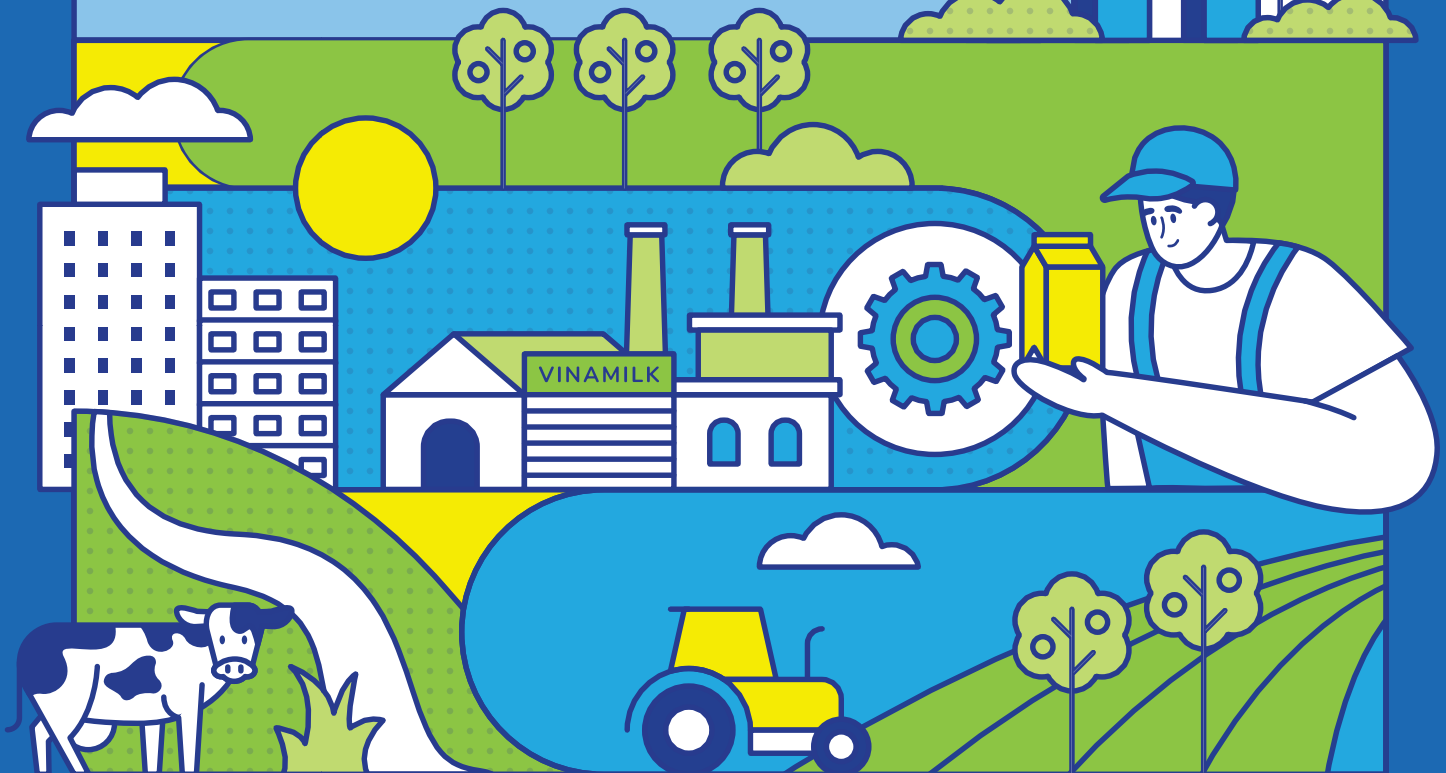
Mai Kieu Lien
Chief Executive Officer

CHAPTER

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OUR STORY

In 1976

Vinamilk was established namely Southern Coffee and Milk Company and took over 03 dairy factories including Thong Nhat dairy factory, Truong Tho dairy factory, and Dielac. powdered milk factory.



☆ In 2003

Capitalized and officially became a joint stock company under the name of Vietnam Dairy Products JSC.

☆ In 2006

Official listed on the Hochiminh City Stock Exchange (HOSE) on January 19, 2006.

In 2010

Contribution of USD 10 million to Miraka Limited, thereby holding 19.3% of the subsidiary's share capital, which was then increased to 22.81% in 2015.

In 2022, Miraka is an affiliated company with the ownership rate of 16.96% due to Miraka's new issuance.





In 2013

Thong Nhat Thanh Hoa Dairy Cow Co., Ltd. became a subsidiary of Vinamilk with 96.11% of share capital owned by the Company. In 2017, it became a wholly-owned subsidiary of Vinamilk.

Acquisition of 70% share capital of Driftwood Dairy Holding Corporation in California, USA and official holding of 100% of its share capital in May 2016.

In 2014

Contribution of 51% share capital to establish Angkor Dairy Products Co., Ltd. in Cambodia, which was then increased to 100% in 2017.



In 2016

Contribution of 20% share capital of APIS JSC.



In 2017

Acquisition of 65% share capital of Vietnam Sugar JSC.
Acquisition of 25% share capital of Asia Coconut Processing JSC.

In 2018

Investment in 51% share capital of Lao-Jagro Development Xiengkhouang Co., Ltd.

In 2019

Completed the acquisition of 75% share capital of GTNfoods JSC, thereby controlling Moc Chau Dairy Cow Breeding JSC that owns a herd of 27,500 cow heads.

In 2021

Contributing 50% capital to establish a joint venture with Del Monte Philippines, Inc.(DMPI) – a leading food and beverage corporation in Philippines and has officially launched products since Q4/2021



In May

Vinamilk and Moc Chau Dairy Cow Breeding JSC started the construction of “Moc Chau Hi-tech and Ecological Dairy farm” and received the Approval Decision of investment for Moc Chau Hi-tech Dairy Factory, officially built Moc Chau Dairy Complex.

In July

Vinamilk received 1000 purebred HF dairy cows imported directly from the US and brought to Vinamilk Lao-Jagro Farm, Laos.



In 2022

In March 2022

Vinamilk contributed an additional capital of USD 8,220,273 (equivalent to VND 188,902 million) to Lao-Jagro Development Xiengkhouang Co. Ltd, increased its ownership from 85.54% to 87.32%; share swapping and merging GTNFoods into Vietnam Livestock Corporation (Vilico).



In November

Vinamilk announced to raise the total investment capital for projects in Cambodia to USD 42 million, equivalent to nearly VND 1,100 billion, and planned to build a dairy farm with raw milk production reaching over 4,000 tons per annum.



☆ In 2022

USD 7
BILLION



Market capitalization - The largest F&B corporation listed on HOSE

USD 2.8
BILLION

Brand value in 2022 (increase by 18% compared to last year), according to Brand Finance Vietnam



TOP 1

in Vietnam dairy industry in terms of market share given:

Above **146,000** heads of cows in the system of dairy farms (including Vinamilk farms and local farmers)

15 dairy farms in Vietnam and Laos

16 domestic and foreign dairy factories with advanced production technologies

250 SKUs within the product portfolio

230,000 points of sale in distribution coverage

36th
Rank



in the top global dairy companies in terms of sales

VINAMILK'S BUSINESS MODEL

WHAT WE DEPEND ON

STAKEHOLDERS



Suppliers and partners

We are working closely with nearly 5,000 local farmers on a herd of about 110,000 cow heads.



Community

The year 2022 marks the 15th anniversary of the Stand Tall Vietnam milk fund. We continue to accompany the chief nursing club and the elderly across the country, while promoting the implementation of the School Milk project.



Shareholders

We are not subject to foreign ownership limit. The shareholder structure remains diversified with the ratio of foreign/domestic investors at 56%/44% and institutional/retail investors at 93%/7% (as of December 23, 2022).



Employees

The whole group has 9,506 employees as of December 31, 2022.



Regulators

We are committed to developing the local economy and the industry in compliance with the law.



Customers and consumers

We are committed to providing customers and consumers with high-quality, diverse nutritional products suitable for each customer segment through a distribution system of nearly 230,000 points of sale across Vietnam. The cumulative export market covers 57 countries/regions.

RESOURCES



Environment

Our operations depend on renewable and non-renewable resources, especially soil, water and forests.



Product

We currently have 250 SKUs in our product portfolio with 04 main categories including Liquid Milk, Yogurt, Condensed Milk and Powdered Milk.



Infrastructure

We are operating a system of 15 farms and 16 factories in Vietnam, Cambodia, Laos and the United States.

Financial health and Corporate governance (as at 31 December 2022)

Total assets
VND **48,483** billion

Total equity
VND **32,817** billion

Total debt
VND **15,666** billion

We maintain the operation of 04 functional committees under the Board of Directors.

VISION, MISSION AND 5-YEAR DEVELOPMENT STRATEGY



Vision

To become Vietnam's proxy of trust in nutrition and health products for human life.



Mission

To provide the community with top-class nutrition and quality with respect, love and responsibility for human life and society.

Five-year development strategy 2022-2026

- ✦ To develop superior products and experiences for consumers, and consolidate the leading position in Vietnam's dairy industry.
- ✦ To create new business opportunities through mergers and acquisitions, joint ventures and venture capital.
- ✦ To step up technology application and implementation of international standards for sustainable development.
- ✦ To become a destination for talent, and nurture a corporate culture that values innovation and creativity.

THE VALUE WE CREATED IN 2022

RESOURCES



Environment

The green energy use rate in production activities reached **87%**.

The recycled water level used for agriculture was **85%**.

The reused animal waste was **100%**.



Product portfolio

Launched new and re-launched over 20 products. Improved packaging and design for many flagship products.



Infrastructure

- + **100%** farms are certified to GlobalG.A.P and ISO 9001:2015,
- + **04** farms certified Organic EU and **03** farms certified Organic China.
- + **100%** factories certified to ISO 9001:2015, FSSC 22000, Halal.

FINANCIAL HEALTH AND CORPORATE GOVERNANCE

Total consolidated revenue

VND 60,075
billion

Consolidated profit after tax

VND 8,578
billion

Expected dividend payout ratio

94%

Number of independent BOD members

3/10

Number of female BOD members

3/10

VALUE CHAIN

UPSTREAM

Research and Development

Our marketing and R&D teams have a deep understanding of consumers and the expertise to develop products that match their needs.

Raw material area

We work closely with our suppliers to ensure their goods and services meet quality, environmental and social requirements, in addition to our strict internal standards.

Manufacture

We implement a safe, standardized manufacturing process in line with international standards. We also strive to achieve eco-efficient processes that maximize efficiency without polluting the environment.

DOWNSTREAM

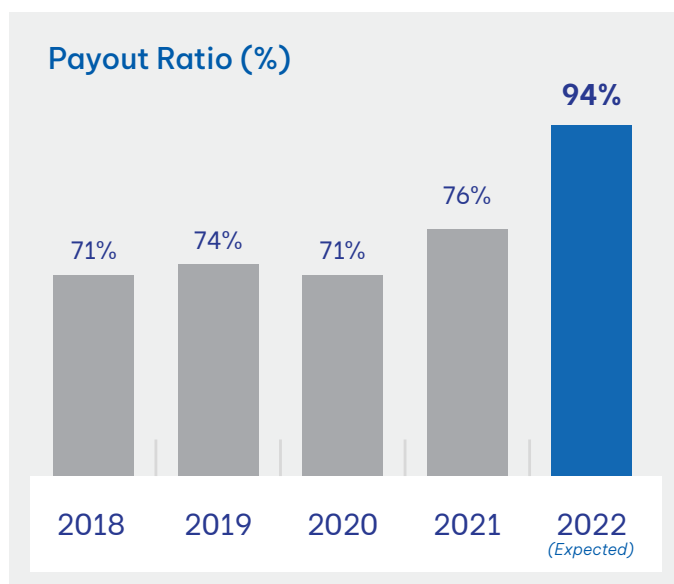
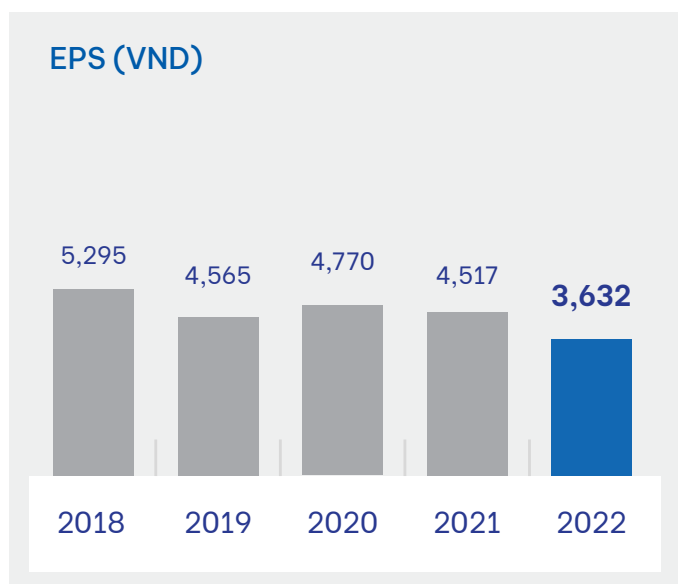
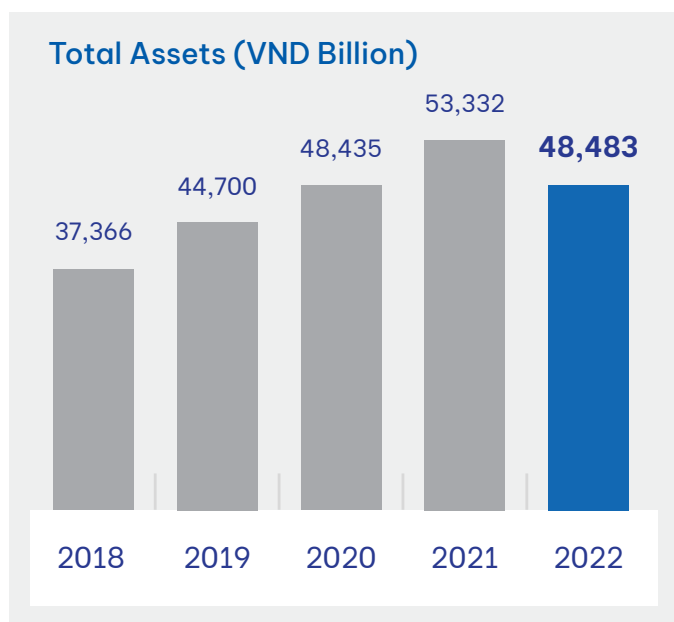
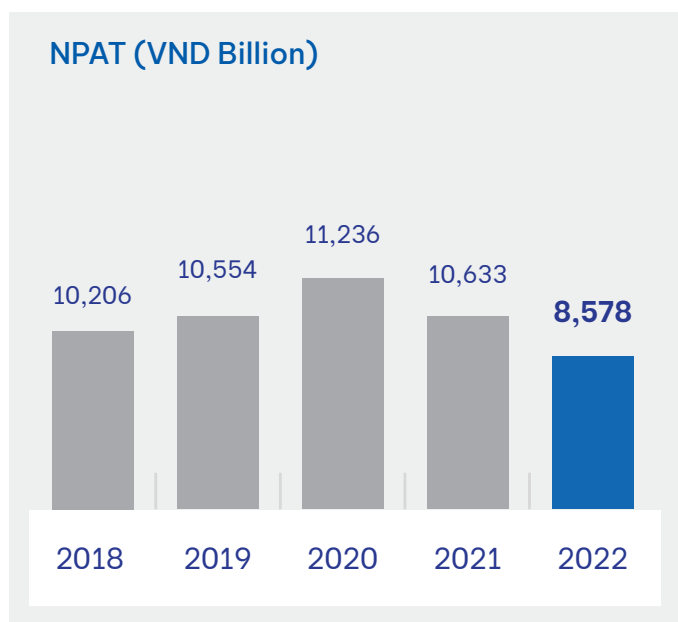
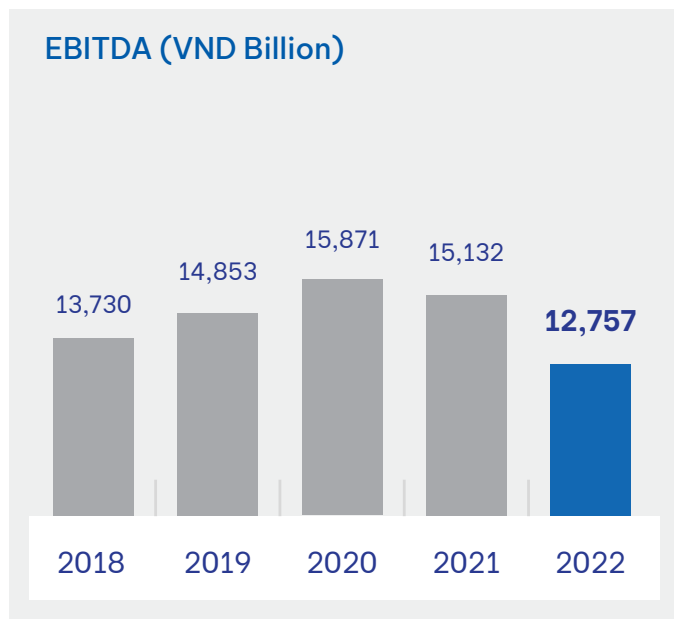
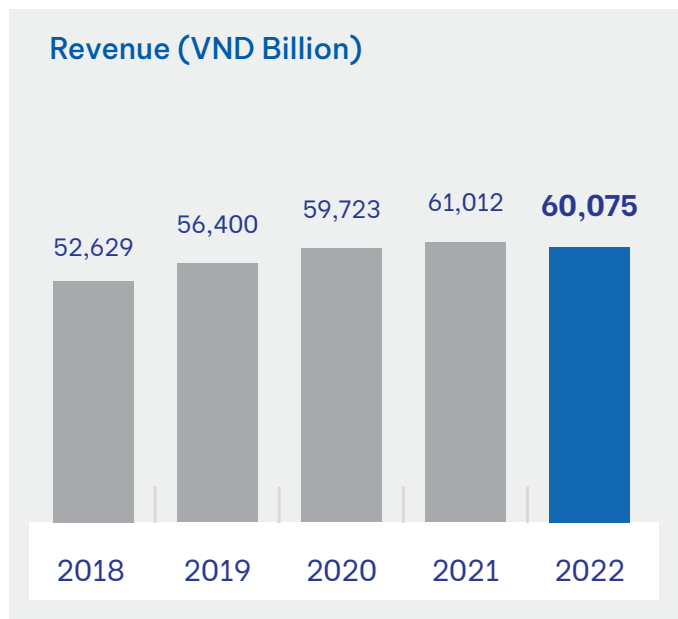
Distribution

An extensive distribution system and network ensures our products are effectively distributed to consumers. We strive to boldly adopt new operation models that meet the needs of domestic production and export quickly, cost-effectively, and in compliance with the law.

Marketing and Sales

We show responsibility to consumers and society by providing better products in terms of quality and more transparency in label information. We also obtain feedback from customers to create sustainable value for both consumers and the Company.

2018-2022 FINANCIAL PERFORMANCE SUMMARY

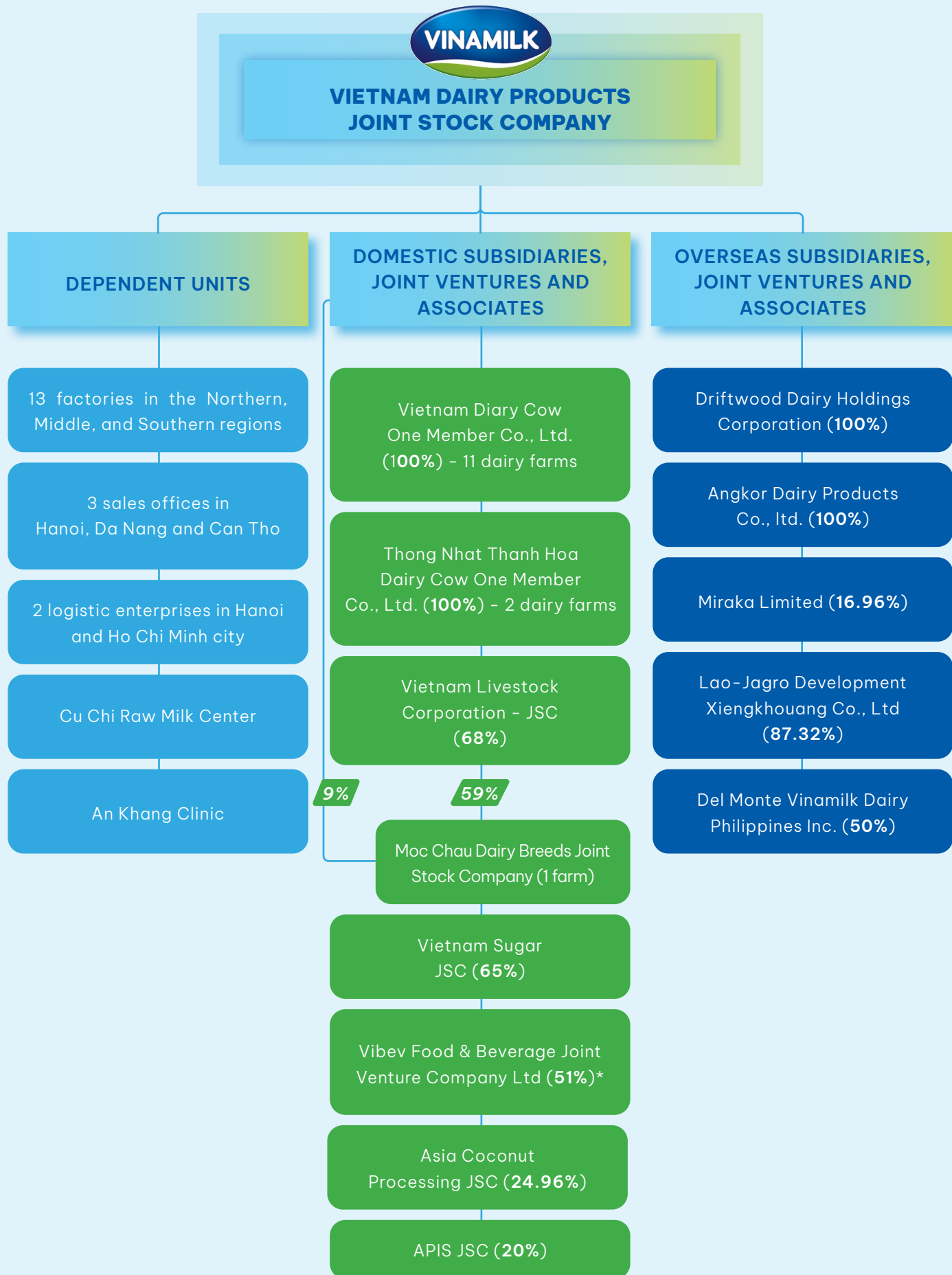


2018-2022 FINANCIAL PERFORMANCE SUMMARY (CONTINUED)

(VND Billion)

	2018	2019	2020	2021	2022
Profit and Loss Statement					
Revenue	52,629	56,400	59,723	61,012	60,075
EBITDA	13,730	14,853	15,871	15,132	12,757
NPAT	10,206	10,554	11,236	10,633	8,578
Balance sheet					
Net Cash	8,921	9,626	11,941	13,916	14,781
Total Assets employed	26,727	30,257	34,220	36,260	33,174
Short-term Borrowings	1,060	5,351	7,316	9,382	4,867
Long-term Borrowings	216	123	167	76	66
Financial Ratio					
ROE	39%	35%	33%	30%	26%
Gearing Ratio	5%	18%	22%	26%	15%
Per share					
EPS	5,295	4,565	4,770	4,517	3,632
Dividend payout ratio	71%	74%	71%	76%	94% <i>(Expected)</i>
Stock Price (VND)	115,600	116,500	107,800	90,400	76,100
Number of outstanding share	1,742	1,742	2,090	2,090	2,090
Market Capitalization	201,339	202,907	225,297	188,932	159,046

CORPORATE STRUCTURE



* On 30 November 2022, the Company's Board of Directors approved the resolution to dissolve this subsidiary. At as 31 December 2022, the dissolution was not completed.

SHAREHOLDER AND STOCK INFORMATION



Vietnam Dairy Products Joint Stock Company

was listed on Ho Chi Minh Stock Exchange (“HOSE”), Vietnam on 19 Jan 2006.

Stock ticker on HOSE

VNM

Financial year ended

31/12

Independent auditor

KPMG Vietnam Company Limited

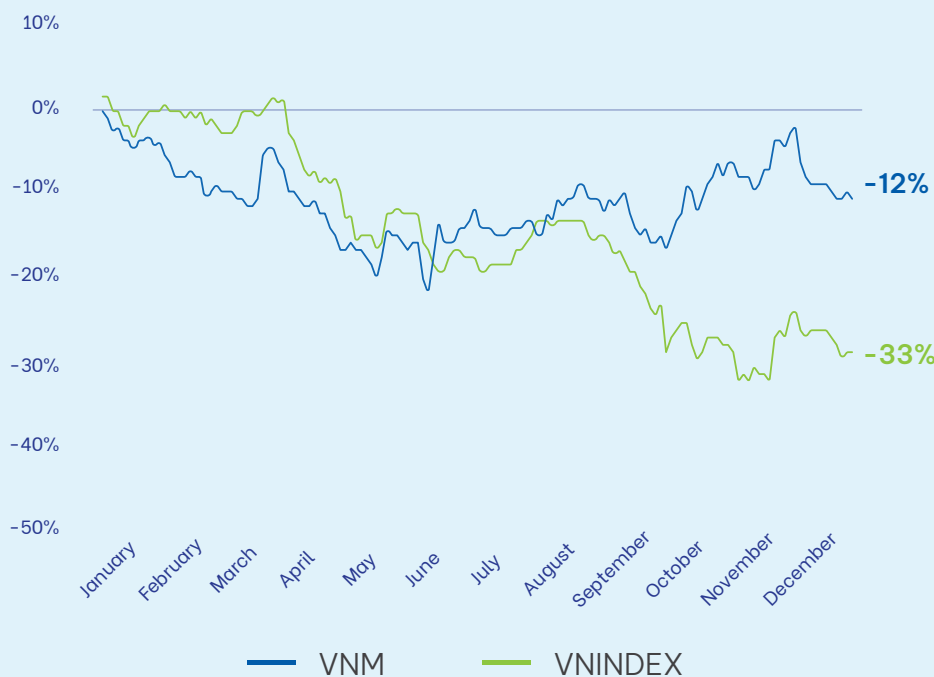
Adjusted closing share price
(from 1 Jan 2022 to 31 Dec 2022)

Highest
86,700 VND/share

Lowest
64,500 VND/share

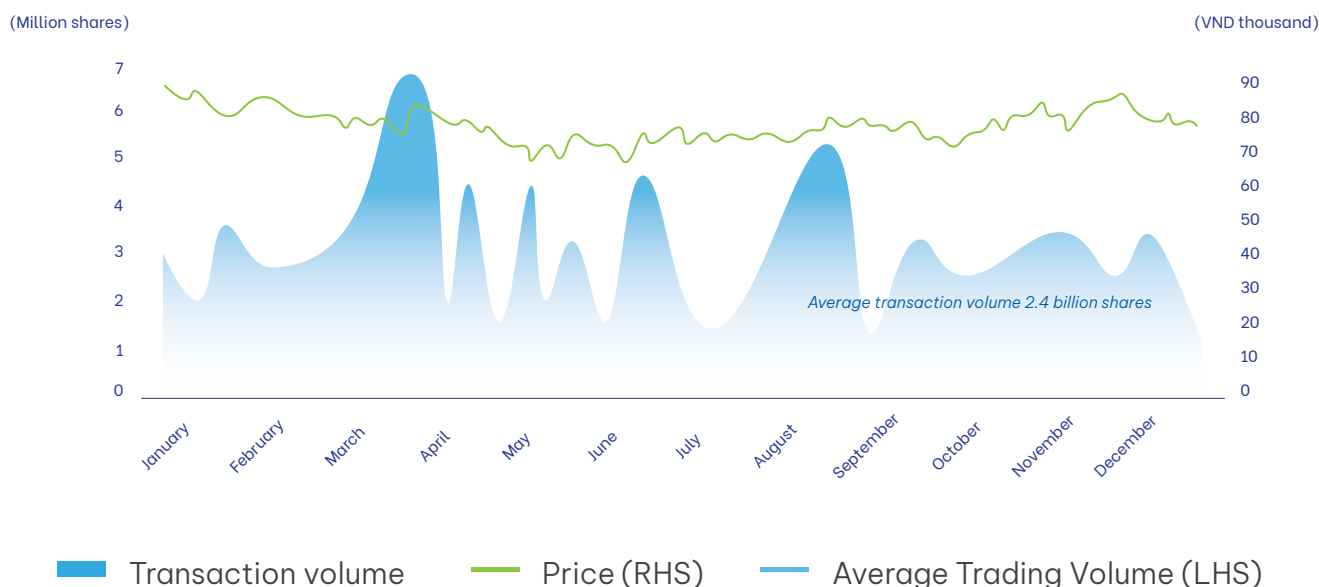
VNM VS. VN-INDEX PRICE CHANGES

(Adjusted closing share price from 1 Jan 2022 to 31 Dec 2022)



VNM PRICE AND TRADING VOLUME CHANGES

(Excluding put-through)



SHARE INFORMATION

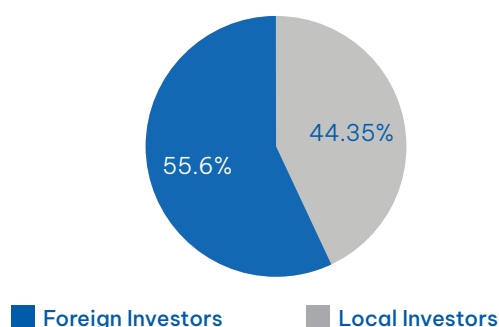
(as of 31 December 2022)

Authorized share capital	VND 20,899,554,450,000
Charter capital	VND 20,899,554,450,000
Total issued and listed shares	2,089,955,445 shares
Class of shares	Ordinary share
Ordinary share, par value	VND 10,000 / share
Outstanding shares, par value	2,089,676,346 shares
Market capitalization	VND 159,046 billion

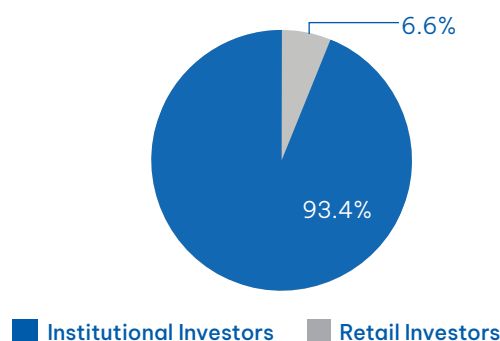
SHAREHOLDER STRUCTURE

(According to the latest shareholders list as of 23 December 2022)

Ownership by geography (%)



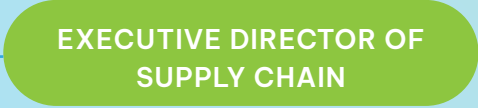
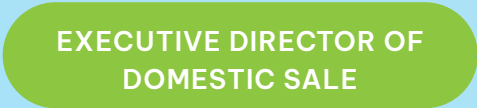
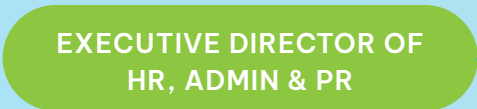
Ownership by type (%)



Top 20 largest shareholders

No.	Name of shareholders	Number of shares	Ownership (%)
1	SCIC	752,476,602	36.00%
2	F&N DAIRY INVESTMENTS PTE LTD	369,752,859	17.69%
3	PLATINUM VICTORY PTE.LTD.	221,856,553	10.62%
4	F&NBEV MANUFACTURING PTE. LTD.	56,432,376	2.70%
5	EMPLOYEES PROVIDENT FUND BOARD	26,565,864	1.27%
6	SCHRODER INTERNATIONAL SELECTION FUND	22,321,856	1.07%
7	FUBON FTSE VIETNAM ETF	21,673,500	1.04%
8	FIRST SENTIER INVESTORS GLOBAL UMBRELLA FUND PLC - FSSA ASIAN EQUITY PLUS FUND	19,788,464	0.95%
9	CITIGROUP GLOBAL MARKETS LIMITED	18,900,744	0.90%
10	MATTHEWS PACIFIC TIGER FUND	18,369,028	0.88%
11	BL	17,960,980	0.86%
12	VANGUARD INTERNATIONAL VALUE FUND	16,775,900	0.80%
13	PRUDENTIAL VIETNAM	14,471,812	0.69%
14	MAWER GLOBAL SMALL CAP FUND	14,160,493	0.68%
15	MERRILL LYNCH INTERNATIONAL	14,079,058	0.67%
16	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED	13,392,099	0.64%
17	FEDERATED HERMES INVESTMENT FUNDS PLC - FEDERATED HERMES ASIA EX-JAPAN EQUITY FUND	9,310,524	0.45%
18	MANULIFE VIETNAM	8,620,000	0.41%
19	VANECK VIETNAM ETF	8,575,241	0.41%
20	J.P.MORGAN SECURITIES PLC	7,874,276	0.38%
	TOTAL	1,653,358,229	79.11%

ORGANIZATION CHART



———— Direct line of reporting
 Functional line of reporting

BOARD OF DIRECTORS



Mr. Nguyen Hanh Phuc

P.25

Chairman of the Board of Directors,
Independent member
Head of the Nomination Committee
Member of Remuneration Committee



Mdm. Mai Kieu Lien

P.25

Executive BOD member
Chief Executive Officer
Head of Strategy Committee
Member of Nomination Committee



Mr. Alain Xavier Cany

P.26

Non-Executive BOD member
Member of Strategy Committee
Member of Audit Committee



Mrs. Dang Thi Thu Ha

P.26

Non-Executive BOD member
Member of Strategy Committee
Member of Nomination Committee



Mr. Do Le Hung

P.27

Independent BOD member
Head of Audit Committee

BOARD OF DIRECTORS



Mr. Le Thanh Liem

P.27

Executive BOD member
Executive Director - Finance, cum.
Chief Accountant
Member of Strategy Committee



Mr. Michael Chye Hin Fah

P.28

Non-Executive BOD member
Member of Audit Committee
Member of Remuneration Committee



Mr. Lee Meng Tat

P.28

Non-Executive BOD member
Member of Strategy Committee
Member of Nomination Committee



Mr. Hoang Ngoc Thach

P.29

Non-Executive BOD member
Member of Audit Committee
Member of Remuneration Committee



Mrs. Tieu Yen Trinh

P.29

Non-executive BOD member
Head of Remuneration Committee

MR. NGUYEN HANH PHUC

Chairman of the Board of Directors, Independent member
Head of the Nomination Committee
Member of Remuneration Committee

He was born in 1959. He is a member of the Board of Directors of Vinamilk and has held the position of Chairman of the Board of Directors since April 2022. He has many years of experience in management role of government authorities.

Professional qualifications

Engineer, Hanoi Architectural University (1981).

Experience

- From 2011 to 2021, he was a Member of the Central Committee of the Party, Member of the National Assembly Party Committee, Member of the National Assembly Standing Committee, General Secretary of the National Assembly – Chairman of the Office of the National Assembly XII – XIV; Secretary of the Party Committee of the Office of the National Assembly, Chief of Office of the National Assembly Party Committee, Chief of Office of the National Electoral Council, Chairman of the Vietnam – Australia Parliamentarian Group;
- From 2005 to 2011, he was Secretary of the Provincial Party Committee of Thai Binh Province and held many other important positions in Thai Binh province such as Chairman of the Provincial People's Council, Head of the 12th National Assembly Delegation of Thai Binh province at the National Assembly of Deputies. the 11th National Party of the Party, a member of the Party Central Committee, a member of the 12th National Assembly;
- From 2003 to 2005, he held the positions of Standing Provincial Party Committee, Party Secretary, Chairman of Thai Binh City People's Council;
- Before 2003, he worked at Thai Binh Department of Industry, Thai Binh Construction Department, Thai Binh Tile Company and Southern Thai Binh Construction Site.

The rewards

- Second Class Independence Medal
- First Class Labor Meda
- Third-class Labor Medal
- Medal of Great National Unity
- Second-class Freedom Medal of the State of Lao PDR
- Certificate of Merit from the Prime Minister

MDM. MAI KIEU LIEN

Executive BOD member
Chief Executive Officer
Head of Strategy Committee
Member of Nomination Committee

Born in 1953, she held the position of Chairwoman from November 2003 to 2015 and has been an Executive BOD member from 2015 to present. She has been the CEO since December 1992.

Professional qualifications

- Certificate of Economics Management, Leningrad Institute of Engineering and Economics, Russia.
- Certificate of Government Management, National Academy of Politics, Vietnam.
- Engineer of Milk Dairy Processing technology (1978), Moscow University of Meat and Dairy Processing Technology University of Poultry and Milk Processing, Moscow (currently known as Moscow State University of Applied Biotechnology)..
- Certificate of Corporate Governance.

Experience

- She has 30 years of experience in the role of CEO (from 1992 to present) leading Vinamilk through many tenures. She has been honorably awarded many local and international prizes, such as First-class Labour Medal (2006); Asia's Top 50 Most Powerful Businesswomen awarded by Forbes for 4 consecutive times (2012 – 2015); The Excellent Businesswomen (2014) by Corporate Governance Asia; Nikkei and New Zealand prizes for all her brilliant contributions; and Lifetime Achievement award honored by Forbes for the first time (2018).
- Previously, she had more than 8 years (1984 – 1992) in the role of Deputy CEO – Economics at Vinamilk.
- From 1976 to 1983, she had experienced many positions in many different departments and then became Deputy Technical Director at Thong Nhat dairy factory in 1982.

The rewards

- Third-class Freedom Medal of the State (2022)
- Excellent Entrepreneur Award by the Magazine Vietnam's economy – Vneconomy honored (2022)
- Scientist of Farmers Award (2022)
- Lifetime Achievement Award by Forbes Vietnam was honored for the first time (2018)
- 50 Most Influential Women in Vietnam by Forbes Vietnam (2017)

- The 50 most powerful businesswomen in Asia by Forbes Asia voted for 4 consecutive years (2012–2015)
- Nikkei Asia Award and New Zealand ASEAN Awards (2015)
- Asia's Best CEO for Corporate Governance Award voted by Corporate Governance Asia (2014)
- First Class Labor Medal (2006)
- Labor Hero in the Renovation period (2005)
- Second Class Labor Medal (2001)

Positions at other entities

- Chairwoman, Vietnam Dairy Cow One Member Co., Ltd.
- Chairwoman, Thong Nhat - Thanh Hoa Dairy Cow One Member Co., Ltd.
- BOD member, Driftwood Dairy Holding Corporation.
- Chairwoman, Lao-Jagro Development Xiengkhouang Co., Ltd.
- BOD member, Miraka Holdings Limited.
- Chairwoman, Vietnam Livestock Corporation JSC.
- Chairwoman, Moc Chau Dairy Cow Breeding JSC.
- Chairwoman, Del Monte - Vinamilk Dairy Philippines, Inc.

MR. ALAIN XAVIER CANY

Non-Executive BOD member
Member of Strategy Committee
Member of Audit Committee

Born in 1949, he has been a non-Executive BOD member since March 2018.

Professional qualifications

Baccalauréat – Academie de Paris.

Experience

- He held many executive positions at various financial corporations. Since 2007, he has been Chief Representative – Group Country Chairman of Jardine Matheson Ltd. (Vietnam).
- From 2000 to 2003, he was Head of European Business Development – Asia Pacific at HSBC Asia Pacific Head Office and then became President and CEO of HSBC Vietnam from 2003 to 2007.
- From 1969 to 2000, he had held various executive positions at Credit Commercial de France and Banque Worms in France and Hong Kong.
- In addition, he also held some important positions including Advisor for Foreign Trade to the French Government and Chairman of EuroCham, Vietnam Business Forum and Director of Asia Commercial Bank.

- He was awarded Officer of The French National Merit Order and Knight of The Legion of Honor by the President of France and the Friendship Medal by the President of The Socialist Republic of Vietnam.

Positions at other entities

- Chief Representative – Group Country Chairman of Jardine Matheson Ltd. (Vietnam), parent of Jardine Cycle & Carriage Ltd.
- Honorary Chairman of the Board of Trustees – Saigon Children's Charity CIO.
- Member of BOD of Siam City Cement (Vietnam) Limited (2/2017).
- Chairman of Board of Members' Council of Pan Asia Trading and Investment One Member Company Limited (1/2014).
- Vice-Chairman of the BOD of REE Corporation.

MRS. DANG THI THU HA

Non-Executive BOD member
Member of Strategy Committee
Member of Nomination Committee

Born in 1973, she has been a non-Executive BOD member since April 2017

Professional qualifications

- Master of Business Administrations (MBA), Institute of Business Administration.
- Bachelor of Business Administrations, National Economics University.
- Bachelor of English Linguistics, Vietnam National University, Hanoi.
- Certificate of Corporate Finance Consulting, Securities Research and Training Center.

Experience

- She has served as a BOD member in companies since 2013. She is currently a Chairwoman at Hau Giang Pharmaceutical JSC and a BOD member at Benovas Cancer Drugs JSC.
- She has been working at Investment Department of SCIC for 11 years at different positions. She is currently Head of Investment Department No.3.
- Previously, she had 8 years of working experience in the field of Financial Consulting and Compliance Accounting at Trang An Securities JSC (2007 – 2008) and Mizuho Bank Hanoi (2000 – 2007).

- She was awarded a Merit Certificate from Minister of Finance in 2015 and a Merit Award in Finance industry for her achievements in 2016.

Positions at other entities

- Chairwoman, Hau Giang Pharmaceutical JSC.
- BOD member, Benovas Cancer Drugs JSC.
- Head of Investment Department No.3, SCIC.

MR. DO LE HUNG

Independent BOD member
Head of Audit Committee

Born in 1969, he has been an Independent BOD member since April 2017.

Professional qualifications

- Master of Public Finance and Degree of Public Management, National School of Administration, France.
- Certificate in Treasury Inspection, National Treasury School, France.
- Bachelor of Finance – Accounting, University of Finance and Accountancy, Hanoi.
- Certificates in Public Financial Management, Accounting, Auditing.
- Certificates in Advanced Auditing conferred by international organizations.
- Certificate in Advanced Director Certification Program (DCP) conferred by Vietnam Institute of Directors (VIOD).

Experience

- He is currently an independent member of the BOD and Audit Committee of the following companies listed on HOSE:
 - Vietnam Dairy Products JSC (Vinamilk)
 - Hau Giang Pharmaceutical JSC (DHG)
 - An Gia Real Estate Investment and Development JSC – An Gia Group (AGG)
 - South Logistics JSC – Sotrans Group (STG)
 - REE Corp (REE)
- He has been a BOD member of VIOD since April 2018.
- He had more than 8 years of working experience as Director of Auditing and Internal Control of Big C Vietnam.

- He had nearly 6 years of working experience as Deputy Head of Accounting – State Treasury of Vietnam – Ministry of Finance.
- Previously, he had more than 11 years of working at Accounting – State Treasury of Vietnam at Specialist and Executive level.
- He received merit certificate from Prime Minister and many from the Ministry of Finance from 1997 to 2006.

MR. LE THANH LIEM

Executive BOD member
Executive Director - Finance, cum.
Chief Accountant
Member of Strategy Committee

Born in 1973, he has been an Executive BOD member since April 2017..

Professional qualifications

- Master in Finance and International Business, Leeds Metropolitan University, UK (2012).
- Bachelor in Economics, University of Finance – Accounting, Ho Chi Minh city, Vietnam (1994).
- Certificate in Advanced Director Certification Program (DCP) conferred by Vietnam Institute of Directors (VIOD).
- Certificate of Global Leadership Program (GLP), PACE Institute of Management.

Experience

- He has over 26 years of experience in the field of finance and accounting and has held the position of Chief Financial Officer cum Chief Accountant since 2015.
- From 2003 to 2015, he held managerial positions at Vinamilk's Finance – Accounting Division including Deputy Head of Accounting and Chief Accountant.
- From 1994 to 2003, he held different positions at Finance – Accounting Division of Vinamilk.

Positions at other entities

- BOD member, Vietnam Livestock Corporation JSC (Vilico).
- BOD member, Del Monte – Vinamilk Dairy, Philippines, Inc.
- Vice Chairman, Vietnam CFO Club.

MR. MICHAEL CHYE HIN FAH**Non-Executive BOD member****Member of Audit Committee****Member of Remuneration Committee**

Born in 1959, he has been a non-Executive BOD member since April 2017.

Professional qualifications

- MBS (with Distinction in Accounting and Finance) and BBS (with First Class Honors in Accounting and Finance), Massey University, New Zealand.
- Member of Singapore Institute of Directors (SID) since 1999.
- Member of Institute of Singapore Chartered Accountants (ISCA) since 2003.
- Member of Institute of Chartered Secretaries & Administrators (ACIS) since 1990.

Experience

- He has over 15 years of experience as a board member. He is currently a member of the Board of Directors and Audit Committee of Saigon Beer-Alcohol-Beverage Corporation. He is also an Alternate Director at Fraser and Neave Limited and director of many companies in ThaiBev Group.
- For over 22 years, he held senior positions at several financial and investment companies and has extensive international experience in many Asian countries.
- Prior to these roles, he was a university lecturer in New Zealand.

Positions at other entities

- CEO, BeerCo Limited.
- Member of the Board Executive Committee and Risk Management Committee, Fraser and Neave Ltd.
- Non-Executive BOD member at: DECCO 235, Heritas Capital Management Pte Ltd, IMC Pan Asia Alliance Corporation, Prudence Holdings Ltd.

MR. LEE MENG TAT**Non-Executive BOD member****Member of Strategy Committee****Member of Nomination Committee**

Born in 1963, he has been a non-Executive BOD member since September 2016.

Professional qualifications

- Master in Business Administration (MBA), Imperial College, London (1997).
- Bachelor of Engineering (Mechanical), National University of Singapore (1988).
- Advanced Management Programme (AMP), Harvard Business School (2005).
- International Directors Programme (IDP), INSEAD (2017).

Experience

- He has many years of experience in corporate and economics management at both private and public institutions.
- In 23 years (1999 – 2022), he held top management roles at consumer goods and tourism companies such as Fraser & Neave Ltd, Heineken-APB (China), Management Services Co. Ltd, Asia Pacific Breweries Ltd, Wildlife Reserves Singapore Group.
- From 1994 to 1996, he was Deputy Director, Regional Tourism, Singapore Tourism Board.
- Previously, he was Assistant Head, International Business Development, Singapore Economic Development Board from 1993 to 1994.

MR. HOANG NGOC THACH

Non-Executive BOD member
Member of Audit Committee
Member of Remuneration Committee

Professional qualifications

- Bachelor of Accounting – Hanoi University of Commerce
- Master of Business Administration – Solvay School of Economics and Management, University of Brussels (Belgium)

Experience

- Since November 2009: Deputy Head of Risk Management Department of State Capital Investment Corporation (SCIC)
- From September 1999 to October 2009: Enterprise equitization specialist of Power Company 1

MS. TIEU YEN TRINH

Non-executive BOD member
Head of Remuneration Committee

Professional qualifications

Bachelor

Experience

- Since November 2007: Founder & CEO of Connecting Human Resources JSC (Talentnet Corp)
- From January 1996 to September 2007: Senior Manager of Human Resources Consultancy Department at PricewaterhouseCoopers Vietnam (PwC)

Positions at other entities

- Independent BOD member at Phu Nhuan Jewelry Joint Stock Company



PROFILE OF KEY MANAGEMENT



Mr. Trinh Quoc Dung
Executive Director
Dairy Development

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Mrs. Bui Thi Huong
Executive Director
HR, Admin and Public Relations

P.31



Mr. Nguyen Quoc Khanh
Executive Director
Research and Development

P.31



Mr. Le Hoang Minh
Executive Director
Production

P.32



Mr. Nguyen Quang Tri
Executive Director
Marketing

P.32

MR. TRINH QUOC DUNG

Executive Director
Dairy Development

Born in 1962, he joined Vinamilk in 2005.

Professional qualification

Engineer of Energy and Automation, Odessa University, Former Soviet Union (1985).

Experience

- Since 2014, he has been Executive Director – Dairy Development.
- Over 10 years of working at Vinamilk (2005 – 2014), he had held the positions of Directors at many different Vinamilk's factories, such as Nghe An Dairy Factory, Vietnam Dairy Factory.
- Prior to joining Vinamilk, he was Director of Electricity Industrial Consulting and Investment Center in 6 years (1998 – 2005).
- From 1987 to 1998, he worked at various positions at different private and state companies, for instance: Vinh City's People Committee, Department of Environmental Science and Technology of Nghe Tinh province (currently known as Nghe An and Ha Tinh province) and the Department of Industry of Nghe An province.

Positions at other entities

- Director, Vietnam Dairy Cow One Member Co., Ltd (1).
- CEO, Thong Nhat – Thanh Hoa Dairy Cow One Member Co., Ltd (1).
- BOD member, Lao-Jagro Development Xiengkhouang Co., Ltd (Lao PDR).
- CEO & BOD member, Vietnam Livestock Corporation JSC (Vilico).
- BOD member, Vietnam Tea Corporation JSC (Vinatea).
- BOD member, Moc Chau Dairy Cow Breeds JSC.
- Chairman, Vietnam Japan Livestock Company

(1) a wholly-owned subsidiary of Vinamilk.

MRS. BUI THI HUONG

Executive Director
HR, Admin and Public Relations

Born in 1962, she joined Vinamilk in 2005.

Professional qualification

- Bachelor of Russian language, major in interpretation, Orion Linguistics University, former Soviet Union (1985).
- Bachelor of Economics – Business Administration and Trade Union, Trade Union University (2000).

Experience

- She has been Executive Director – HR, Admin and Public Relations since 2015.
- During over 10 years working at Vinamilk (2005 – 2014), she had held such positions as Public Relations Manager, Public Relations Director.
- Prior to joining Vinamilk, she had been working more than 17 years at Dien Quang Lamp Joint Stock Company, holding different executive positions such as Deputy Head of Material Planning Department, Head of Sales Department, Executive Director – Sales, Vice President of Sales, and a BOD member.

MR. NGUYEN QUOC KHANH

Executive Director
Research and Development

Born in 1964, he joined Vinamilk in 1988.

Professional qualification

- Engineer of Food and Chemistry, Ho Chi Minh city University of Technology, Vietnam (1987).
- Bachelor of Business Administration, University of Economics, Ho Chi Minh city, Vietnam (1997).
- Bachelor of English Linguistics and Literature, University of Social Science and Humanity, Ho Chi Minh city, Vietnam (2001).

Experience

- Since 2015, he has been Executive Director – Research and Development.
- Over 10 years (2009 – present), he has held many senior management positions at Vinamilk, such as Executive Director – Supply Chain, Executive Director – Production and Research and Development, and Executive Director – Research and Development.
- Previously, in 22 years of working (1988 – 2009), he experienced different positions at Vinamilk’s factories, for instance: Thong Nhat Dairy Factory, Can Tho Dairy Factory and became Director of Can Tho Dairy Factory in 2004.

Positions at other entities

- BOD member, Asia Coconut Processing JSC.
- BOD member, Driftwood Dairy Holding Corporation.
- Independent BOD member, Binh Thanh Import Export Production & Trade JSC (GILIMEX).
- Independent BOD member, Bamboo Capital JSC.

MR. LE HOANG MINH

Executive Director
Production

Born in 1964, he joined Vinamilk in 1992.

Professional qualifications

- Mechatronics Engineering– Control and Automation, Ha Noi University of Science and Technology.

Experience

- He has been appointed as Executive Director of Production since February 2022.
- During 13 years (2009–2022), he has experienced in management positions at Vinamilk such as: Technical Director of Factory, Asset Management Director, Technical and Construction Director of Production Department, Technical Director of Project Department, Production Planning Director and Director of Factory.
- From 1992 to 2009, he had held many different positions in the Production Department and Project Department such as: Technical Engineer, Production Assistant Manager, Project Manager of Tien Son Dairy Factory expansion project.

MR. NGUYEN QUANG TRI

Executive Director
Marketing

Born in 1971, he had joined Vinamilk for the period of 2009–2014 before he made a comeback as a Marketing executive director in July, 2021.

Professional qualifications

- Doctor of Business Administration at Asian Institute of Technology
- Master of Business Administration at the University of Queensland, Australia
- Chemical & Food Engineer at Ho Chi Minh City University of Technology, Vietnam

Experience

- He has been appointed as Marketing Executive Director since July 2021.
- From 2019 to June 2021, he worked as Marketing Director of Masan MEATLife Corporation
- From 2014 to 2016, he worked as Marketing Director at Masan Nutri-Science JSC
- From 2009 to 2014, he worked as the Marketing Director at Vinamilk
- Before 2009, he held the positions of Marketing Manager at Masan Food Corporation, Head of Marketing Department at Dutch Lady Vietnam and Assistant Brand Manager at P&G.

Positions at other entities

- BOD member, Moc Chau Dairy Breeds Joint Stock Company.

PROFILE OF COMPANY SECRETARIAT



Born in 1975, he joined Vinamilk in 2005.

Professional qualifications

- Bachelor of Accounting, major in Accounting and Auditing, University of Finance – Accounting, Ho Chi Minh City, Vietnam (1998).
- Association of Chartered Certified Accountants (ACCA) qualification.
- Bachelor of English Linguistics, Foreign Languages University – Hanoi National University.
- International Certificate in Investor Relations (ICIR) conferred by IR Society – UK and IRPAS – Singapore.
- Certificate of Corporate Governance.
- Certificate of Director Certification Program (DCP) conferred by Vietnam Institute of Directors (VIOD).

Experience

- From June 2016 to present, he has held the position of Senior Financial Manager. He has been in charge of financial investment and domestic M&A investment projects of Vinamilk and financial management of subsidiaries, directly reported to the Chief Financial Officer of Vinamilk.
- Over 11 years from 2005 to 2016, he worked in many positions at Vinamilk, including Director of Internal Control, Director of Investment Department and Investment Relations Manager.
- Prior to joining Vinamilk, he worked as a Senior Financial Analyst at San Miguel Vietnam, Co., Ltd., Audit Senior – KPMG Vietnam Co., Ltd., Chief Accountant – URC Vietnam Co., Ltd. and Chief Accountant at Vietnam Star Automobile.

Positions at other entities

- BOD member, Lao-Jagro Development Xiengkhouang Co., Ltd.
- Deputy CEO, Vietnam Livestock Corporation JSC (Vilico).
- BOD Member, Lam Dong Food JSC (Ladofoods).



Born in 1975, she joined Vinamilk in 2005 and has held the position of Company Secretariat since then.

Professional qualifications

- Master of Development Economics, the cooperation program between The International Institute of Social Sciences of Erasmus University, the Hague, the Netherlands and the University of Economics, Ho Chi Minh city, Vietnam (2000).
- Bachelor of English Linguistics and Literature, University of Social Sciences and Humanities (1999).
- Bachelor of Business Administration, major in Foreign Trade, University of Economics, Ho Chi Minh city, Vietnam (1998).
- Certificate of Corporate governance.

Experience

- Since August 2015 until present, she has held the position of Director of Foreign Subsidiary Management.
- Previously, from 2005 to 2015, she experienced in different positions at Finance Division, such as Financial Analyst, Investor Relations (IR) Manager, Financial Investment Manager, Investment Director at Vinamilk.
- Prior to joining Vinamilk, she held other positions such as Project Director, then General Director at I.C Investment JSC; Deputy Manager of Advisory Department at Saigon Securities JSC (SSI).

Positions at other entities

- BOD member, Driftwood Dairy Holdings Corporation.
- Chairwoman, Angkor Dairy Productions Ltd., Co.
- BOD member, APIS JSC.
- BOD member of the joint venture company DEL MONTE – VINAMILK DAIRY, PHILIPPINES, INC

PROFILE OF INTERNAL AUDIT



Mr. Dong Quang Trung
Company Secretary
Investor Relations Manager

He was born in 1989. He joined Vinamilk in 2019 and held the position of Company Secretary from 2022.

Professional qualifications

- Master of Business Administration, Lancaster University (2015).
- Bachelor of Business Finance, University of Economics, Ho Chi Minh City (2011).
- International Certificate in Investor Relations (ICIR), British and Singaporean Association of Relations.

Experience

- From May 2019 to now, he has held the position of Investor Relations Manager.
- From 2016 to 2019, he was a Senior Equity Analyst at Thien Viet Securities Joint Stock Company.
- Prior to that, he was the Senior Associate at PricewaterhouseCoopers Vietnam Co., Ltd.



Mrs. Ta Hanh Lien
Internal Audit Director

Born in 1980, she joined Vinamilk in 2006.

Professional qualifications

Bachelor of Economics, major in Accounting – Audit, University of Economics, Ho Chi Minh city, Vietnam.

Experience

- She has years of working experience in audit, finance, and budget planning.
- She has held the position of Internal Audit Director since November 2011 after completing the role of Coordinator for the project “Establishing the Internal Audit Function” and received the transferred international audit procedures and techniques from KPMG Vietnam Co., Ltd.
- From 2006 to 2010, she worked at the Finance Division at different positions, such as Budget Planning and Control Manager, Financial Analysis supervisor.
- Prior to joining Vinamilk, she was Audit Associate and then Senior Audit Associate at KPMG Vietnam Co., Ltd. from 2002 to 2005.

CHAPTER

02

BUSINESS REVIEW IN 2022

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VIETNAM'S DAIRY INDUSTRY IN 2022

AS SOCIAL ACTIVITIES HAVE RESUMED TO NORMAL SINCE Q2/2022, VIETNAM'S GDP IS ESTIMATED TO RISE BY 8.02% FROM ITS LOW LEVEL OF 2020 AND 2021. ALTHOUGH TOTAL RETAIL SALES OF CONSUMER GOODS AND SERVICES INCREASED BY NEARLY 20% OVER THE PREVIOUS YEAR, THE ABSOLUTE VALUE ONLY REACHED 82.5% OF WHAT WOULD HAVE BEEN THE TARGET IF THERE HAD BEEN NO COVID-19 EPIDEMIC FROM 2020 TO NOW, ACCORDING TO GSO. IN 2022, THE FAST-MOVING CONSUMER GOODS INDUSTRY RECOVERED WITH DOUBLE-DIGIT GROWTH (2020 -7%, 2021 -5%), WHILE THE DAIRY INDUSTRY GREW BY A SINGLE DIGIT RATE (2020 -6%, 2021 +1%).



Vietnam's GDP is estimated to rise by

8.02%



In 2022, the fast-moving consumer goods industry recover

**2
DIGIT
GROWTH**



The dairy industry grew by a

**1
DIGIT RATE**

KEY CONSUMER TRENDS IN THE DAIRY INDUSTRY IN 2022



Distribution channels

In terms of distribution channels, the highlight comes from the traditional channels' recovery after many years of no growth, while the modern channels' growth has stabilized following a period of rapid development.



Sales channels

In terms of the sales channels, "multi-channel shopping" exists not only in urban areas but also in rural areas. The online sales channel has rapidly expanded, significantly contributing to the overall growth of the FMCG industry, and has begun to have an impact in the dairy industry, initially through the consumption of powdered milk (Kantar World Panel).



Marketing channels

In terms of marketing channels, the proliferation of digital channels gives consumers more options and, to some extent, replaces the traditional TV channel's role. With more options for what to watch and what not to watch, personalized content tailored to each audience has never been more important than now.



Regions

According to NielsenIQ, the contribution of rural areas is growing, particularly in the dairy industry. The consumption shift to the countryside stems both actively from the movement of a group of consumers seeking a less noisy living environment than urban areas and passively from the wave of job cuts in industrial zones.



Ages

The level of interest in nutritional drinks in 2022 is quite similar between ages, though there are still differences in demand, indicating the importance of "tailoring" products to meet each individual need. Generation X (45-60 years old) prioritizes products that help improve health and resistance, while Generation Y (25-44 years old) is interested in detoxing and skin beautification, and Generation Z (13-24 years old) wants to improve digestion and physique (Kantar World Panel).

ASSESSMENT OF THE BOARD OF DIRECTORS' PERFORMANCE IN 2022

In 2022, the first year of implementing the Resolution of the General Meeting of Shareholders for the term 2022-2026, reinforcing the Board of Directors and Chairman of the Board of Directors of the new term. However, the BOD still carried out activities effectively and appropriately in accordance with the Company's Charter, the Regulations on Corporate Governance, and the BOD Regulations. With the motto of result-driven and flexible in applying the best practices, the entire BOD and all relevant Committees carried out duties through the following activities in 2021:

ACTIVITIES OF THE COMMITTEES

The Strategy Committee

The main contents and topics of the agenda focus on reviewing and approving the direction and strategy for the period 2022-2026. Besides the content of success factors for the future, the topic of sustainable development, corporate social responsibility to ensure the balance of interests of stakeholders is considered to be integrated in the strategy.

The Nomination Committee

The Nomination Committee re-evaluated the independence of the independent BOD members, implemented the succession plan for the BOD, sought, screened, evaluated and proposed candidates for the independent member positions in the new term. Regarding the BOM, the Nomination Committee also reviewed, evaluated and approved nominations for the CEO and other BOM members' positions for the next 5-year period of 2022-2026. The Nomination Committee advised the Board of Directors to issue a resolution on the Regulation on human resource development and succession plan for key positions (subject to the supervision of the Board of Directors) to create key staff resources for the company.

The Remuneration Committee

The Remuneration Committee reviewed and adjusted the BOM's remuneration packages and operating budget for the new term, and proposed a remuneration scheme of the CEO, the BOM based on the performance results to ensure competitiveness in recruiting, attracting and retaining talents. The Remuneration Committee advised the Board of Directors to approve the bonus in 2022 for the BOM.

The Audit Committee

The Audit Committee, with its quarterly planning and work assignment, fully, timely and effectively reviewed the Company's financial reports and situations, improved the internal control system, upgraded the risk management system and improved operations of the Internal Audit. The apparatus and methodology of Internal Audit were supplemented and modified with a view to meeting the needs of the whole corporation. In addition, the Committee carried out the assessment and selection of the Company's independent auditor for 2023 to propose to the AGM.



PERFORMANCE ASSESSMENT

The assessment of the BOD's performance was conducted in the last BOD meeting of the year (March 31, 2023) with the presence of all BOD members and the support of the Secretariat in charge of Corporate Governance.

Assessment Criteria:

8 behavioral and efficiency indicators in accordance with the Regulations on Corporate Governance. The assessment form in 2022 continued to use standardized questionnaires about 04 aspects of practices:



Self-leadership
competence and
operational results



A combination of knowledge,
experience and diversity
among BOD members



Dynamism



Operating process

ASSESSMENT RESULTS

In 2022, the BOD operated in accordance with the laws and the Company's Charter and overcome hurdles to converge the company's performance to the plan set out by the AGM. The contents under the BOD's responsibilities and authority on corporate governance, risk management, compliance, audit, strategic supervision, human resources and remuneration were executed professionally.

Improvement is noted from changes of the BOD members in charge of the Committees. Suggestions for performance improvement were all recorded and will be implemented in 2023. In terms of individual assessment, most of the BOD members performed well, having proactively and positively fulfilled their duties.



KHOẺ ĐỂ KHÁNG SÁNG TỬ DUY

Với DHA, 17 vitamin và khoáng chất, sữa dinh dưỡng Vinamilk ADM giúp trẻ phát triển trí não, chiều cao và tăng sức đề kháng.



ASSESSMENT OF THE CEO AND THE BOARD OF MANAGEMENT'S PERFORMANCE

Pursuant to the Company's Charter and Corporate Governance Regulations, the Board of Directors supervised the activities of the General Director and members of the Board of Management in production, business and implementation of the AGM and the BoD's resolutions in 2022 as follows:

ASSESSMENT METHOD

The BoD, through committees with specific tasks mentioned in the Internal Regulations on Corporate Governance, supervises the BoM in organizing and implementing the BoD resolutions. The heads of the committees will present the contents that the BoM must prepare to present/discuss/question at the latest BoD meeting. At the meetings, the BoD reviewed the implementation of the resolutions, quarterly and accumulated production and business situations, then discussed and approved the resolutions as a basis for implementation by the CEO and the BoM. Every month, the CEO and the BoM will send activity reports and make explanations for the contents requested by the BoD. In addition, the BoD members, according to the assignment of tasks for each committee, regularly discuss with the BoM members about the issues of interest to supervision.

THE BOD'S ASSESSMENT OF THE CEO AND EXECUTIVE DIRECTORS

Following the Corporate Governance Regulations, the BoD continued to evaluate the CEO and the Executive Directors based on the following criteria:

- ✦ **Accomplishment of business performance**
- ✦ **General duties of senior managers**
- ✦ **Competencies of senior managers**

Ông Thọ
VINAMILK
CAO CẤP
SỮA ĐẶC CỐ ĐƯỜNG
Bổ sung dầu thực vật
Khối lượng tịnh 380 g
VỊ NGON TỪ 1976 CÙNG NĂM TƯƠNG

Vị ngon cùng năm tháng

Vị thơm ngon, đậm đà của sữa đặc Ông Thọ là bí quyết mang đến các món ăn ngon tinh tế, hấp dẫn cho gia đình.

Accomplishment of business goals

This criterion is evaluated through the results of the implementation of

- (I) The overall goals of the Company and
- (II) The quality objectives of the division or department that each Executive Director is in charge of according to the balanced scorecard model (BSC) with 04 goals of finance, customer, process and learning & development.

The weight of each target will vary between positions, depending on the role of each individual in the value chain. The evaluation is combined with a summary report and self-assessment of each BoM member for the year. The outstanding concern of 2022 is financial position and efforts to overcome impacts of the Covid-19 pandemic.

General duties of senior managers

The assessment of general duties includes two stages: individual self-assessment and direct evaluation of line managers. General duties criteria include:

- * “Caution” as a duty
- * “Integrity and avoidance of conflicts of interest” as a duty
- * “Confidentiality” as a duty
- * “Care and Loyalty” as a duty

Competencies of senior managers

The assessment of competencies is carried out based on a set of 12 leadership competencies developed specifically for Vinamilk.

ASSESSMENT RESULTS

With the results achieved in 2022, a year heavily affected by the Covid-19 pandemic and political turmoil in the world, the BoD discussed and reached the conclusive evaluation that: The CEO and the Board of Management made great efforts and performed assigned tasks in 2022 with remarkable and encouraging results, strictly complying with current legal regulations and the Company’s operating regulations. The Board of Management did very well to manage production and business activities, ensuring employees’ job security, health and safety, and doing business with high responsibility to stakeholders.



AUDIT COMMITTEE REPORT 2022

I ORGANIZATIONAL STRUCTURE AND OPERATION OF THE AUDIT COMMITTEE IN 2022

1 Organizational structure of the Audit Committee:

The Audit Committee consists of four members as follows:

No	Member	Position	Date of joining/ resigning from the Audit Committee	Qualification
1	Mr. Do Le Hung	Head of the Audit Committee	Joined in April 2017	Master of Public Finance
2	Mr. Michael Chye Hyn Fah	Member	Joined in April 2017	Master of Business and Science
3	Mr. Alain Xavier Cany	Member	Joined in June 2020	Baccalaureate, Academie de Paris
4	Mr. Hoang Ngoc Thach	Member	Joined in April 2021	Master of Business Administration

2 Audit Committee Regulations

The Audit Committee operates in accordance with the Audit Committee Regulations issued by the BOD in accordance with the Company's Charter and the provisions of current law (Enterprise Law 2020, Securities Law 2019, Decree 155 guiding the Securities Law, Circular 116 guiding the Enterprise Law 2020 and Decree 155).

3 Audit Committee meetings and attendance of members

No	Member	Meetings attended	Attendance rate	Reasons for absence
1	Mr. Do Le Hung	4/4	100%	N/A
2	Mr. Michael Chye Hyn Fah	4/4	100%	N/A
3	Mr. Alain Xavier Cany	4/4	100%	N/A
4	Mr. Hoang Ngoc Thach	4/4	100%	N/A

4 Audit Committee's remuneration and operating costs in 2022

Details of the Audit Committee members' remuneration in 2022 are shown in the BOD's report. In addition to this remuneration, the Audit Committee members do not receive any other benefits or remuneration.

The operating costs of the Audit Committee in 2022 are in compliance with Vinamilk's internal regulations.

5 Audit Committee's supervision on corporate governance

The Audit Committee supervises the BOD's activities through meetings, discussions and mechanisms in which the Board's resolutions are issued, and at the same time supervises the BoM's activities through the BOM implementation of the BOD's resolutions as well as the decentralization mechanism between the BOD and the CEO.

The Audit Committee's supervisory activities are implemented through a variety of channels, including

reporting to and communicating with the Finance Executive Director, Chief Accountant, Internal Audit Director, Director of Internal Control and Risk Management, Head of the Legal Department as well as the Independent Auditor.

During performing its tasks, the Audit Committee has coordinated well with the BOD's members, the BoM's members and related executives and always received cooperation from the BOD.

II SUPERVISION RESULTS OF THE AUDIT COMMITTEE

The Audit Committee's supervision results are reported as follows:

1 The BOD's implementation of resolutions

Significant issues are freely discussed and thoroughly evaluated by the BOD before issuing a resolution. The BOM closely follows and strictly implements the resolutions issued by the BOD.

The Company Secretariat performs the task of monitoring and reporting on the implementation of the BOD's resolutions.

2 Financial statements

The Audit Committee has reviewed the quarterly and annual financial statements of 2022 based on the independent auditor's audit reports. The financial statements in 2022 were prepared and presented in accordance with VAS and current regulations, reflecting a true and fair view of Vinamilk's financial position and performance.

In 2022, accounting policies and principles for determining accounting estimates were

applied in consistency with the prior year. The application of accounting policies and principles is considered to be appropriate for the Company's operation characteristics in the context of the year's production and business conditions.

No material misstatement, fraud or potential fraud risk was detected in the financial statements.

The Audit Committee questioned the Independent Auditor and the BOM on a regular basis in order to clarify important issues that the Audit Committee was concerned about. The BOM and the Independent Auditor responded satisfactorily to the Audit Committee's questions and requests during the review of the financial statements.

3 Risk management and internal control system

In 2022, the Company continued to maintain a reliable, effective internal control and risk management framework.

Quality control systems such as food safety, energy and environment, occupational health and safety, laboratory capacity, corporate social responsibility and farming practices have been implemented in accordance with requirements of applicable standards, to which the certification is duly maintained.

The system of internal processes and regulations has been strictly managed and comprehensively updated, actively supporting the control of activities throughout the Company. Many processes were successfully computerized and digitized such as



E-Office, E-Contract, and Online Bidding System.

The control system for conflict of interest has been effectively established and operated, ensuring tight control of transactions of related parties and stakeholders. The Independent Auditor's Audit Report and the Internal Compliance Report did not detect conflicts of interest in related party transactions.

Legal issues and legal risks have been effectively managed, helping to protect the Company's interests. The Legal Department always ensures that all legal risks are appropriately managed.

The Company has completed the first phase of the project to upgrade the risk management system, contributing to improving control and minimizing risks that may negatively affect the achievement of the Company's business plan.

The risk management report is updated quarterly, allowing the Audit Committee/BOD to quickly detect changes in existing and emerging key risks and respond appropriately. We identified the key risks and challenges associated with fluctuations in

raw material costs and consumer purchasing power in the context of wars, epidemics, declining demand, and fierce competition in domestic and international markets, all of which had a negative impact on business results in 2022.

4 Internal audit function

The Internal Audit function is operating effectively, contributing significantly to the improvement of the internal control system and risk management. The Internal Audit personnel has been consolidated with sufficient manpower to perform assigned tasks in 2022.

Internal audit has an appropriate authority in the Company, as well as methodology that is comparable to international best practices and standards, while remaining compliant with the law and guidelines on internal audit.

The internal audit plan for 2022 approved by the Audit Committee and the CEO has been completed within the expected timeline and resources.

Internal audit results show that process compliance in the audited units has improved.

Most of the detected issues and related risks were assessed as low or insignificant, which have been recognized remedied by the relevant units.

5 Independent audit services

KPMG Limited has successfully completed its tasks and fully fulfilled its obligations under the audit contract signed with Vinamilk, and met the expectations of the Audit Committee and the BOD.

The Audit Committee and the BOM conducted an assessment on independent audit quality and KPMG has well met all of the key criteria including: ensuring reliability, transparency and quality of the audited financial statements; adhering to the agreed audit timeline; complying with professional regulations; and ensuring independence and objectivity when giving audit opinions, as well as other criteria in terms of audit capacity and work coordination between KPMG and Vinamilk.



Mr. Do Le Hung

Head of the Audit Committee



BÒ TƯƠI VUI
SỮA TƯƠI NGON
100%


Sữa tươi Vinamilk 100% nhãn hàng dẫn đầu phân khúc sữa tươi với dòng sữa tươi ngon, trọn vẹn dưỡng chất từ những cô bò hạnh phúc tại Resort Bò Sữa Vinamilk

Key events in the financial year 2023

January 30, 2023	Announcement of financial statements for Q4/2022
February 28, 2023	Announcement of financial statements for 2022
April 25, 2023	AGM 2023
April 28, 2023	Announcement of financial statements for Q1/2023
July 07, 2023	Announcement of financial statements for Q2/2023
October 30, 2023	Announcement of financial statements for Q3/2023

CONTACT INFORMATION FOR INVESTOR RELATIONS

Investor Relations – Finance Department
Vietnam Dairy Products Joint Stock Company
10 Tan Trao Street, Tan Phu Ward, District 7,
Ho Chi Minh City

 **TEL** (+84 – 28) 541 55555
Ext: 108247

 **EMAIL** dqtrung@vinamilk.com.vn

INVESTOR RELATIONS' WEBPAGE



NẠP NĂNG LƯỢNG XANH

GIÚP GIỮ DÁNG KHỎE DA

Kết hợp từ 9 loại hạt thượng hạng
với hơn 94% hàm lượng sữa hạt,
bổ sung Canxi, vitamin A, E, B3,
D3 và Omega-3.



THE BOARD OF MANAGEMENT'S REPORT IN 2022

DAIRY DEVELOPMENT DEPARTMENT

“

Pioneering in building an advanced dairy farming model, boldly accepting initial challenges to gradually improve towards sustainable development.

”

Despite the difficulties of a “post-Covid-19 pandemic” year of 2022, Vinamilk still firmly held its own against mounting challenges and achieved encouraging results, thereby creating a stronger development momentum and raising the brand value on the global dairy industry. This also affirms the wise vision of the Company’s leadership and the collective dedication of the entire staff to the Company’s sustainable development and its valuable contribution to society.

GENERAL INTRODUCTION

Vinamilk is operating and managing a system of 04 dairy companies and raw milk production, including Vietnam Dairy Cow Company Limited (“Vietnam Dairy Cow Company” - 100% charter capital), ThongNhat Thanh Hoa Dairy Cow Company Limited (“BS TNTH Company” - 100% charter capital), Lao-Jagro Development XiengKhouang Co., Ltd. (“Laos-Jagro Company” - 87.32% charter capital) and Moc Chau Dairy Breed Joint Stock Company (“Moc Chau Milk” - owning 49.17% of voting rights).

Currently, Vinamilk is running 15 dairy farms and sourcing milk from a total of 146,000 cows, in which 36,000 cows are at own farms. For own cows, Vietnam Dairy Cows manages 11 farms and Thong Nhat Thanh Hoa Dairy Cow manages 02 farms with a total herd of over 33,000 cows. Lao-Jagro Company inaugurated the first farm complex of phase I with a total scale of 8,000 cows, of which the first batch of 1,000 Elite cows were imported directly from the US by Vinamilk experts in 2022. Moc Chau Milk currently owns more than 2,000 dairy cows on the farm.

VINAMILK IS OPERATING AND
MANAGING A SYSTEM OF

4

Dairy companies and raw milk
production

VINAMILK CURRENTLY HAS

15

Dairy farms

SOURCING MILK FROM

MORE THAN **146,000 COWS**

VINAMILK - ACTION AND TRANSFORMATION IN THE NEW NORMAL

The pandemic posed unprecedented challenges to business and production, including disruption of the supply chain and depletion of raw materials, services and consumption. Vinamilk, however, with 46 years of development, has actively adapted in a positive direction, constantly improving competitiveness, increasing infrastructure investment, modernizing production processes and advancing corporate governance.

In particular, pioneering in sustainable development is one of the strategic transformations implemented by Vinamilk through the network of Vinamilk Green Farm ecological farms, with the focus on environment- and cow-friendly farming practices to ensure the production and supply of better quality products to consumers in accordance

with the Company's philosophy of **Transparency, Honesty** and **Sustainability**, including the following key aspects:

- ✦ Regenerative farming;
- ✦ Circular economy;
- ✦ Livestock welfare;
- ✦ Renewable energy.

Vinamilk Green Farm – A typical farm model of sustainable development

Even during the tumultuous two-year pandemic period, Vinamilk overcame obstacles and established a system of ecological farms - Vinamilk Green Farm - which is regarded as the Company's strong commitment to the implementation of sustainable development strategies, with three key aspects:

- i) Selective raw material source;
- ii) Regenerative agricultural practices;
- iii) Advanced technological application in sustainable development,

Selective raw material source

Among 15 farms in operation across the country and abroad (Lao Jagro), there are currently three Vinamilk Green Farms including Tay Ninh, Quang Ngai and Thong Nhat Thanh Hoa Dairy Farms, built in accordance with the world's most modern dairy farm model and meeting GlobalG.A.P standards. These farms are strategically located and conveniently connected to Vinamilk's most modern factories

in key economic areas, ensuring that raw milk quality is maintained during transportation.

The Vinamilk Green Farm network covers nearly 950 hectares, of which nearly 500 hectares are cultivated to produce high-quality forage ingredients including corn, Mombassa grass, oats, and rice that meet GlobalG.A.P standards. These provide for more than 20,000 purebred dairy cows selected at source; each cow's genetic history is traced back three generations by Vinamilk experts before direct import from America, Australia and New Zealand. The cows produce 250 tons of raw milk per day, ensuring the supply of the highest quality raw milk to three modern large-scale factories including Northern, Southern and Central region.

03

VINAMILK GREEN FARM INCLUDING TAY NINH, QUANG NGAI AND THONG NHAT THANH HOA DAIRY FARMS

built in accordance with the world's most modern dairy farm model and meeting GlobalG.A.P standards

THE VINAMILK GREEN FARM NETWORK COVERS NEARLY

950 HECTARES

OF WHICH NEARLY

500 HECTARES

are cultivated to produce high-quality forage ingredients including corn, Mombassa grass, oats, and rice that meet GlobalG.A.P standards

PROVIDING FEEDS FOR MORE THAN

20,000

PUREBRED DAIRY COW



Green Farm at Tay Ninh Province

“ The use of green energy such as from Biogas, solar energy to replace fuels such as gasoline, diesel, etc. in the operation of the farm system contributes positively to the goal of reducing greenhouse gas emissions with the ability to reduce up to 62,000 tons of CO₂/year, equivalent to planting 3.4 million trees. ”

Regenerative farming practices

Green Farms currently use renewable energy systems such as solar energy and modern waste treatment systems to separate solid and liquid waste. Biogas storage tanks are also used to reduce greenhouse gas emissions of CO₂, N₂O, and CH₄ and to convert waste into organic fertilizer materials for better cultivation and soil improvement, while biogas can be used to pasteurize milk for calves and fuel the grass drying system to make forage for cows. The use of green energy such as from Biogas, solar energy to replace fuels such as gasoline, diesel, etc. in the operation of the

farm system contributes positively to the goal of reducing greenhouse gas emissions with the ability to reduce up to 62,000 tons of CO₂/year, equivalent to planting 3.4 million trees. Typically, at Green Farm Tay Ninh, daily production activities at the farm follow the process of a circular economy, starting with collecting and treating waste from cows given the amount of 30 tons of waste per day with the output being solid waste, liquid is separated and CH₄ gas is used through the Biogas treatment system, in which solid, liquid waste is used as an organic fertilizer source to provide

nutrition for pastures and crops on the farm to create a high-quality, nutritious forage source for cows of 8,000 cows. CH₄ gas is reused as gas for milk pasteurization for calves, heating sanitary water for production equipment and used for grass drying systems to store feed for cows, thereby saving more than 2 billion VND/year for the farm's electricity consumption costs for the above-mentioned activities.

LED lighting systems are installed in all newly built barns and factories and gradually replacing traditional light bulbs in older farms, reducing electricity consumption while ensuring lighting intensity for operation and durability.

Vinamilk has pursued a green investment orientation, prioritizing motorized large-capacity electrical equipment with new generations of energy-saving engines that meet strict emission standards, such as engines with fuel-saving modes (for tractors, multi-purpose forklifts, etc.) and electric engines with soft starters and inverters (for rotor choppers, pumps, air compressors, etc.).

The solar panel system was first installed at Organic Farm Dalatin 2016. So far, it has been installed for all barns at Dairy Farms. This is a significant step forward in the Company's efforts to reduce greenhouse gas emissions as part of its sustainable development strategy.



Solar panel installed on the roof of a farm



Furthermore, the use of organic atomic carbon technology with Nema biological products to clean the environment, treat odors in livestock, and eliminate pests such as flies and mosquitoes is carried out on farms on a regular basis.

The solar panel system has been installed for all barns at Dairy Farms.

Spraying Nema for environmental sanitation at a farm

Green Farms all practice organic farming, which means they don't use chemical fertilizers or chemical pesticides, instead relying on fertilizers made by the barn waste treatment system using the GEA manure collection and treatment technology in water discharge. This not only helps to treat manure effectively but also reuses water, bringing positive environmental impacts and optimizing water resource use. By reusing

wastewater to provide nutrients for crops that serve as forage materials, the farms successfully applied a renewable cycle, contributing to the improvement of farm resources and the adoption of environmentally friendly production.

In addition, at the farms, a large area is designated for regulating lakes, which help to cool dairy herds in hot and dry climates and create a healthy

water cycle on the farm. The green coverage rate at any Green Farm is maintained at over 70%. Green trees are planted around the farms to serve as a natural barrier between the farms and residential communities, as well as a biosphere for wildlife. This helps protect the local eco-diversity and reduce the impact of farming on the overall environment.

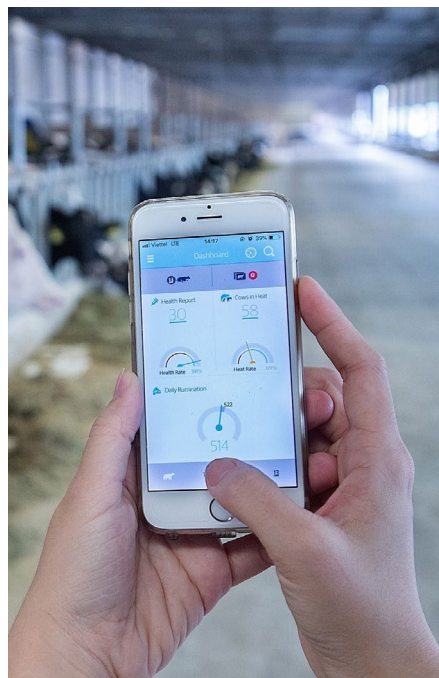
Applying advanced technology to sustainable agriculture

At Vinamilk Green Farms, dairy cows are given special care thanks to advanced technology that emphasizes and enables animal welfare. Every farm has a modern cooling system that keeps the barn temperature stable, as well as massage equipment and open space for cattle. The dairy cows are raised in comfort to produce high milk yields and the best milk quality, while absolutely no growth hormones are allowed.

Following the policy and commitment of the Vietnamese Government about Net Zero at COP26, as a leading dairy enterprise in Vietnam, Vinamilk has implemented action plans to achieve this goal.

Accordingly, Vinamilk has identified sustainable development as one of **four development strategies** for the period 2022-2026, including:

- ✦ Promoting sustainable development by referencing successful models from the global dairy industry;
- ✦ Applying science and technology to sustainable farming;
- ✦ Increasing renewable energy;
- ✦ Vegetation coverage to neutralize greenhouse gases and achieve net zero emissions by 2050.



Livestock welfare is a priority at Vinamilk farms

Application of technology in management and production methods

Vinamilk and its subsidiaries continue to widely apply Enterprise Resource Planning (ERP) systems, e-Office, e-Contract, e-Signature and many more, in management and production to ensure smooth operations in all situations. Vinamilk farms use automation and 4.0 technology extensively to ensure remote and highly systematic management. There has also been investment in infrastructure and equipment upgrades, particularly in terms of high automation.



Automatic irrigation system on the field

New research orientation for proactive adaptation to changing circumstances

In the challenging context that climate change is accelerating and directly affecting production activities, Vinamilk has been proactive in researching solutions with climate-friendly technologies

and high-tech farming techniques such as: testing hydroponic production of seedlings from local seed materials in a controlled “indoor” environment, providing high-quality forage for calves, and

reducing production costs. Vinamilk also aims to research and apply inoculants to reduce emissions from cow digestion, crop rotation to adapt to climate change, and many other solutions.



Research and trial production of hydroponic sprouts as cow feed



Close partnership with farming households

Currently, Vinamilk is running 80 raw milk collection stations across the country and cooperates with farmers to manage more than 110,000 cows, of which 85,000 cows are cooperated with Vinamilk and 25,000 cows with Moc Chau Milk, to collect more than 500 tons of raw milk per day. Milk collection stations, in addition to the main task of purchasing raw fresh milk, also provide assistance to dairy farmers in distributing animal feed and milking hygiene solutions, consulting, providing technology transfer and disease control. These activities are always welcomed and trusted by farmers.

VINAMILK CURRENTLY MANAGES **80** RAW MILK COLLECTION STATIONS NATIONWIDE

110,000 COWS
TOTAL HERD OF CONTRACTED FARMERS

Vinamilk is always willing to help advise farmers on dairy farming techniques and inspect cattle conditions for quality assurance. Simultaneously, Vinamilk works with local veterinarians to vaccinate cows, manage epidemiology, monitor cow ear tags, and keep

antibiotic residues in milk under control. Vinamilk always develops and maintains programs, support policies, reasonable and cohesive purchasing price policies to create a driving force for the development of dairy farming households.

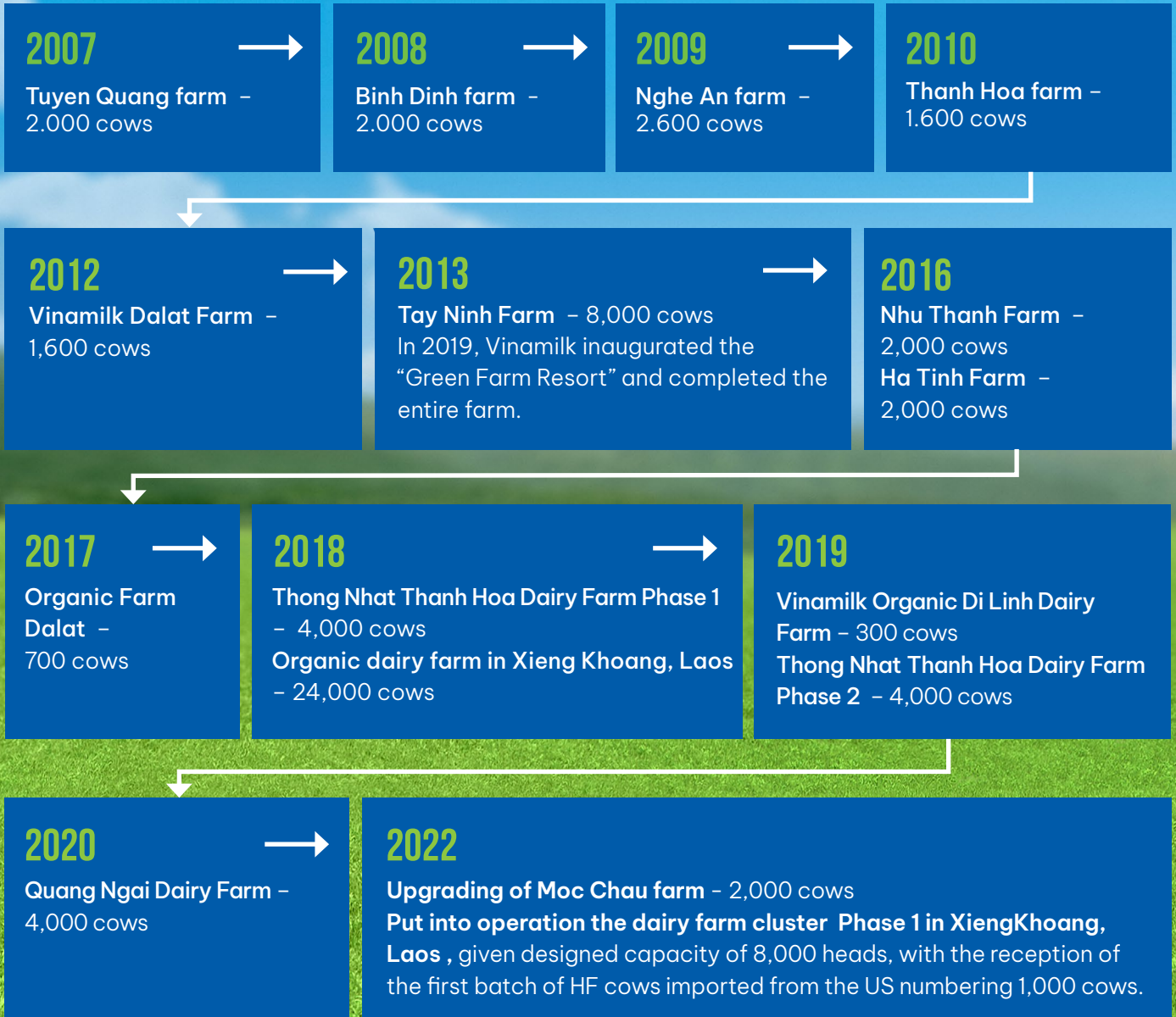
VINAMILK - PROMOTING GROWTH

Vinamilk pioneers in advanced production and breeding models, embracing initial obstacles to gradually improve and perfect the production process towards sustainability, environmental friendliness and emission reduction.

The Vinamilk Green Farm model, in particular, will continue to be replicated throughout Vinamilk’s production farm system in order to provide a favourable environment for both farmers and cattle, thereby creating outstanding quality

products to serve consumers and contribute to the community’s sustainable development. Besides, Vinamilk is always transparent in disclosing information about the program’s impact, influence and benefits to stakeholders.

The journey of developing Vinamilk’s farm system and raw material areas



Furthermore, Vietnam Dairy Cow's Technology and Embryo Transfer Center was put into operation and has carried out the first projects of genetic selection and embryo transfer experiments, with initial results showing good potential for

application to the Company's cows in the near future.

In addition to improving the current system of dairy farms to meet international standards, Vinamilk is constantly looking for expanding the Company's

scale of operations, diversifying products, and meeting the increasing needs of consumers both domestically and internationally, through new breakthrough projects/farms in the near future, including:

- ✦ HI-TECH DAIRY FARMING COMPLEX AT SONG HAU FARM (CAN THO);
- ✦ TAY NINH DAIRY FARM PROJECT NO. 2;
- ✦ HI-TECH DAIRY COW ECO-TOURISM FARM PROJECT (MOC CHAU);
- ✦ VILICO TAM DAO BEEF PROJECT.

CONCLUSION

With the sustainable development orientation through an increasingly better-quality, more environmentally- and consumer-friendly product portfolio, and 46 years of strong establishment and rich experience, Vinamilk continues to "GROWTH - RE:INVENT" to raise its brand value and position, not only in Vietnam but also on the global scale.

Vinamilk's farm system, despite facing many challenges in 2022, has achieved encouraging results:



100% Vinamilk's dairy farms and centers in Vietnam are

- ✦ ISO 9001: 2015
- ✦ GLOBALG.A.P

GHG EMISSION /TON PRODUCT INDEX IS
537 KG GHG/TON OF PRODUCT (103% above plan)

THE TOTAL OUTPUT OF RAW MILK SUPPLIED TO VINAMILK'S FACTORY IS

NEARLY **355,000** TONS

VIETNAM DAIRY COW'S REVENUE SURPASSED BUDGET OF **109.5%**

THE BOARD OF MANAGEMENT'S REPORT IN 2022

SUPPLY CHAIN DEPARTMENT

“

Continued to performed well in its role of supplying and coordinating the transportation of goods and materials.

”

In terms of procurement, the Supply Chain Department has sufficiently and timely met the needs for raw materials, supplies, and spare parts for production, maintained a reasonable inventory of raw materials, and completed the bidding and signing of raw material contracts for 2023.

In terms of freight coordination, the Department has sufficiently and timely met the sales demands between regions and factories, and generally provided well for product launches and relaunches.

Logistics enterprises has successfully implemented scenarios of direct shipping from satellite warehouses to shorten delivery time, improve service quality, and provide benefits to customers. The Department has also done well in freight coordination, with a punctuality rate of more than 98%, and has finished bidding and signing transportation contracts for the period 2022-2025.

Furthermore, in order to actively implement sustainable development goals, the Supply Chain Department has made significant contributions to building the Vinamilk brand, creating values for the community and society, and implementing projects for optimal and cost-effective use of resources. The Department is always willing to make bold changes to outperform expectations, such as such as reviewing and improving workflows to optimize inventory and warehouse management and enhance stacking specifications. Preparations are also underway to meet the conditions for applying ISO 45000 on occupational safety and health, in Vinamilk's pursuit of a safer workplace and better health for employees.



RESEARCH AND DEVELOPMENT (R&D) DEPARTMENT

“ Greatly contributed to new product development and product improvement processes in domestic and foreign subsidiaries. ”

The Research and Development Department continued to play a key role in the strategic enhancement of technological capabilities in production, strengthening Vinamilk’s business position in the competitive market, promoting export activities and contributing significantly to sustainable development. In 2022, the R&D Department researched 15 new products, 40 enhanced products, and 16 exported products, affirming Vinamilk’s advanced production capability. Not only with Vinamilk branded products, the R&D Department also greatly contributed to new product development and product improvement processes in domestic and foreign subsidiaries such as Moc Chau and AngkorMilk (Cambodia).

At the same time, Vinamilk strives to keep pace with the highest standards of the world, and clearly demonstrates its commitment with the philosophy of “no compromise on quality” through continuous updates and applications of the latest standards onto materials

and products, in accordance with Vietnamese and international laws. Vinamilk 100% Organic Fresh Milk has maintained European standards for many years. Vinamilk is also the first company in Asia to receive certifications and awards from the Clean Label Project (CLP), USA for both fresh milk and infant formula milk.

Products from the Vinamilk Optimum Gold brand, in particular, won the Purity Award 2022, CLP’s most rigorous examination for purity of infant formula milk, which pays special attention to health hazards to child development during formative years such as heavy metals, microplastics and other harmful chemicals in products. In addition, Vinamilk Green Farm and Vinamilk 100% Organic fresh milk products are also the first fresh milk products in the world to receive the Clean Label certification, which recognizes brands that have the highest transparency in quality control over raw materials and finished products, as well as product labeling.

2022 | THE R&D DEPARTMENT RESEARCHED

15

new products

40

enhanced products

16

exported products

The R&D Department has made recommendations for the preparation of circulars, decrees and laws related to food safety, such as the Ministry of Health's circular on nutrition labeling and draft standards of food products.

Management Team of the R&D Department also attended the following conferences:

- + “Policies to encourage and support enterprises to develop circular economy” organized by Investor Magazine/Nhadautu.vn.
- + Vietnam Sustainable Development Business Forum 2022 organized by the Vietnam Chamber of Commerce and Industry (VCCI).
- + Suggestions and policies to promote the application of circular economy by the Energy Saving Department, Ministry of Industry and Trade.
- + Thereby, the circular economy model integrated into Vinamilk's value chain has been widely introduced to the expert community.
- + Recently, the R&D Department has held site visit to introduce Vinamilk's food safety control system (at Vietnam Milk Factory) to many domestic and foreign participants.



THE BOARD OF MANAGEMENT'S REPORT IN 2022

PRODUCTION DEPARTMENT

“
Standardize the process to ensure the best consistency and quality for the entire Vinamilk product portfolio.
 ”

Socioeconomic difficulties, as a result of the COVID-19 pandemic, severely impacted people's lives and the Company's productions and operations in 2022. The Production Department and the Factories worked hard to ensure employee health and safety. The company completed the investment guidance and delivered impressive results through consideration, action, determination, and solidarity with other Departments and Departments:

Production Planning

Complete the production plan both in terms of quality and quantity.

With quality as a top priority, the Production Department reviewed the criterion of Quality Assurance and standardized technological processes for all products in collaboration with the Research and Development Department. Positive outcomes include: improving quality of Green

farm fresh milk products using the latest nitrogen-based production technology; and ensuring quality consistency of all Pasteurized Milk, Eating Yogurt, and other products. In addition, the Production Department worked closely with the Research and Development Department and the Marketing Department to improve the quality control of all new products launched in 2022.

ISO 9001, FSSC 22000, Integrated System PAS 99 (including ISO 14001 and ISO 45001), ISO 17025, Halal, ISO 50001, Organic EU, Organic China, and BRC were effectively and consistently maintained throughout all operational stages, factories, and management levels. Furthermore, in 2022, the Production Department completed an assessment of all factories' greenhouse gas emission in accordance with ISO 14064-1 and developed an action plan to reduce greenhouse gas emissions.



Effective cost-controlling

The production costs were effectively managed.

Prices for raw materials, fuels, and facilities increased in 2022, while production scales were reduced, resulting in production losses. The Factories, on the other hand, made every effort to cut costs, with a total savings value estimated at VND 111 billion. The overhead costs were below budget.



Investment

Projects to increase production capacity were completed on time to meet the demands of Sales and Marketing Departments.

Many projects were implemented at the same time by the Production Department to increase the production capacity of sweetened condensed milk and Probi 130ml-HDPE products, as well as a new facility project to apply new technologies to improve the efficiency and quality of production lines of whole soybean milk, skimming milk and butter making, and cheese filling machines. In 2022, the Production Department successfully completed the project



of converting to Slim Leaf Packaging using new technology, resulting in significant packaging cost savings. Furthermore, renewable energy projects were completed, as solar energy from rooftop installations was used for factories. In addition, the Production Department

established a Project Management Team to oversee the implementation of projects approved in the 5-year strategic plan 2022-2026, including Hung Yen Dairy Factory, Moc Chau Hi-Tech Dairy Factory,...

The Production Department and Factories have completed their assigned tasks by the end of 2022, the first year of the 5-year plan 2022-2026. The Production Department will continue to carry out key tasks in 2023:

- ✦ Completing the production plan in both quality and quantity;
- ✦ Research and invest in applying new technologies to improve the quality for mass-produced sterilized fresh milk;
- ✦ Implementing the TPM (Total Productive Maintenance) program; gradually applying digital transformation to have better control over factory operations, ensuring the best control over Quality, Productivity, Cost and Production Planning;
- ✦ Commencing the construction of Hung Yen and Moc Chau factories which will apply advanced technology and high automation, contributing to the Company's increased production capacity and readiness to growing demands of consumers, thus affirming Vinamilk's stature and position in the market.

THE BOARD OF MANAGEMENT'S REPORT IN 2022

MARKETING DEPARTMENT

“

Maintain the leadership position of key products in the market such as Fresh Milk, Eating Yogurt, Drinking Yogurt, Powdered Milk.

”

After the pandemic, the barely-recovered economy immediately encountered many new challenges, especially the high prices of goods and services which reduced purchasing power. Although the dairy industry increased slightly in value due to manufacturers raising selling prices, volume did not increase significantly. Vinamilk's sales and marketing team closely followed the market to understand thoroughly the needs and psychology of consumers, thus implementing many programs to stimulate consumption and contribute to persistent sales growth and leading positions of key products in the market such as Fresh Milk, Eating Yogurt, Drinking Yogurt, Powdered Milk.

More importantly, Vinamilk is constantly innovating to add value to product lines in all segments, from affordable to premium products, in order to meet the market's diverse needs. Thereby, the Company has provided consumers with high-quality nutritional solutions as well as rich and convenient experiences, based on thorough understanding of the Vietnamese's nutritional needs, tastes and behaviors.

The highlights of 2022 include new media campaigns that have left a strong impression on consumers, as well as products with improved quality and a fresher, more premium appearance, resulting in encouraging sales growth of Yogurt, Probi, 100% Fresh Milk, Powdered Milk and Ready-to-drink Milk for Adults. Sure Prevent Gold propositioned “Comprehensive Nutrition, Eat and Sleep Well” with different and unique message from the competitors, resulting in an impressive sales growth. New products such as Powdered Milk Pedia Kenji, Super Nut Milk, Hero fruit milk watermelon flavor, ADM cereal milk initially laid the foundation for VNM to explore potential market segments.

Sure Prevent Gold propositioned “Comprehensive Nutrition, Eat and Sleep Well” with different and unique message from the competitors, resulting in an impressive.

Despite facing many challenges, Vinamilk achieved many valuable awards and certifications in 2022, affirming its leading position in Vietnam and rising reputation in international markets:

According to Kantar's Brand Footprint 2022 report, Vinamilk received three outstanding results:



Top milk brand most chosen by customers

TOP 3

FMCG manufacturers most chosen by consumers

TOP 10

Vinamilk, Ong Tho, Phuong Nam Star, Susu, and Probi being among the top 10 most typical dairy brands

TOP 3

Social campaigns in Vietnam in November 2022 with the Campaign "Golden Choice for Brunch"

TOP 10

Vietnam Social campaigns in July 2022 with the Campaign "Defense System 1170" of Vinamilk Eating Yogurt

TOP 10

Social campaigns Vietnam December 2022 with Ong Tho Condensed Milk's "Museum of the Ages" campaign



Introduced Vinamilk Green Farm model and the "green" value chain at the 15th Global Dairy Conference held in France;



Inspired the public with the story "The 33-year journey to build the love of Dielac milk powder brand" at the Asian Dairy Industry Conference in Singapore



THE BOARD OF MANAGEMENT'S REPORT IN 2022

DOMESTIC SALES DEPARTMENT

“ Focusing on developing sustainable distribution channels. ”

Vinamilk continued to strengthen its brand position in 2022 by focusing on developing sustainable distribution channels in order to improve business performance. This is a solid foundation for the Company to improve the efficiency of distribution channels, gradually restore sales activities in the face of economic fluctuations, declining consumer demand, and increasingly fierce competition. Trade policies are negotiated and adjusted based on market conditions to suit each distribution channel, with the goal of achieving a more sustainable cooperation relationship in which the Company and distributors share long-term goals, interests, and responsibilities. Furthermore, in order to improve performance monitoring, Vinamilk always prioritizes the use of information technology to optimize data management and processing, allowing partners and the Company itself to make decisions quickly and accurately in the midst of market fluctuations.

Vinamilk has implemented such key aspects including:

Traditional channels

Trade policies are implemented to balance the mutual benefits and optimize the number of points of sale. The Company has reviewed the low-performing points of sale, thereby streamlining the distribution

Modern channels

Following a period of rapid growth during the first two years of the pandemic, supermarket chains and convenience stores showed signs of more stable growth in 2022. The distribution network in modern channels has been significantly expanded, with nearly 8,000 points of sale. This is due to the efforts of the market development team in maintaining close relationships with partners as well as developing competitive and sustainable trade policies for these distribution channels

E-commerce channels and Key Accounts

had positive growth of more than 30% and 10%, respectively, as a result of timely investment in digital platforms to keep up with online shopping trends and the recovery of dine-in service, tourism, aviation, and other industries. With successful product quality improvements in 2022, the Vinamilk brand is also gradually entering well-known coffee and restaurant chains in major cities, consolidating a diverse customer base in special customer groups.

Vinamilk store

Chain had nearly 650 stores by the end of 2022, with the number of new openings thoroughly calculated to optimize operational efficiency in the face of challenging economic conditions.

THE BOARD OF MANAGEMENT'S REPORT IN 2022

INTERNATIONAL SALES
DEPARTMENT

DIRECT EXPORT

“

Overcoming challenges with customers, maintaining traditional markets and seizing new opportunities.

”

Vinamilk's export activities in 2022 faced numerous challenges. Due to political unrest, inflation, and recession, consumer demand fell while inventories rose in export markets. Vinamilk responded proactively with a series of flexible support initiatives, adapting to access alternative export opportunities and improving the work of building long-term customer relationships. As a result, over 3,300 containers of products were exported during the period, allowing the Company to maintain traditional markets while catching up with new export opportunities.

OVER
3,300
CONTAINER
OF PRODUCTS

were exported
in 2022



Vinamilk focused on trade promotion activities throughout 2022, making a presence at international food fairs and exhibitions to introduce national products to the world. Vinamilk was the only dairy enterprise in the Vietnam - Foods of Vietnam pavilion at Gulfood Dubai 2022, the world's largest agricultural trade fair. Many signature Vinamilk products were also on display at the Foodex Japan fair, including the legendary Ong Tho sweetened condensed milk, various vegetable

milks, and the latest condensed coconut milk product.

In addition to exporting its branded products, Vinamilk seized opportunities for export processing at specialized outsourcing fairs, with the goal of expanding customer bases, new markets, and access to the latest manufacturing and packaging technologies for high-end markets with stringent requirements such as the US, Canada, Japan, Korea, Australia, and New Zealand.

Vinamilk anticipates and grabs the opportunities for export cooperation, overcoming customer difficulties, and developing business activities in international markets. Vinamilk therefore aims to maintain Vietnam's national brand in the international market. In 2022, Vinamilk was honored as a prestigious exporter for the sixth time, thanks to relentless efforts in export activities.

VINAMILK WAS THE ONLY DAIRY ENTERPRISE

in the Vietnam - Foods of Vietnam pavilion at Gulfood Dubai 2022, the world's largest agricultural trade fair.

IN 2022

Vinamilk was honored as a
A PRESTIGIOUS EXPORTER

6th



THE BOARD OF MANAGEMENT'S REPORT IN 2022

INTERNATIONAL SALES
DEPARTMENT

OVERSEAS SUBSIDIARIES

Driftwood

In 2022, Driftwood's operations were affected by the general difficulties of the US economy following the Covid-19 pandemic. The main sales channel, the school system, gradually recovered, though still at a lower output than pre-pandemic levels. At the same time, raw materials, gasoline, and labor costs were still on the rise and unpredictable.

In that situation, Driftwood actively developed other sales channels to compensate for the school-based one, resulting in revenue growing 31% over the previous year. Driftwood also focused on controlling production and operation

activities to reduce costs and improve efficiency. In addition, sales of imported products from Vinamilk was still maintained, although transportation costs to the US skyrocketed in the first quarters of the year. In 2023, as transportation costs stabilize, Southern Star condensed milk export revenue is expected to grow further. Driftwood is also working with partners to seek new opportunities for Vinamilk's products.

2022
REVENUE GROWTH

31% year-on-year





Angkormilk

Angkormilk's 2022 revenue increased 13% year-on-year. Liquid milk, condensed milk, and yogurt continued to maintain their strong performance from previous years and were the primary growth drivers. Furthermore, Angkormilk continuously introduced new

products to meet the diverse needs of Cambodian consumers.

Major business cooperation and PR activities were also recorded in 2022. In July 2022, Angkormilk signed a comprehensive cooperation agreement with Viettel

Cambodia (Metfone) to provide telecommunications services and electronic payment services in Cambodia. In November 2022, Angkormilk attended the Vietnam-Cambodia Trade and Investment Promotion Forum 2022. At the event, Angkormilk presented its business performances and outstanding projects to the Prime Ministers of the two countries. At the same event, the Prime Minister of Vietnam announced the Decision to increase Vinamilk's capital at Angkormilk to invest in a farm project in Cambodia.



Del Monte – Vinamilk Joint Venture

2022 was a challenging year for the Philippines' market as the government tightened closure orders to prevent pandemic spread, the economy suffered from high inflation rates and the peso lost value against the dollar. Despite many difficulties, the joint venture still achieved some positive results, as its presence was prominent in many important points of sale in the three largest islands of the Philippines. Its products had high levels of customer loyalty, indicating great potential once they reach a larger customer base.

strategic partner of Vinamilk, to co-develop marketing and sales programs in the Philippines.

It is expected that in 2023, the joint venture will concentrate resources to boost publicity and reach more customers. In addition, the joint venture will increase customer

In Q4/2022, the joint venture cooperated with FuwaFuwa, a trademark of Sojitz, another



YOU MAY ALSO LIKE



THE BOARD OF MANAGEMENT'S REPORT IN 2022

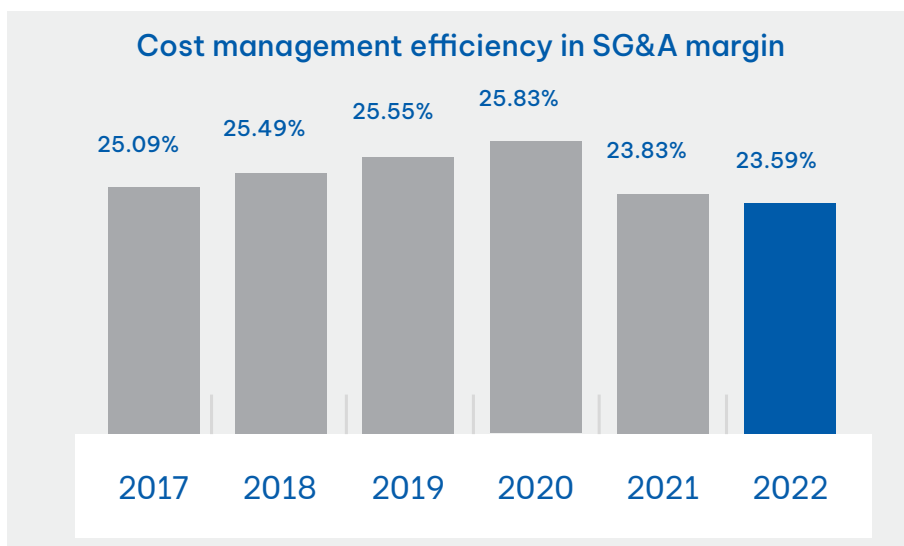
FINANCE DEPARTMENT

“ Continued to perform its functions and duties in financial management and investor relations. ”

The economy was expected to recover in 2022 following the Covid pandemic, but the situation remained difficult and complicated due to rising input material and service prices, as well as declining purchasing power. In this context, the Finance Division continued to perform its functions and duties in financial management and investor relations. The consolidated profit before tax for 2022 reached nearly VND 10,500 billion, completing 88% of the plan.

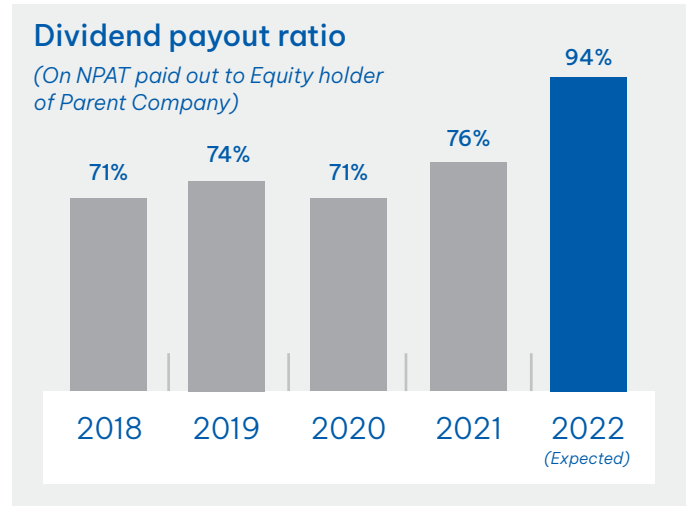
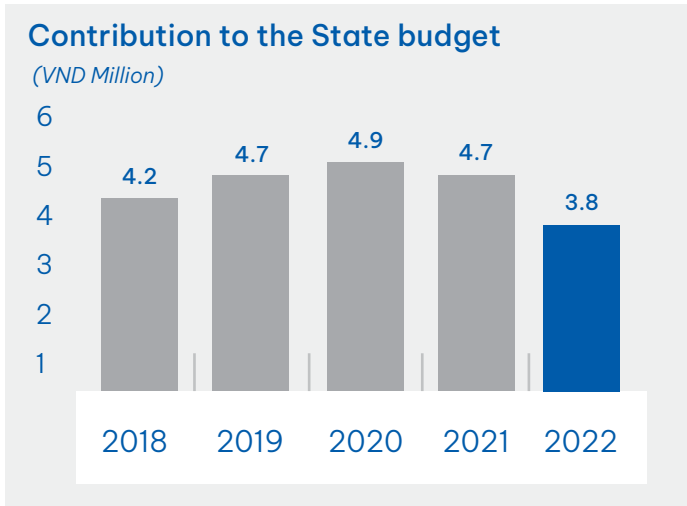
Financial Management

The Finance Division maintains its efficiency in forecasting and preparing financial statements. The financial data provided timely and comprehensively reflects the Company's operation, and closely follows each unit's budget implementation to ensure meeting the business plan. The Finance Division also conducts in-depth analysis and makes recommendations to the CEO and Divisions as a basis for making operational decisions and capitalizing on business opportunities. Furthermore, the Finance Division has developed a strategy for IFRS official application in the Group's financial statement preparation and reporting.



To achieve the Company's goals of revenue and profit, the Finance Division actively coordinates and supports other Divisions and departments in implementing new product launches and product improvements through pricing, as well as budget and performance control of export and trade promotion programs.

In terms of taxes and customs, the Finance Division has swiftly implemented and applied regulations and instructions from competent agencies by strengthening training and supervision in tax declaration and reporting, thereby ensuring the total contribution to the State budget in accordance with the Company's plan.



The Finance Division led and completed key digital transformation projects in 2022. The Hyperion Performance Management (HPM) system, which aids in the storage of budget plan and actual cost data, has been expanding to track financial results to each product SKU. The e-invoice system was also successfully deployed before the deadline of July 1, 2022 for mandatory use of e-invoices as required by Circular 78. As a result, the Company had more time to fine-tune and upgrade technical software to meet the needs of each group of customers and partners. The application for automatically reading and storing electronic invoices was also included in the accounting voucher digitalization project.

Investor Relations

For many years, the Company has successfully held AGMs of the parent company and listed subsidiaries online. The Q&A session at each AGM is recorded in meeting minutes, which are then posted on the Company website, alongside other meeting documents. Shareholders can fully exercise their shareholder rights, including attending the AGMs and voting online. During the meetings, members of the Board of Directors directly communicated with shareholders about the Company’s business strategy and

long-term development orientation. The Investor Relations team keeps shareholders and stakeholders up to date through timely disclosure of important documents and other relevant information, and ensures compliance through direct exchanges and official letters to the State Securities Commission (SSC) and Vietnam Securities Depository (VSD). The Company’s representatives have enthusiastically participated in investor conferences and seminars both at home and abroad in order to connect directly with the market and domestic and international investors in order to present the Company’s development strategies and financial performance. These activities help to give financial investment experts a better understanding of the Company’s operating model and business results while also drawing the market’s attention to Vinamilk’s stock.

Vinamilk has fulfilled its legal obligations as a public company by creating favorable conditions for

Survey results on investor relations activities in 2022

100%

Investors Satisfied with the quality of events

96%

Investors Satisfied with the quality of published materials

shareholders and stakeholders to access the Company’s information, ensuring consistency as well as transparency in information disclosure. Vinamilk’s investor relations policy encourages shareholders to actively interact with the Company through a variety of forms and means, such as press releases, business results update meetings, external communications, in order to improve communication effectiveness and transparency, and to ensure shareholder rights and equity.

Awards

Vinamilk consistently ranks high in the polls of Listed Companies 2022 and Top 50 Listed Companies in Vietnam. Vinamilk’s Annual Report was named one of the top ten best annual reports, and the Corporate Governance Report was ranked first for two years in a row. These awards recognize Vinamilk’s outstanding efforts to ensure transparency and publicity in order to help investors make informed decisions based on publicly available information about the Company’s performance. The Company maintains high standards of corporate governance and business practices to protect the interests of shareholders, while pursuing sustainable growth in the Vietnamese dairy industry.

THE BOARD OF MANAGEMENT'S REPORT IN 2022

HR DEPARTMENT

“

Improve the working environment toward Innovation and Inspiration.

”

In the context of a rapidly changing environment, Vinamilk recognizes that it is not possible to rely solely on current strengths; we must always be ready to adapt and upgrade. Even in traditional industries, innovation to keep up with the latest trends is an unavoidable requirement. As a result, Vinamilk has established goals and plans to improve the working environment toward Innovation and Inspiration, in which the human factor plays a central role and is also the primary driving force to promote the successful implementation of the approved strategic plans for 2022-2026.

Vinamilk has been implementing the following key aspects:

Employer Reputation

Continuing to promote traditional values while incorporating new trends to bring the best values to the community and society: Be a role model in the implementation of policies on sustainable development, the environment, and social security.

Becoming an appealing workplace where every employee wants to work and which every employee can be proud to be a member of.



Appealing Workplace

Improving the corporate environment's attractiveness in terms of culture, facilities, welfare, and efficiency.

*** Culture**

Respect, openness, cooperation, connection, tolerance of differences, and the promotion of creativity are all aspects of culture. An appealing work environment must be one that can harmonize, connect, and promote the strengths of multiple generations, with Generation Z gradually becoming the key driver of the future.

*** Benefit**

In addition to current good remuneration and welfare policies, Vinamilk aspires to more comprehensive welfare policies on employee care, spiritual values, and work-life balance.

*** Facilities**

The workplace inspires and reflects the organization and people of Vinamilk. Our main strengths are beauty, convenience, modernity, and technology.

Aside from working conditions, utilities for physical and mental health care are a critical component of the facility upgrade project.

*** Efficiency**

Vinamilk, as a large-scale organization, aims to promote operational efficiency through knowledge and the application of technological power. This promotes the speed and flexibility of operation mechanisms while still meeting administrative practice requirements, allowing employees to be better equipped and optimize their time for higher-value creating jobs.



Value sharing

Vinamilk will continue to promote community activities and integrate aspects of sustainable development into the Company's development strategy as an organization with a tradition of caring for the community and implementing social support programs.

Communication with the public, as well as encouraging and facilitating employees' participation in community activities, will be prioritized in order to convey positive messages to each employee and to foster cohesion, love, and loyalty to the Company in creating values for society.

Professional Development

Employee capacity development will be linked to organizational innovation and capability expansion.

Identifying critical competencies to add and facilitating development plans for employees to respond to new trends and requirements are both critical components of Vinamilk's HR development strategy in the coming years.

Opportunities will always be available to those who are willing to seize them.

AWARDS & PRIZES 2022

**1ST RANK**Independence Medal
for the Company**3RD RANK**Independence Medal for
the CEOVietnamese High-Quality
Goods for**26****CONSECUTIVE YEARS**

FORBES VIETNAM'S BEST-LISTED COMPANIES

10 CONSECUTIVE YEARS

BRAND

F&B LEADING

FORBES VIETNAM'S

**THE NO.1 MOST CHOSEN FMCG
MANUFACTURER FOR
10 CONSECUTIVE YEARS***(Brand Footprint Report – Kantar World Panel)***VIETNAM'S ENVIRONMENT AWARD**
(Ministry of Resources and Environment)
(Vinamilk Dalat Dairy Farm)**CORPORATE SUSTAINABILITY
AWARD - CSA***(Nhịpcaudautu Magazine)*

AWARDS & PRIZES 2022

THE MOST POTENTIAL BRAND IN THE GLOBAL DAIRY INDUSTRY



TOP 10 THE WORLD'S MOST VALUABLE DAIRY BRANDS (6TH)

TOP 5 THE WORLD'S LARGEST DAIRY BRANDS (2ND)

TOP 30 MOST VALUABLE FOOD BRANDS (24TH)

TOP 10 LARGEST FOOD BRANDS (8TH)



(Source: Food & Drink 2022 report, Brand Finance)

VNECONOMY MAGAZINE



LARGEST BRANDS IN VIETNAM 2022

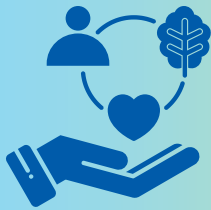


2022 - CEO MAI KIEU LIEN HONOURED AS
OUTSTANDING BUSINESSWOMAN

AWARDS & PRIZES 2022



VIETNAM NATIONAL BRAND IN 2022



GLOBAL CSR & ESG AWARDS 2022

* GOLD RANKING

Leading Enterprise
CSR and ESG

* PLATINUM RANKING

Vietnam's Outstanding
CSR Enterprise



SUSTAINABLE ENTERPRISES IN THE MANUFACTURING SECTOR FOR CSI 2022

(Trade Promotion Department - Ministry of Trade and Industry)

AWARDS BY INVESTMENT MAGAZINE

BEST ANNUAL REPORT, LARGE CAP CATEGORY (1ST)



1ST RANKING



Best Corporate Governance Award

2ND RANKING



Sustainability Report Award

AWARDS & PRIZES 2022

“A VALUABLE INVESTMENT ASSET
OF ASEAN”



LISTED ENTERPRISES OF VIETNAM

(According to ASEAN Corporate Governance Scorecard 2021)



ACES AWARDSTM
ASIA CORPORATE EXCELLENCE & SUSTAINABILITY AWARDS



TOP SUSTAINABILITY ADVOCATES IN ASIA 2021
(ACES Awards)



**VIETNAM'S 50 BEST-
PERFORMING COMPANIES**

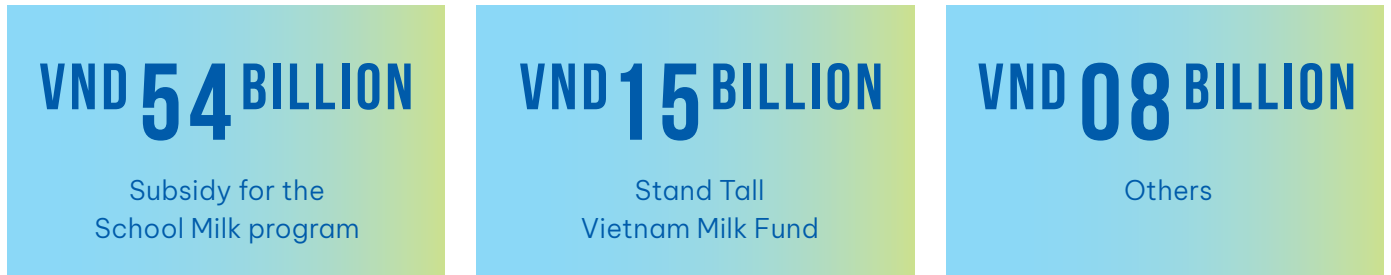
(Nhipcaudautu Magazine)



AWARDS & PRIZES 2022

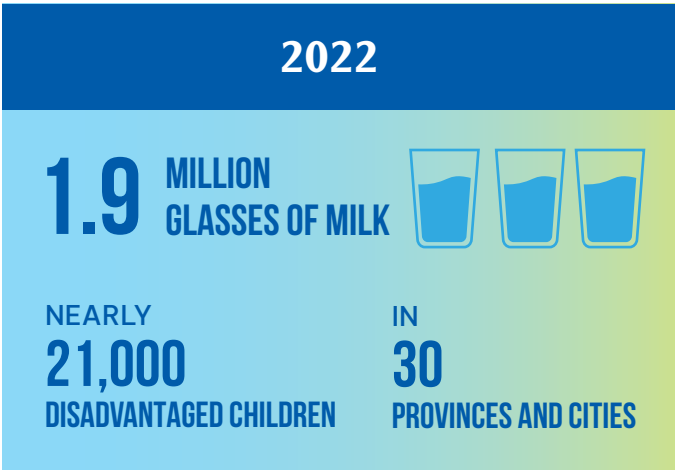
Total value contributed to the community: Contributions to society through programs, initiatives on humanitarian assistance, community development, and environmental protection

VND 77 BILLION



15-YEAR MILESTONE FOR STAND TALL VIETNAM MILK FUND





In 2022, the Stand Tall Vietnam Milk Fund continued the journey of donating milk and bringing joy to disadvantaged children across the country.

In the 15th year of the Milk Fund, the children took part in a variety of exciting activities, including a visit to the Vinamilk Green farm in Quang Ngai, where they saw the same dairy cow and learned about the production of the nutritious milk bottles they enjoy.

The drawing contest “My dream to stand tall” was organized by Vinamilk and the Milk Fund with the goal of encouraging creativity, a positive attitude, and the courage to pursue one’s dreams. As a result, 300 paintings were submitted, and 21 prizes were given to the best individuals and collectives.



AWARDS & TITLES 2022

✦ HEALTHCARE AND CONSULTATION FOR 10,000 ELDERLY PEOPLE ACROSS THE COUNTRY

In 2022, through the series of “Live healthy, live young” events, Vinamilk consulted on health care and spread positive messages of optimism to 10,000 elderly people in Hanoi, Ho Chi Minh City, Thai Binh, and Hai Phong. As of today, Vinamilk has organized activities for more than 500,000 elderly people nationwide.

In the program, the elderly consumers learned about their rights and obligations as well as our consumer protection measures, and were then given free medical checks for osteoporosis and free consultation on the prevention and treatment of common health problems such as cardiovascular failures, diabetes, and osteoporosis by Vinamilk Nutrition Centre experts.

VINAMILK consulted on health care and spread positive messages of optimism to

10,000 ELDERLY PEOPLE

VINAMILK has organized activities for more than

500,000 ELDERLY PEOPLE

✦ ACCOMPANYING VIETNAM CHIEF NURSING CLUB

In 2022, Vinamilk and the powdered milk category continued to support the Vietnam Chief Nursing Club to hold training courses on “Public communication and education on nutrition for patients, for effective implementation of Circular 31/2021/TT-BYT regulating nursing activities

in hospitals” in Ho Chi Minh City, Hanoi and Da Nang.

With practical training contents, the courses attracted nearly 500 students who are club members, experts and medical staff from many large hospitals across the

country, including Vietnam-Germany Friendship Hospital, Bach Mai Hospital, Hue Central Hospital, Da Nang C Hospital, Thong Nhat Hospital, and Cho Ray Hospital.



SUPPORTING DISASTER RELIEF IN CENTRAL VIETNAM

To assist citizens in regions affected by floods and storms No. 4 and No. 5, Vinamilk donated more than 155,000 nutritional products of all kinds, with total value of more than VND 1 billion, through the Fatherland Fronts of Quang Nam province and Da Nang city and the Department of Education of Thua Thien Hue province.

Vinamilk’s nutritional products, including 100% fresh milk, Vinamilk ADM nutritional milk, Hero fruit drink and bottled water products, will help the people, particularly children, meet some of their nutritional needs while also improving their physical conditions, allowing children to return to school and people to re-establish their livelihoods following the flood.

VINAMILK DONATED MORE
155,000
Nutrition products
of all kinds

TOTAL VALUE OF MORE THAN
VND 1 BILLION

SUPPORTING HEART SURGERIES FOR THE DISADVANTAGED

VINAMILK DONATED MORE **VND 500 MILLION**
to offer free surgeries for poor children with congenital heart diseases

VINAMILK HAS HELPED NEARLY **1,300** DISADVANTAGED PATIENTS
WITH HEART AND EYES SURGERIES **VND 7.2 BILLION**

In 2022, Vinamilk continued to work with the Support Initiative of Disadvantaged Patients in Ho Chi Minh City with a VND 500 million budget to offer free surgeries for poor children with congenital heart diseases.

This activity has been carried out by Vinamilk since 1995, which contributes to the successful treatment and healthy living of many disadvantaged patients, including many young children, across the country. Through funding up to VND 7.2 billion, Vinamilk has helped nearly 1,300 disadvantaged patients with heart and eye surgeries, including many children, giving them the opportunity to live a healthy life with a strong heart.

SCHOOL MILK PROGRAM

THE PROJECT WAS IMPLEMENTED IN
26 PROVINCES/PARTNERS
accumulated until 2022



CHAPTER





03

DEVELOPMENT STRATEGY
IN 2023






2023 DEVELOPMENT STRATEGY

DEVELOP EXCELLENT PRODUCTS AND SUPERIOR EXPERIENCE FOR CONSUMERS

-  Restructure product portfolio based on long-term rebranding;
-  Review quality of entire product portfolio and optimize the process to relaunch innovative products;
-  Improve the costing structure, packaging in line with sales channel and region to match products and market demand with potential growth;
-  Prepare R&D capacity for product portfolio expansion aligned with 5-year strategy.

PROMOTE THE APPLICATION OF TECHNOLOGY IN SUSTAINABLE AGRICULTURE


-  Restructuring the business model, focusing on adjusting functional requirements, capacity and performance evaluation of the sales team;
-  Restructuring distribution organization, focusing on adjusting the role and activities of distributors in Vinamilk's supply chain;
-  Building a foundation of technology mastery, preparing for projects to optimize business operations with automation and data analytics; sales & digital marketing led the transformation.

CREATE NEW BUSINESS OPPORTUNITIES

-  Optimize operational capacity and expand direct-to-consumer multi-channel distribution services;
-  Building strategic cooperation with potential partners for product portfolio expansion opportunities;
-  Strengthen trade promotion activities to find new export customers.

-  Promote sales support to help customers overcome difficulty period to maintain business with Vinamilk;
-  Take advantage of potential markets through joint venture, M&A;
-  Seeking opportunities to expand production and business activities in existing markets such as the US, Cambodia, and the Philippines.

BECOME THE DESTINATION OF TALENTS

-  Building employer brand and preparing the foundation for organizational restructuring, including re-evaluating the capacity requirements of management positions, building a business planning mechanism and evaluating performance.



ĐẠT CHỨNG NHẬN TỪ MỸ VỀ SỰ AN TOÀN, TINH KHIẾT

clean label PROJECT
CERTIFIED

*Theo tổ chức Clean Label Project của Mỹ

CHAPTER

04

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE REPORT 81

RISK MANAGEMENT REPORT 96



CORPORATE GOVERNANCE REPORT

Despite having achieved great success in corporate governance in recent years, Vinamilk continued to maintain and focus on corporate governance in 2022. In light of Vietnam's economy being impacted by the region's and the world's general difficult economic situation, the BOD at Vinamilk particularly focused on ensuring the Company's continuous and sustainable operation.

Vinamilk's new and bold move in 2022 was to join the Government of Vietnam's commitment to Net Zero 2050. This commitment has been included by the Company's BOD and BOM in the Company's business development strategy.

The corporate governance documents described in the corporate governance report 2021 are still in use at Vinamilk. Please see the report attached at:



We would like to update the changes in the corporate governance report as follows:

A. THE BOARD OF DIRECTORS' RESPONSIBILITIES

I **PRINCIPLE 1:** *Establishing clear roles, responsibilities and commitments of THE BOD*

At Vinamilk, the BOD always acts on the basis of sufficient information for the best and long-term interests of the Company, in a dedicated, diligent and prudent manner, serving the interests of all shareholders while also tending to the interests of stakeholders of the Company.

1.1.1 At Vinamilk, the roles and responsibilities of the BOD are specified in the Company's Charter and Regulations on Corporate Governance, which have been issued and published on the Company's website at:



The main information published on the website above includes:

- ❖ Company's Charter
- ❖ Regulations on Corporate Governance;
- ❖ The BOD Regulations
- ❖ Codes of Conduct

1.1.2 The BOD reviews and approves the Company's strategic orientation, risk management

policies, annual business plans, large investments valued from VND 300 billion and all external investment projects to form joint ventures, associates and subsidiaries of Vinamilk (including M&A activities). The BOD also oversees these investments by issuing regulations on post-investment performance assessment, as well as deciding on the divestment of these investments.

1.1.3 The BOD has been performing its oversight role well in monitoring the effectiveness of corporate governance and compliance with applicable laws. In addition, the BOD also paid special attention to the Company's sustainable development policies and its environmental protection and

social responsibility activities. All these contents were reported to the BOD by the BOM. Specifically, the Company had prepared sustainable development reports since 2012 and was officially audited by an independent consulting firm since 2016 to increase the accuracy, objectivity and reliability of the reports before they are issued. Please refer to the latest sustainable development reports of the Company at:



II PRINCIPLE 2: Establishing a competent and professional BOD

Vinamilk has been maintaining a professional, objective and effective BOD with the role of ensuring the Company's profitability and sustainability, for the best interests of the Company and all its shareholders.

Pursuant to Resolution No. 01/NQ-CTS.ĐHĐCD/2017, dated April 15, 2017 of the AGM 2017, the BOD's tenure for 2017-2021 has ended. The AGM 2022 held on April 26, 2022 elected the entire new BOD membership for the tenure 2022-2026. Accordingly, Mrs. Le Thi Bang Tam, Chairwoman for the 2017-2021 tenure, did not run for the new tenure due to personal reasons and Mr. Nguyen Hanh Phuc took her place, while the remaining members of the 2017-2021 tenure's BOD were re-elected as members of the BOD for the new tenure (2022-2026) starting from April 26, 2022 as follows:



No.	BOD member	Position
1.	Mr. Nguyen Hanh Phuc	Chairman, independent member
2.	Mdm. Mai Kieu Lien	Executive member
3.	Mr. Alain Xavier Cany	Non-executive member
4.	Mrs. Dang Thi Thu Ha	Non-executive member
5.	Mr. Do Le Hung	Independent member
6.	Mr. Michael Chye Hin Fah	Non-executive member
7.	Mr. Le Thanh Liem	Executive member
8.	Mr. Lee Meng Tat	Non-executive member
9.	Mr. Hoang Ngoc Thach	Non-executive member
10.	Mrs. Tieu Yen Trinh	Independent member

Vinamilk's BOD structure is supposed to have 11 members, according to the Company's Charter. The current structure has ten members, leaving one vacancy. In the near future, the Company will continue to look for candidates who fit the Company's development strategy to join the BOD.

PRINCIPLE 2.1: The BOD consists of members with diverse perspectives, expertise, skills, and competencies, who play leading and supervising roles in the Company. Please refer to the profile of each BOD member from page 23 to page 29 of this report.

2.1.1 According to the Company's assessment, Vinamilk's BOD met the conditions of competence and professionalism such as diversity of knowledge, experience in corporate management and compatibility with the Company.

2.1.2 The nomination of candidates to the BOD is also carefully considered by the BOD's Nomination Committee, following the standard candidate selection process before submitting to the BOD for review and proposing to the AGM for voting, as specified in the Company's applicable procedures.

2.1.3 Vinamilk's BOD currently has three female members, accounting for 30% of the total number of incumbent BOD members. This shows the diversity of gender in the BOD.



PRINCIPLE 2.2: Vinamilk's BOD currently consists of two executive members and eight non-executive members. Non-executive members meet all prerequisites to effectively participate and assist the BOD in making objective and independent judgments regarding the Company's operation, ensuring an appropriate control and balance mechanism.

PRINCIPLE 2.3: The BOD issued Resolution No. 09/NQ-CTS. HĐQT/2022 dated July 22, 2022

appointing a three-member Company Secretariat. The Secretariat is directly responsible to the BOD for all issues pertaining to the BOD's functions and operations. The Secretariat serves as the primary point of contact between the BOM, shareholders, investors and the BOD.

PRINCIPLE 2.4: All BOD members have attended domestic and overseas corporate governance training courses.

The Secretariat includes:

No.	Full name	Position at Vinamilk
1.	Mr. Tran Chi Son	Senior Finance Manager
2.	Mrs. Le Quang Thanh Truc	Director of Foreign Subsidiary Management
3.	Mr. Dong Quang Trung	Head of Investor Relations

In which:

- Mr. Tran Chi Son and Mrs. Le Quang Thanh Truc have been trained and certified in Corporate Governance.
- Mr. Dong Quang Trung plans to attend training in Corporate Governance in 2023.

Please refer to the Secretariat's profiles from page 33 to page 34 of this report. Furthermore, Mr. Tran Chi Son was appointed by the BOD to take charge of corporate governance from Mr. Nguyen Trung on August 1, 2022.

III PRINCIPLE 3: *Ensuring effective leadership and independence of the Board of directors*

PRINCIPLE 3.1: Vinamilk’s BOD has three independent members, meeting the required number of independent members by current regulations. Independent BOD members include Mr. Nguyen Hanh Phuc, Mrs. Tieu Yen Trinh and Mr. Do Le Hung. Independent BOD members at Vinamilk have the ability to promote the independent

judgment of all BOD members and the integrity of the governance system at Vinamilk.

PRINCIPLE 3.2: Mr. Hung has been an independent BOD member since April 2017. Mrs. Tieu Yen Trinh is an independent member appointed by the AGM on April 26, 2021 and Mr. Nguyen Hanh Phuc is an

independent member appointed on April 26, 2022. All these three independent BOD members are heads of the BOD’s committees as set forth in Principle 4 below.

PRINCIPLE 3.3: Mr. Nguyen Hanh Phuc, Chairman is an independent BOD member.

IV PRINCIPLE 4: *Establishing committees under the Board of directors*

At Vinamilk, the BOD has established four specialized committees under the BOD as follows:



THE STRATEGY COMMITTEE



THE AUDIT COMMITTEE



THE NOMINATION COMMITTEE



THE REMUNERATION COMMITTEE



The purpose of establishing these Committees is to assist the BOD in performing certain responsibilities and succeeding in its supervision duties. The BOD also established the limits of authority for approval of operating and capital expenditures, procurement of goods and services, and in order to optimize operational efficiency, clearly delegated relevant Committees to review and approve the transactions within the above limits. In addition to the special issues that require the BOD’s approval, the BOD is also responsible for reviewing

and approving annual budgets, financial plans, financial statements, business strategies and major transactions, such as M&As, divestments, financing and investment proposals, and is also responsible for reviewing and approving transactions that exceed certain thresholds.

In order to resolve and monitor possible conflicts of interest related to BOD members and the Company, the BOD members are not required to vote on any issue in which they have interests or conflicts.

1 The Strategy Committee

✦ The Strategy Committee was established by the BOD following its Resolution No.05/NQ-CTS.HDQT/2021 dated April 26, 2021, and Resolution No.05/NQ-CTS.HDQT/2022 dated April 26, 2022, including five members as follows:

No	Member of the BOD	Position
1.	Mr. Nguyen Hanh Phuc	Chairman, Independent Member
2.	Mrs. Mai Kieu Lien	Head of the Committee Executive member
3.	Mr. Alain Xavier Cany	Non-Executive Member
4.	Mrs. Dang Thi Thu Ha	Non-Executive Member
5.	Mr. Do Le Hung	Independent Member

✦ The Strategy Committee is primarily responsible for drafting and proposing the Company's business strategy to the BOD, including:

- (1) approving the vision, mission and long-term strategic goals;
- (2) overseeing the formulation, implementation and execution of the strategy;
- (3) taking charge of the orientation of responsible and sustainable development;
- (4) take charge of integrated reporting; and
- (5) taking charge of stakeholder relations.

2 The Audit Committee

✦ The BOD established the Audit Committee and determined the qualifications of its members, as well as the authority and responsibilities of the Committee in the Audit Committee Regulations. The Audit Committee consists of four BOD members with personnel changes during the year as follows:

No	Position	As of January 01, 2022
1.	Head of the Committee Independent member	Mr. Do Le Hung
2.	Non-executive member	Mr. Michael Chye Hin Fah
3.	Non-executive member	Mr. Hoang Ngoc Thach
4.	Non-executive member	Mr. Alain Cany

✦ The Audit Committee is primarily responsible for reviewing the significant financial reporting issues and judgments so as to ensure the integrity of the Company's financial statements, internal control and internal audit systems, in compliance with the laws relating to the Company's business activities, associated transactions, related party transactions or transactions

which may give rise to conflicts of interest, the scope and results of the external audit, as well as considering and selecting the Company's and its subsidiaries' independent auditors.

✦ The Audit Committee supervises the implementation of the risk management function and the effectiveness of the internal control system for the entire

Company and reports to the BOD on a quarterly basis.

Please refer to the Audit Committee's report on the performance and responsibilities of the Audit Committee for the financial year ended December 31, 2022 on page 37 of this report.

3 The Nomination Committee

✦ The Nomination Committee was established by the BOD with Mr. Nguyen Hanh Phuc (an independent BOD member) acting as the Committee's Head and Mrs. Mai Kieu Lien, Mr. Lee Meng Tat and Mrs. Dang Thi Thu Ha as members.

✦ The Nomination Committee is primarily responsible for determining the criteria and selecting the right candidates to be appointed as BOD

members and key management positions, developing procedures and guidelines for such selection to uphold transparency, performing duties in accordance with the laws and the Listing Manual as well as any amendments made thereunder and orders of competent authorities to the extent that is relevant to the Committee's scope of authorities, duties and responsibilities, reviewing the nomination for re-appointment

of BOD members and assisting the BOD in deciding and reviewing the independence of independent BOD members at least once a year.

✦ The Nomination Committee is responsible for overseeing the implementation of the personnel succession planning in accordance with Principle 1.4 on Corporate Governance as presented.

4 The Remuneration Committee

✦ The Remuneration Committee was established by the BOD, consisting of four members with personnel changes during the year according to the Resolution of the BOD No. 05/NQ-CTS.HDQT/2022, dated April 26, 2022 as follows:

No	Position	As of January 01, 2022	As of April 26, 2022
1.	Head of the Committee Independent member	Mrs. Tieu Yen Trinh	Mrs. Tieu Yen Trinh
2.	Non-executive member	Mr. Michael Chye Hin Fah	Mr. Michael Chye Hin Fah
3.	Independent member	Mrs. Le Thi Bang Tam	Mr. Nguyen Hanh Phuc
4.	Non-executive member	Mr. Hoang Ngoc Thach	Mr. Hoang Ngoc Thach

✦ The Remuneration Committee is mainly responsible for:

- Developing policies and guidelines for determining salaries, bonuses and remuneration for members of the BOM and the BOD, as well as reviewing, modifying, amending or revoking procedures and regulations on the BOD members' remuneration to be approved by the Annual General Meeting of Shareholders ("AGM");

- Reviewing and evaluating the salaries, bonuses and remuneration of the BOD and BOM members and propose to the BOD;
- Proposing to the BOD a framework and standards for salaries, bonuses and remuneration of the BOD and BOM members;
- Proposing specific salaries, bonuses and other payments for each BOD member and the CEO.

✦ In 2022, the Remuneration Committee held a meeting and submitted proposals to the BOD for approval, including the main contents as follows:

- The BOD's remaining remuneration of 2021 (according to Resolution No.01/NQ-CTS.HDQT/2022, dated January 22, 2022);
- The BOM's remuneration bracket in 2022 (Resolution No. 08/NQ-CTS.HDQT/2022, dated June 18, 2022).

V PRINCIPLE 5: Ensuring effective performance of the Board of directors

At Vinamilk, the best benchmark for the BOD's effectiveness is through the BOD assessment process. All members of the BOD are evaluated at least once a year to assess their performance as a governing body as well as the BOD's performance in general to make appropriate adjustments.

PRINCIPLE 5.1: The BOD conducts an annual self-assessment of the performance of each committee. After that, the BOD shall hold a formal meeting to assess the performance of each committee and the whole BOD during the year. The performance assessment of each BOD member shall be considered by the BOD to be conducted at an appropriate time in the future.

PRINCIPLE 5.2: The assessment of members of the BOD is conducted through a process with clearly

defined and thoroughly considered assessment criteria to determine the effectiveness of the activities and efforts of each BOD member and committee accurately, completely and objectively.

PRINCIPLE 5.3: The BOD's remuneration in 2022 is approved by the Company's AGM at VND 25 billion for 11 members. The BOD's remuneration will be calculated and paid in proportion to the actual number of members. The actual remuneration paid to each member shall be proposed by

the Remuneration Committee to the BOD for approval based on the roles, tasks and performance results of each individual and the whole Company in the year, in order to create motivation for the BOD to lead the Company to achieve both short-term and long-term goals. Besides the remuneration detailed below, the BOM and BOD members are entitled to the Health & Accident Insurance Program for themselves and their immediate family members under the Company's general insurance policy.

The remuneration paid to each BOD member in 2022 is as follows:

No	Full name	Remuneration (VND million)	Note
1.	Mr. Nguyen Hanh Phuc	1,720	Chairman, Head of Nomination Committee (since April 2022)
2.	Mrs. Le Thi Bang Tam	1,837	Chairwoman, Head of Nomination Committee (until April 2022)
3.	Mrs. Mai Kieu Lien (*)	2,067	BOD member, Head of Strategy Committee, CEO
4.	Mr. Alain Xavier Cany	2,646	BOD member
5.	Mr. Michael Chye Hin Fah	2,646	BOD member
6.	Mrs. Dang Thi Thu Ha	2,398	BOD member
7.	Mr. Do Le Hung	2,398	BOD member, Head of Audit Committee
8.	Mr. Le Thanh Liem (*)	931	BOD member, CFO
9.	Mr. Lee Meng Tat	2,398	BOD member
10.	Mrs. Nguyen Thi Tham (**)	235	BOD member (until April 2021)
11.	Mrs. Tieu Yen Trinh	1,734	BOD member, Head of Remuneration Committee
12.	Mr. Hoang Ngoc Thach	2,411	BOD member
TOTAL		23,420	

(*) : Executive BOD member.

(**) : The remaining remuneration for 2021 was paid in 2022.

Regarding the BOM's remuneration, as the executive directors make an important team of the Company in a highly competitive labor market, along with the confidential nature of individual remuneration, in order to harmonize those influential factors, the Company shall announce the BOM members' remuneration brackets for the financial year 2022 as follows:

No.	Full name	Remuneration bracket	Salary	Bonus based on the Company's performance	Allowance	Other benefits
1.	Mdm. Mai Kieu Lien	C	30%	70%	0%	0%
2.	Mr. Mai Hoai Anh ⁽¹⁾	B	50%	44%	6%	0%
3.	Mr. Trinh Quoc Dung	B	55%	44%	1%	0%
4.	Mrs. Nguyen Thi Thanh Hoa ⁽²⁾	A	22%	71%	8%	0%
5.	Mrs. Bui Thi Huong	B	48%	49%	3%	0%
6.	Mr. Nguyen Quoc Khanh	B	56%	44%	0%	0%
7.	Mr. Le Thanh Liem	B	52%	43%	4%	0%
8.	Mr. Le Hoang Minh ⁽³⁾	A	74%	25%	1%	0%
9.	Mr. Nguyen Quang Tri	B	63%	36%	1%	0%
10.	Mr. Tran Minh Van ⁽⁴⁾	A	29%	65%	5%	1%

Remuneration brackets:

"A": total remuneration in the range of VND 1,000,000,000 to VND 4,000,000,000

"B": total remuneration in the range of VND 4,000,000,000 to VND 10,000,000,000

"C": total remuneration in the range of VND 10,000,000,000 to VND 16,000,000,000

(1) Mr. Mai Hoai Anh resigned on November 1, 2022.

(2) Mrs. Nguyen Thi Thanh Hoa resigned on January 1, 2022 (Salary and bonus for 2021 was paid in January 2022).

(3) Mr. Le Hoang Minh was appointed on February 1, 2022.

(4) Mr. Tran Minh Van resigned on February 1, 2022.

VI PRINCIPLE 6: Establishing and maintaining an ethical corporate culture

Vinamilk issued the Code of Conduct in January 2010 and applied it to all members of the BOD and the BOM, as well as all employees. In the coming time, the Code of Conduct will be further revised and supplemented along with the implementation of project Vinamilk's Updated Code of Corporate Culture in order to integrate, systemize and complement the application of the Code. In this report, the Company presents selected contents according to the current Code of Conduct.

PRINCIPLE 6.1: The Nomination Committee supervises the implementation of the Code of Conduct to establish a high standard of business culture throughout the Company. This Code of Conduct provides standards for professional and ethical behavior, as well as clarifies those behaviors and activities that are acceptable and unacceptable in internal and external relationships. The Code of Conduct has been disseminated appropriately to the BOD, the

BOM and all employees (including those of Vinamilk's subsidiaries) and is published on the Company's website at:



PRINCIPLE 6.2: The BOD ensures appropriate and effective implementation and monitors compliance with this Code of Conduct throughout the Company's

operations. The BOD encourages the application of this Code of Conduct to all of Vinamilk's subsidiaries and associates.

PRINCIPLE 6.3: The BOD is the focal point and collectively bears accountability for the governance of the company, its long-term success and the delivery of sustainable value to its stakeholders. The BOD always strives to be the role model for the BOM and employees of the Company.

B. CONTROL ENVIRONMENT

VII **PRINCIPLE 7:** *Establishing a sound risk management policy and control environment*

The BOD has successfully established an effective internal control system and risk management policy. The BOD is ultimately responsible for the Company's risk management policy and oversees the operation of the Company's internal control system. The BOD established the Audit Committee, the Internal Audit Department and the Internal Control and Risk Management Department to establish a strong control environment at the Company.

PRINCIPLE 7.1: The BOD ensures the integration of strategy, risk and control, and oversees the effectiveness of the Company's internal control system. All production and business activities of the Company must be considered by the BOM and the BOD in terms of the relevant risks.

Please refer to the Risk Management Report presented on page 96-98 of this report.

PRINCIPLE 7.2: The BOD has established the Internal Audit function to provide objective assurance and independent advice to improve the Company's operations, consisting of the following units.

- ✦ The Audit Committee, which oversees the Internal Audit function in terms of expertise, to make sure that Internal Audit has sufficient authority and resources to ensure the independence, objectivity and professionalism of Internal Audit.

- ✦ The Internal Audit Department, established as an independent unit to assist the BOD via the Audit Committee, to evaluate and improve the effectiveness of risk management, internal control and management processes.



- ✦ During the financial year ended 31 December 2022, the Internal Audit conducted audits as detailed in the internal audit plan submitted to and approved by the Audit Committee. Please refer to the Audit Committee report for more details.

PRINCIPLE 7.3: The BOD has also established a compliance function, namely the Internal Control and Risk Management Department, as the second line of defense with the necessary standing and authority.

- ✦ The BOD recognizes the responsibility to ensure a system of risk management and internal control to protect the investments of shareholders and

the Company's assets. In this regard, the Audit Committee has each of its members oversee various areas to ensure the adequacy and effectiveness of financial, operational, compliance and information technology controls, including systematic risk management through the identification of subjects, structures, strategies and risks, and the monitoring of risk management results.

- ✦ To ensure compliance with applicable laws and regulations, the BOD has also developed effective internal control systems to monitor compliance with laws and regulations related to the Company's business activities

PRINCIPLE 7.4: Recognizing the importance of information technology to the Company’s business operations, the BOD has accordingly established and monitored the effective operation of a cybersecurity policy for many years. The cybersecurity policy established and applied by Vinamilk is an integral part of the Company’s overall risk management system.

PRINCIPLE 7.5: The BOD established the criteria for independent auditor selection and work quality evaluation of the independent auditor, and determined follow-up procedures regarding independent auditors’ recommendations.

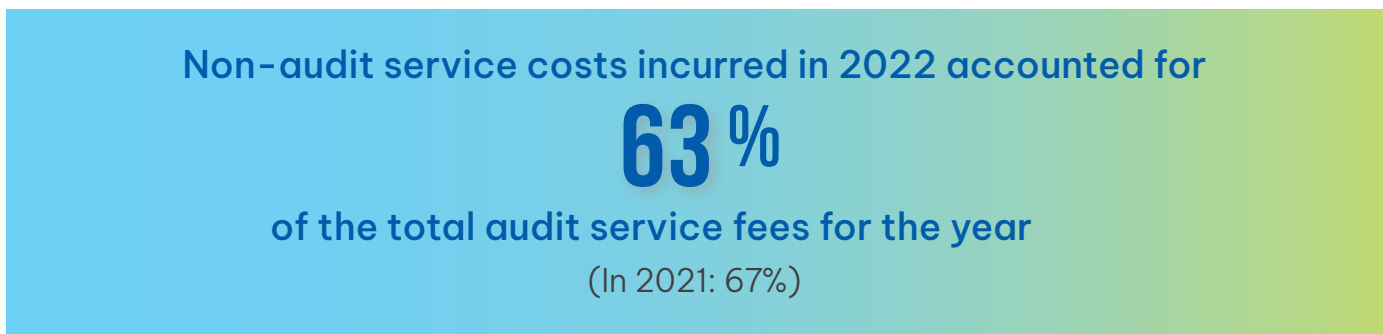
✦ When selecting the Company’s independent auditor, the Audit Committee considers independent auditor candidates in terms of qualifications, recognized achievements and independence in providing audit services with no relationship or interest with the Company, including non-audit services that shall affect the independence of the auditor. The bidding process for selecting independent auditors has been implemented at the Company with professionalism, publicity and transparency.

✦ The AGM 2022 and the BOD approved the selection of KPMG Vietnam Company Limited as the independent auditor for the financial year 2022. According to the Audit Committee’s assessment and report to the BOD, the quality and timeliness of KPMG’s quarterly and annual audit work during the year are satisfactory to the Company.

✦ The Audit Committee holds regular meetings with the independent auditor every quarter before publishing quarterly financial statements. In these meetings, the Audit Committee

shall review all contents related to financial statements and recommendations of the independent auditor, if any.

✦ Non-audit service costs incurred in 2022 accounted for 63% of the total audit service fees for the year (in 2021: 67%). Non-audit consulting services include regular tax advisory advice, compliance studies for related-party transactions and consulting services to prepare financial statements in accordance with International Financial Reporting Standards (“IFRS”).



C. DISCLOSURE AND TRANSPARENCY

VIII **PRINCIPLE 8:** *Strengthening the company's disclosure practices*

The BOD commits to and ensures adequate communication with shareholders, investors, regulators and the general public by pursuing a transparent and effective information disclosure policy.

PRINCIPLE 8.1: The Company commits to transparency and fairness in disclosing information to all shareholders and other stakeholders.

✦ The CEO is the person disclosing information of the Company and during the year the Company did not violate the law on information disclosure;

✦ Information, when disclosed outside of the Company, are also sent to all BOD members, the division in charge of corporate governance and relevant functional departments to supervise the disclosure.

PRINCIPLE 8.2: To promote cost-effective access to information, Vinamilk ensures easy and non-discriminatory access to published information through various communication tools. In addition, Vinamilk has a dedicated investor relations department that is always ready to welcome shareholders and investors.

✦ Vinamilk commits to maintaining bilingual information disclosure (in Vietnamese and English) so that shareholders and foreign investors can update information quickly and conveniently.

✦ Vinamilk maintains a variety of channels for information disclosure such as:

- On the Company's website at:



- On HOSE's website at:



- In the mass media
- Through the Company's Investor Relations Unit (IR) as follows:

1. Vietnam Dairy Products Joint Stock Company
10 Tan Trao, Tan Phu Ward, District 7, Ho Chi Minh City
2. Tel: (+84 - 28) 541 55555
3. Ext: 108247
4. Email: dqtrung@vinamilk.com.vn
5. Investor Relations page:



✦ Following a period of inability to receive investors and shareholders at the Company due to the Covid-19 pandemic, Vinamilk resumed direct shareholder and investor reception in 2022, and led shareholders and investors on tours of the Company's factories and dairy farms.

✦ In addition, the Company issued press releases and held meetings on a regular basis with shareholders and investors, attended by the CEO and BOD members, to update the Company's situation and business results.

PRINCIPLE 8.3: The Board commits to ensuring the best possible disclosure of non-financial information, including environmental and social reports. Please refer to the content presented in Principle 1.1.3 of this report.

D. SHAREHOLDERS' RIGHTS

IX **PRINCIPLE 9:** *Establishing a framework for effective exercise of shareholders' rights*

The BOD should protect the rights of shareholders and ensure fair treatment of all shareholders, including minority and foreign shareholders.

PRINCIPLE 9.1:

Shareholders' rights:

✦ The Company recognizes and respects the rights of shareholders and owners of the Company, including minority and foreign shareholders.

✦ The Company has ensured fair and appropriate treatment for each shareholder through accurate, transparent and timely disclosure of information. The Company attaches great importance to the completeness of information disclosure so that shareholders can make informed decisions at the shareholders' meeting, including voting and expressing opinions on significant changes and electing BOD members based on accurately, completely, transparently, and fairly disclosed information.

✦ Shareholders' rights are also clearly defined in the Company's Charter and protected by Vietnamese law. In addition, the BOD closely supervises these contents. Details of shareholders' rights in the Company's Charter are published on the Company's website at:



PRINCIPLE 9.2: Every year, the BOD holds an effective Annual General Meeting of Shareholders.

✦ The AGMs are held in accordance with the agenda mentioned in the relevant meeting invitation. The Company sends to shareholders full information related to the meeting in the meeting invitation and its attached documents. The Company also posts information related to the meeting on HOSE's and Vinamilk's websites so that shareholders have sufficient time to thoroughly study the information. In addition, at least 21 days before the meeting date, the notice of the meeting of shareholders and a full set of meeting documents will be published on Vinamilk's website to provide shareholders with sufficient time to prepare for the meeting, as required by relevant laws and regulations.

✦ The Chairwoman and Heads of the Audit Committee, the Remuneration Committee, the Strategy Committee and the Nomination Committee, as well as BOD members, are usually present and ready to answer questions of shareholders at these meetings. Vinamilk's independent auditor, KPMG Vietnam is also present to address shareholders' requests regarding the conduct of the audit, and the preparation and contents of the independent audit report. During the meeting, the Chairwoman allows shareholders to ask questions, express opinions and make recommendations openly and equally.

✦ During the AGM 2022, the Company invited representatives of the Internal Audit Department and the Control and Risk Management Department to be members of the Vote Counting Committee, and invited representatives of the shareholders to witness the vote counting as independent supervisors.

✦ The Chairwoman and the BOM also answered questions and provided full information at the request of shareholders. Meeting minutes must be recorded accurately, fully and timely in accordance with the law and published together with the Resolution of the General Meeting of Shareholders for HOSE, SSC and listed on Vinamilk's website within 24 hours after the meeting.

✦ Due to the complicated pandemic situation and to ensure the safety of shareholders, the Company held the AGM 2022 online in accordance with current law. All documents related to the AGM (including minutes and resolutions of the AGM), not only in 2022 but also from previous years are kept on Vinamilk's website in both Vietnamese and English for shareholders' easy access at:



PRINCIPLE 9.3: Implement a fair and consistent dividend policy.

✦ Vinamilk's dividend policy is approved by the AGM based on the Company's business results in the year. Normally, Vinamilk shall pay dividends to shareholders in 03 (three) installments during the year.

✦ The AGM approves the cash dividend payment for 2022 at VND 3,850/share. Dividend advance payments were made during the year as follows:

- The first advance payment of 2022: VND 1,500/share, made on August 19, 2022.
- The second advance payment of 2022: VND 1,400/share, made on February 28, 2023.

- Thus, the Company has made two advance payments for dividends in a total amount of VND 6,061 billion. The remaining dividend for 2022 will be paid to shareholders after the AGM 2023.

✦ Dividend for the financial year 2021: The total dividend of the financial year 2021 approved by the AGM 2021 is VND 3,850/share, or VND 8,064 billion in total amount paid, equivalent to 76% consolidated net profit after tax of the Company (in 2020 the total dividend was VND 7,871 billion, equivalent to 71% of the Company's consolidated net profit after tax).

PRINCIPLE 9.4: Related party transactions should be approved and conducted in a manner that ensures conflicts of interest are properly managed and protects the interests of the Company and its shareholders.

✦ The Company has developed a risk management policy and avoids conflicts of interest. Accordingly, all management levels must declare information for the purpose of controlling transactions to avoid conflicts of interest of internal people and related parties.

✦ During the financial year ended December 31, 2022, business transactions between Vinamilk and its insiders and related parties are presented on page 162 of the attached financial statements.

Stock trading transactions of insiders and insiders' related parties are disclosed as below:

Stock trading transactions by insiders

Insiders	Position at Vinamilk	Ownership at year beginning		Ownership at year end	
		Number of shares	%	Number of shares	%
1. Mdm. Mai Kieu Lien	BOD member cum CEO	6,400,444	0.31%	6,400,444	0.31%
2. Mr. Trinh Quoc Dung	Executive Director	241,950	0.01%	241,950	0.01%
3. Mrs. Bui Thi Huong	Executive Director	134,176	0.01%	134,176	0.01%
4. Mr. Le Thanh Liem	BOD member cum Finance DExecutive Director	493,381	0.02%	493,381	0.02%
5. Mr. Le Hoang Minh	Executive Director	-	-	-	-
6. Mr. Nguyen Quoc Khanh	Executive Director	29,755	0.00%	29,755	0.00%
7. Mr. Nguyen Quang Tri	Executive Director	7,651	0.00%	7,651	0.00%
8. Mr. Tran Chi Son	Company Secretariat, person in charge of corporate governance	18	0.00%	-	-
9. Mrs. Le Quang Thanh Truc	Company Secretariat	222,037	0,01%	222,037	0,01%
10. Mr. Dong Quang Trung	Company Secretariat	-	-	-	-

Stock trading transactions by related parties

	Related parties	Relationship with insiders	Ownership at year beginning		Ownership at year end	
			Number of shares	%	Number of shares	%
1.	State Capital Investment Corporation	Mrs. Dang Thi Thu Ha, Mr. Le Thanh Liem, Mr. Hoang Ngoc Thach	752,476,602	36.00	752,476,602	36.00
2.	F&N Dairy Investments Pte Ltd	Mr. Michael Chye Hin Fah and Mr. Lee Meng Tat	369,752,859	17.69	369,752,859	17.69
3.	F&Nbev Manufacturing Pte. Ltd.	Mr. Michael Chye Hin Fah and Mr. Lee Meng Tat	56,432,376	2.70	56,432,376	2.70
4.	Platinum Victory Pte.Ltd.	Mr. Alain Xavier Candy	221,856,553	10.62	221,856,553	10.62
5.	Mr. Mai Quang Liem	Mdm. Mai Kieu Lien's younger brother	36,094	0.00	36,094	0.00
6.	Mrs. Le Thi Ngoc Thuy	Mrs. Mai Kieu Lien's sister-in-law	619,303	0.03	619,303	0.03
7.	Mrs. Truong Huynh Nhu Y	Mr. Tran Chi Son's wife	10,000	0.00	-	-

E. STAKEHOLDER RELATIONS

X **PRINCIPLE 10:** *Building effective stakeholder engagement*

The BOD commits to considering and respecting the interests of all stakeholders affected by the Company's activities.

Vinamilk has been well applying the Company's Code of Conduct to stakeholders. This Code of Conduct is published on the Company's website at:



In addition, the Company has also issued policies on the management of related-party transactions. And during the year, no transactions having conflicts of interest with the Company were detected. The anti-corruption and anti-bribery policies are also strictly enforced by the Company.

RISK MANAGEMENT REPORT 2022

“**Vinamilk’s risk management system has been effective in assisting the Company in increasing its resilience to fluctuations, adapting flexibly, overcoming crises, and maintaining sustainable operations throughout the year.**”

The year 2022 ended with unpredictability and uncertainty in the economy, politics, and ecology, which weighed on the global growth outlook. Inflation has reached its highest level in decades, forcing governments to tighten monetary policy and households to cut back on spending as the Covid-19 pandemic is now under control. Many low-income countries are struggling financially. Meanwhile, the Russia-Ukraine war has triggered a potential global geopolitical crisis, and China’s Zero Covid policy has

disrupted the global supply chain, impeding trade, investment, and restructuring of businesses all over the world. As we approach 2023, it becomes more and more obvious that the world is transitioning into a new era with “new anomalies”.

These factors have had an impact on production and business activities, as well as the implementation of business plans and strategies, posing a challenge for companies in terms of how to adapt to market changes, keep up with competition, and maintain sustainable operations not only

during this difficult period, but also in the uncertain future. That question has only one answer: corporate governance. Effective corporate governance helps businesses stay strong in the face of large waves of crisis, maintain smooth operations, get ready to respond to potential risks and seize opportunities for long-term growth.

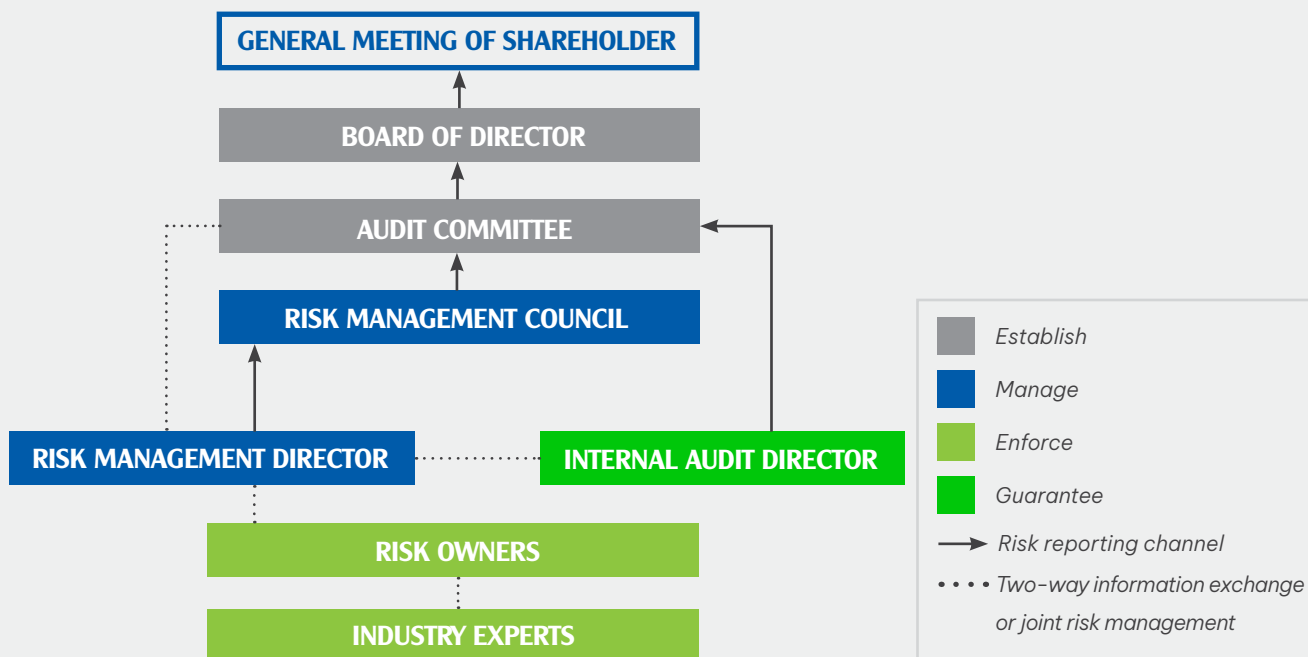
Throughout this challenging period, Vinamilk has timely responded to achieve the dual goals of maintaining operations and ensuring long-term development. Vinamilk’s risk management system has been effective in assisting the Company in increasing its resilience to fluctuations, adapting flexibly, overcoming crises, and maintaining sustainable operations throughout the year.

Vinamilk’s current risk management system:

The Company’s risk management structure consists of four elements

- Establishment
- Management
- Execution
- Assurance

The structure is consistent and reasonable, defining roles and responsibilities of different levels.



“ Vinamilk’s Risk Management Framework is designed according to the corporate risk management framework to ensure the system’s establishment, operation, integration and continuous improvement. ”

Corresponding to the above risk management framework, the risk management system at Vinamilk is based on three layers of protection:

PREVENTION

This layer places an emphasis on minimizing the likelihood of a risk occurring through risk assessment and the establishment of preventive control methods.

DETECTION

This layer has two main objectives:

- (i) to reduce the probability of the occurrence of risks through early detection by key risk indicators;
- (ii) to minimize the level of impact or damage.

SOLUTION/ EXECUTION

This layer aims at minimizing the impact/damage when the actual risk occurs.

RISK MANAGEMENT ACTIVITIES IN 2022

2022 is the first year of implementing the 5-year strategy for 2022-2026 period. Therefore, Vinamilk’s risk management activities have completed the relevant tasks in order to best support the Company’s realization of strategic goals, with the focus being on integrating Intensive Risk Management into key activities to increase effective control of risks and maintain sustainable growth. Major activities are as follows:

I Updating and upgrading the Risk Management System:

In 2022, Vinamilk’s Risk Management System was maintained, thoroughly reviewed, updated, and upgraded in order to manage risks in the risk portfolio, mainly through the following activities:

1. Update and issue the Company-wide risk portfolio 2022 to monitor, assess, and report regularly throughout the year.
2. Monitor and assess emerging risks that may impede Vinamilk’s implementation and achievement of strategic goals.

3. Update and disseminate essential risk management documents including the Risk Management Policy, Risk Management Procedures, and related implementation templates.
4. Regularly performing control self assessment to ensure that risks are detected, mitigated, and even prevented in a timely manner.
5. Basically complete the survey to identify Vinamilk’s available resources for implementing the risk management system’s digital transformation plan.

II Implementing a comprehensive risk management training program:

Vinamilk has prepared its workforce with risk management knowledge in order to achieve strategic goals of the 5-year period 2022-2026 through the following activities:

1. Train all management levels on risk management awareness and specialized techniques in risk identification, assessment, monitoring, and control during risk management work.
2. Manage risks in IT systems, improve specialized knowledge and techniques for IT system security, assess IT risks, and ensure IT system uptime.
3. Manage the Company’s business continuity, business impact analysis, and risk assessment, as well as integrating Risk Management and Business Continuity.

III Promoting a risk-management culture among the entire staff:

Vinamilk has been promoting a risk management culture among all employees in accordance with the risk management orientation, through issuing periodic, ad hoc, and thematic risk newsletters to raise risk awareness, establishing a risk management culture in each activity, and identifying emerging risks, thereby helping employees identify and assess potential risks in each of the Company's production, business, management, and investment activities.

IV Regularly and effectively maintaining the risk management system:

Vinamilk's risk management activities have been consistently and effectively maintained and deployed from the Board of Directors to all executives and employees. This is to manage risks in the portfolio using the risk identification - assessment - monitoring - reporting process, with a focus on integrating Advanced Risk Management into key activities to increase effective risk control:

1. Organize quarterly risk assessment and reporting for all risks in the Company's risk portfolio in order to monitor and evaluate risk levels on a regular basis, forecast risks for the coming quarters, and implement effective control point timely to prevent or minimize damage if risks occur.

1. Use key risk indicators (KRIs) to monitor risks and take timely action in response to external and internal fluctuations.

1. The Risk Management Council reports on a quarterly basis to the Audit Committee on risk assessment results and risk response actions.

Risk management activities to be implemented in 2023:

With the world's changing economic-political-social situation in 2023, Vinamilk's growth goals will face numerous potential risks and challenges. Also, as this is the second year of implementing the 5-year strategy (2022-2026), risk management activities must best support the Company's realization of strategic goals. In addition to the aforementioned usual risk management activities, the Company's risk management system will focus on the following activities in 2023:

1. Review and update the 2023 risk portfolio based on Vinamilk's strategic goals as well as the ongoing changes in Vietnam's and the world's social-economic-political situation.
2. Implement digital transformation by selecting appropriate software for risk management activities and proceeding to the actual operation of the system for effective risk control, in order to improve the management system's effectiveness and efficiency.

3. Continue to evaluate the relevant control points on a regular basis in order to prevent and mitigate the impact of risks in order to meet the strategic goals.
4. Improve the Company's risk management culture.

With the aforementioned orientations, risk management activities will be intensively embedded in daily work at Vinamilk and become an indispensable part of Vinamilk's operations, assisting the Company in achieving its goals while also maturing the risk management system itself.

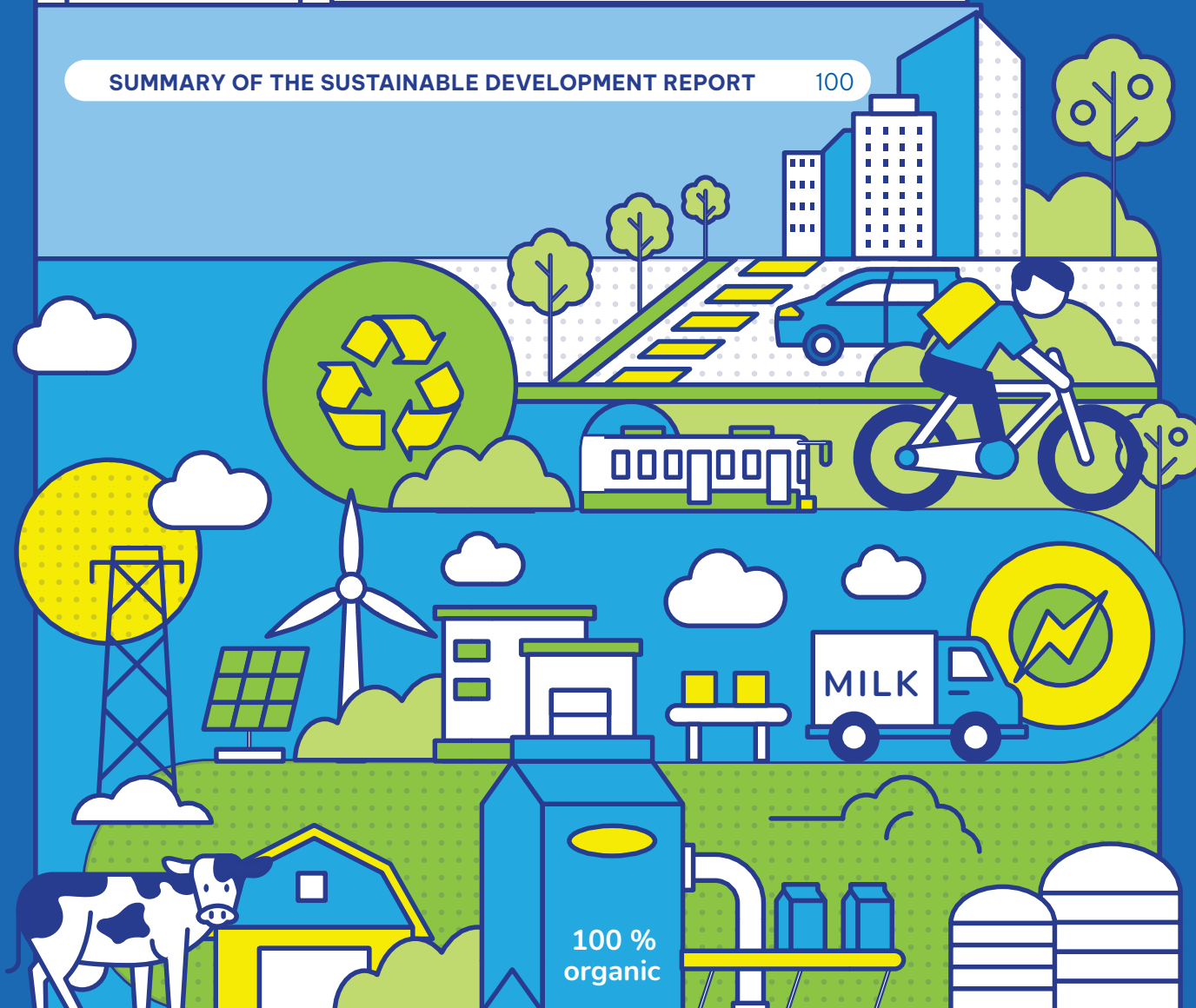
CHAPTER

05

SUSTAINABLE DEVELOPMENT

SUMMARY OF THE SUSTAINABLE DEVELOPMENT REPORT

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VINAMILK'S SUSTAINABLE DEVELOPMENT ACTIVITIES IN 2022 IN LINE WITH UNITED NATION'S 17 SUSTAINABLE DEVELOPMENT GOALS



01 No poverty

- + Jobs for more than **9,506** employees.
- + Sponsoring **VND 7.2 billion** and helping nearly **1,300** poor patients with heart and eye surgery from 1995 to 2022.
- + Local economic development: purchasing **177,772** tons of raw milk/year from farming households.
- + Buying biomass corn from farmers: **190,883.97** tons/year.



02 Zero hunger

- + Over **250** SKUs in Vinamilk's portfolio covering all 63/63 provinces.
- + **40.6** million glasses of milk worth **VND 190 billion** brought to more than **500,000** children through the Stand Tall Vietnam Milk Fund.
- + More than **155,000** nutritional products worth over **VND one billion** donated to flood victims in the Central region in 2022.



03 Good health and well-being

- + **>77%** of the product portfolio are food supplements.
- + Providing milk for school milk programs in 26 provinces and cities nationwide for 15 years, benefiting more than **4 million** children with a total contribution value of **VND 54 billion**.
- + Holding **23** communication events on nutrition, health and Vinamilk's products. Publishing over **63** health articles on nutrition for children, the elderly, women, and patients in 2022.
- + Organizing the program "Live healthy, live young", providing health advice to more than **10,000,000** elderly people in 27 provinces in 2022.



04 Quality Education

- + **1,175** training courses with participation of 28,101 attendees.
- + Vocational training and support for local dairy farming practices.



05 Gender equality

- + No discrimination.
- + Females account for **30%** of senior executives.



06 Clean water and sanitation

- + **100%** compliance from member units regarding the permitted water consumption.
- + **100%** of water used meeting standards.
- + **100%** of production wastewater treated through a standardized process.
- + **85%** of farming wastewater that meets the standards after treatment is recycled and reused for cultivation.
- + **4.99%** of water in production activities is fully recovered, recycled and reused.



07 Affordable and clean energy

- + Rate of renewable energy/fuel: **86.8%** (production).
- + Solar power installed at the Headquarters, **11** Factories, and **13** Farms.
- + Biomass steam green energy system used at **09** Factories.



08 Decent work and economic growth

- + High-income jobs for **9,506** employees.
- + Export to **57** countries and regions.
- + Occupational health and safety management system according to ISO 45001.
- + The Vietnamese consumers' most chosen dairy brand for **10 consecutive years** (according to Brand Footprint Report, Kantar Worldpanel).
- + The world's most potential dairy brand (according to Food & Drink 2022 report, Brand Finance).
- + The world's **top 5** strongest dairy brands (according to Brand Finance's 2022 Food & Beverage report).
- + The world's **top 10** most valuable dairy brands (according to Brand Finance's Food & Beverage 2022 report).
- + **Top 25** leading F&B company brands (according to Forbes Vietnam).



09 Industry, innovation and infrastructure

- + 100% of the infrastructure reviewed to look for new investment opportunities.



10 Reduced inequalities

- + No complaints about inequality
- + No complaints about discrimination
- + No forced labor, no child labor



11 Sustainable cities and communities

- + 100% waste disposal service providers properly licensed.
- + No environmental complaints from the local communities.



12 Responsible consumption and production

- + Factory system certified to FSSC 22000, ISO 14001, ISO 50001, Organic EU, Organic China
- + Farm system certified to GlobalG.A.P, Organic EU, Organic China, Organic USDA NOP
- + Compliance with social responsibilities according to SMETA Sedex 4 Pillars standards
- + Transparency of information to stakeholders
- + Good customer services
- + Ranking in **Top 10** Vietnamese Sustainable Enterprises in the manufacturing sector for **7 consecutive years**.



13 Climate action

- + Application of renewable energy and circular economy.
- + Asia Corporate Excellence & Sustainability Awards 2021 (ACES Awards)
- + CSR and ESG Leading Enterprise Award – Gold Vietnam Environment Award (Ministry of Natural Resources & Environment)



14 Life below water

- + 100% of production wastewater properly treated before discharge.



15 Life on land

- + 13 Farms and 01 Center for Dairy Technology and Embryo Transplantation certified to GlobalG.A.P
- + 04 farms certified to Organic EU
- + 03 farms certified to Organic China
- + No field burning in cultivation
- + No hunting of wild animals
- + Using organic fertilizers instead of inorganic and chemical fertilizers on farms with arable land
- + Tree planting to provide 37,100 tons of forage for dairy cows and crop rotation with legumes to green 1,182 hectares of pasture land.
- + Raising awareness on environmental protection among 75,000 students at 60 schools through the program "Teaching primary school students on waste sorting for environment protection".



16 Peace, justice and strong institutions

- + Giving comments and feedback on the elaboration and amendment of legal documents.
- + Supporting and accompanying the government in achieving 17 Sustainable Development Goals.



17 Partnerships

- + Promoting and establishing a Vietnamese mechanism for dairy export activities.
- + Sustainable companionship with suppliers, partners and farming households.
- + Cooperation in implementing a sustainable development project under the global DSF (Dairy Sustainability Framework).

* Details of sustainable development activities at Vinamilk are presented in the Sustainable Development Report 2022.

CHAPTER

06

FINANCIAL STATEMENTS

FINANCIAL STATEMENTS UNDER VAS

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FINANCIAL STATEMENTS UNDER IFRS

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CONSOLIDATED FINANCIAL STATE**CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022****PREPARED IN ACCORDING WITH VIETNAMESE ACCOUNTING STANDARDS****VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS
SUBSIDIARIES CORPORATE INFORMATION****Business Registration**

4103001932

20 November 2003

Certificate No.

0300588569

6 December 2022

The Company's business registration certificate has been amended several times, the most recent of which is by the Business Registration Certificate No. 0300588569 dated 6 December 2022. The business registration certificate and its updates were issued by Ho Chi Minh City Planning and Investment Department.

Board of Directors

Mr. Nguyen Hanh Phuc

Chairman

(from 26 April 2022)

Mdm. Le Thi Bang Tam

Chairwoman

(from 26 April 2022)

Mdm. Mai Kieu Lien

Member

Mr. Lee Meng Tat

Member

Ms. Dang Thi Thu Ha

Member

Mr. Le Thanh Liem

Member

Mr. Michael Chye Hin Fah

Member

Mr. Do Le Hung

Member

Mr. Alain Xavier Cany

Member

Ms. Tieu Yen Trinh

Member

Mr. Hoang Ngoc Thach

Member

Board of Management

Mdm. Mai Kieu Lien

Chief Executive Officer

Ms. Bui Thi Huong

Executive Director – Human Resource
– Administration and Public Relation

Mr. Mai Hoai Anh

Executive Director – Sales

(until 31 October 2022)

Mr. Le Thanh Liem

Executive Director – Finance

Mr. Nguyen Quang Tri

Executive Director – Marketing

Mr. Le Hoang Minh

Executive Director – Production

Mr. Nguyen Quoc Khanh

Executive Director – Research
and Development

Mr. Trinh Quoc Dung

Executive Director –
Raw Materials Development**Registered Office
Auditor**10 Tan Trao, Tan Phu Ward, District 7, Ho Chi Minh City, Vietnam
KPMG Limited Vietnam

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES CORPORATE INFORMATION

STATEMENT OF THE RESPONSIBILITY OF THE BOARD OF MANAGEMENT IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Management is responsible for the consolidated financial statements of Vietnam Dairy Products Joint Stock Company (“the Company”) and its subsidiaries (together referred to as “the Group”) which give a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and of the consolidated results of operations and consolidated cash flows for the year then ended. In preparing these consolidated financial statements, the Board of Management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the consolidated financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Board of Management is responsible for ensuring that proper accounting records are maintained, which disclose, with reasonable accuracy at any time, the consolidated financial position of the Group and which enable these consolidated financial statements to be prepared which comply with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting. The Board of Management is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

We hereby approve the accompanying consolidated financial statements set out on pages 107 to 164 which give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, and of the consolidated results of operations and 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.

On behalf of the Board of Management



The stamp is circular and red, containing the following text: 'M.S.D.N. 0300588569' at the top, 'CÔNG TY CỔ PHẦN SỮA VIỆT NAM' in the center, and 'QUẬN 7 - TP. HỒ CHÍ MINH' at the bottom. A blue ink signature is written across the stamp.

Mai Kieu Lien
Chief Executive Officer

Ho Chi Minh City, 28 February 2023



KPMG Limited Branch
10th Floor, Sun Wah Tower
115 Nguyen Hue Street, Ben Nghe Ward
District 1, Ho Chi Minh City, Vietnam
+84 (28) 3821 9266 | kpmg.com.vn

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

We have audited the accompanying consolidated financial statements of Vietnam Dairy Products Joint Stock Company (“the Company”) and its subsidiaries (together referred to as “the Group”), which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated 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 28 February 2023, as set out on pages 107 to 164.

MANAGEMENT’S RESPONSIBILITY

The Company’s Board of Management is responsible for the preparation and fair presentation of these consolidated 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 the consolidated 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 consolidated 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 consolidated 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.



AUDITOR'S OPINION

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of Vietnam Dairy Products Joint Stock Company and its subsidiaries as at 31 December 2022 and of their consolidated results of operations and their consolidated 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.: 22-01-00293-22-6



Nelson Rodriguez Casihan

Practicing Auditor Registration

Certificate No. 2225-2023-007-1
Deputy General Director

Ha Vu Dinh

Practicing Auditor Registration

Certificate No. 0414-2023-007-1

Ho Chi Minh City, 28 February 2023

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES**Consolidated statement of financial position as at 31 December 2022****Form B 01 - DN/HN***(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	31/12/2022 VND	1/1/2022 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		31,560,382,174,201	36,109,910,649,785
Cash and cash equivalents	110	V.1	2,299,943,527,624	2,348,551,874,348
Cash	111		1,327,429,518,437	1,187,350,251,579
Cash equivalents	112		972,514,009,187	1,161,201,622,769
Short-term financial investments	120		17,414,055,328,683	21,025,735,779,475
Trading securities	121	V.4(a)	1,159,355,253	1,119,781,812
Allowance for diminution in the value of trading securities	122	V.4(a)	(689,745,197)	(666,201,430)
Held-to-maturity investments	123	V.4(b)	17,413,585,718,627	21,025,282,199,093
Accounts receivable – short-term	130		6,100,402,870,854	5,822,028,742,791
Accounts receivable from customers	131		4,633,942,510,271	4,367,766,482,060
Prepayments to suppliers	132		589,439,884,812	655,822,646,219
Other short-term receivables	136	V.3(a)	890,466,200,571	810,697,107,773
Allowance for doubtful debts	137	V.2	(13,445,724,800)	(12,257,493,261)
Inventories	140	V.5	5,537,563,396,117	6,773,071,634,017
Inventories	141	V.5	5,560,169,453,504	6,820,486,391,670
Allowance for inventories	149	V.5	(22,606,057,387)	(47,414,757,653)
Other current assets	150		208,417,050,923	140,522,619,154
Short-term prepaid expenses	151	V.11(a)	97,570,693,043	57,272,673,101
Deductible value added tax	152		89,204,099,539	79,012,114,725
Taxes receivable from State Treasury	153		21,642,258,341	4,237,831,328

The accompanying notes are an integral part of these consolidated financial statements

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES**Consolidated statement of financial position as at 31 December 2022 (continued)****Form B 01 - DN/HN***(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	31/12/2022 VND	1/1/2022 VND
Long-term assets (200 = 210 + 220 + 230 + 240 + 250 + 260)	200		16,922,282,062,019	17,222,492,788,434
Accounts receivable – long-term	210		38,422,722,715	16,695,104,495
Other long-term receivables	216	V.3(b)	38,422,722,715	16,695,104,495
Fixed assets	220		11,903,207,642,940	12,706,598,557,849
Tangible fixed assets	221	V.6	10,860,366,507,422	11,620,094,589,519
Cost	222		28,502,157,270,867	27,645,343,065,556
Accumulated depreciation	223		(17,641,790,763,445)	(16,025,248,476,037)
Intangible fixed assets	227	V.7	1,042,841,135,518	1,086,503,968,330
Cost	228		1,353,423,614,905	1,341,664,803,067
Accumulated amortisation	229		(310,582,479,387)	(255,160,834,737)
Investment property	230	V.8	57,593,807,783	60,049,893,676
Cost	231		98,822,678,885	98,822,678,885
Accumulated depreciation	232		(41,228,871,102)	(38,772,785,209)
Long-term work in progress	240		1,805,129,940,386	1,130,023,695,910
Long-term work in progress	241	V.9	334,547,387,349	295,204,758,395
Construction in progress	242	V.10	1,470,582,553,037	834,818,937,515
Long-term financial investments	250		742,670,306,431	743,862,023,831
Investments in associates, joint venture	252	V.4(c)	664,302,778,018	661,023,754,422
Equity investments in other entities	253	V.4(c)	101,950,219,081	101,921,059,081
Allowance for diminution in the value of long-term financial investments	254	V.4(c)	(23,582,690,668)	(19,082,789,672)
Other non-current assets	260		2,375,257,641,764	2,565,263,512,673
Long-term prepaid expenses	261	V.11(b)	772,804,663,141	725,108,101,375
Deferred tax assets	262	V.12(a)	34,985,203,461	27,147,520,911
Goodwill	269	V.13	1,567,467,775,162	1,813,007,890,387
TOTAL ASSETS (270 = 100 + 200)	270		48,482,664,236,220	53,332,403,438,219

The accompanying notes are an integral part of these consolidated financial statements

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES**Consolidated statement of financial position as at 31 December 2022 (continued)****Form B 01 - DN/HN***(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	31/12/2022 VND	1/1/2022 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		15,666,145,881,135	17,482,289,188,835
Current liabilities	310		15,308,423,081,524	17,068,416,995,519
Accounts payable to suppliers	311	V.14	4,284,158,390,163	4,213,887,652,294
Advances from customers	312		161,708,567,120	66,036,392,886
Taxes payable to State Treasury	313	V.16	598,135,128,295	648,146,741,635
Payables to employees	314		287,914,221,269	304,671,997,074
Accrued expenses	315	V.17	1,620,874,538,443	1,817,263,017,920
Short-term unearned revenue	318		4,161,405,120	3,983,400,698
Other short-term payables	319	V.18	3,055,541,590,234	114,417,067,658
Short-term borrowings	320	V.15(a)	4,867,129,839,103	9,382,354,118,118
Provision	321	V.19	26,635,759,312	10,290,982,323
Bonus and welfare fund	322	V.20	402,163,642,465	507,365,624,913
Long-term liabilities	330		357,722,799,611	413,872,193,316
Other long-term payables	337	V.18	3,711,780,002	21,900,931,811
Long-term borrowings	338	V.15(b)	66,028,725,000	75,636,000,000
Deferred tax liabilities	341	V.12(b)	287,982,294,609	316,335,261,505
EQUITY (400 = 410)	400		32,816,518,355,085	35,850,114,249,384
Owners' equity	410	V.21	32,816,518,355,085	35,850,114,249,384
Share capital	411	V.22	20,899,554,450,000	20,899,554,450,000
Share premium	412		34,110,709,700	34,110,709,700

The accompanying notes are an integral part of these consolidated financial statements

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Consolidated statement of financial position as at 31 December 2022 (continued)

Form B 01 - DN/HN

(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	31/12/2022 VND	1/1/2022 VND
Other capital	414		202,658,418,215	202,658,418,215
Foreign exchange differences	417		92,498,048,227	253,569,601
Investment and development fund	418		5,266,761,584,973	4,352,441,335,060
Retained profits	421		3,353,468,092,666	7,594,260,378,375
-Retained profits brought forward	421a		2,682,865,082,625	2,521,098,332,953
-Profit for the current year	421b		670,603,010,041	5,073,162,045,422
Non-controlling interest	429		2,967,467,051,304	2,766,835,388,433
TOTAL RESOURCES (440 = 300 + 400)	440		48,482,664,236,220	53,332,403,438,219

28 February 2023

Prepared by:


Le Thanh LiemExecutive Director - Finance
cum Chief Accountant

Approved by:


Mai Kieu Lien

Chief Executive Officer

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Consolidated statement of financial position as at 31 December 2022

Form B 02 - DN/HN

(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	2022 VND	2021 VND
Revenue from sales of goods and provision of services	01	VI.1	60,074,730,223,299	61,012,074,147,764
Revenue deductions	02	VI.1	118,483,025,881	92,909,301,618
Net revenue (10 = 01 - 02)	10	VI.1	59,956,247,197,418	60,919,164,846,146
Cost of sales	11	VI.2	36,059,015,690,711	34,640,863,353,839
Gross profit (20 = 10 - 11)	20		23,897,231,506,707	26,278,301,492,307
Financial income	21	VI.3	1,379,904,407,740	1,214,683,819,394
Financial expenses	22	VI.4	617,537,182,995	202,338,232,232
<i>In which: Interest expense</i>	23		166,039,091,744	88,799,090,663
Share of loss in associates and joint venture	24	V.4(c)	(24,475,976,403)	(45,044,429,889)
Selling expenses	25	VI.5	12,548,212,246,871	12,950,670,402,404
General and administration expenses	26	VI.6	1,595,845,681,078	1,567,312,426,985
Net operating profit {30 = 20 + (21 - 22) + 24 - (25 + 26)}	30		10,491,064,827,100	12,727,619,820,191
Other income	31	VI.7	289,021,799,127	422,823,192,290
Other expenses	32	VI.8	284,551,949,482	228,207,525,562
Results of other activities (40 = 31 - 32)	40		4,469,849,645	194,615,666,728
Profit before tax (50 = 30 + 40)	50		10,495,534,676,745	12,922,235,486,919
Income tax expense - current	51	VI.10	1,956,248,296,285	2,320,981,674,175
Income tax benefit - deferred	52	VI.10	(38,288,939,248)	(31,282,159,734)
Net profit after tax (60 = 50 - 51 - 52) (carried forward to next page)	60		8,577,575,319,708	10,632,535,972,478

The accompanying notes are an integral part of these consolidated financial statements

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Consolidated statement of financial position as at 31 December 2022 (continued)

Form B 02 - DN/HN

*(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	2022 VND	2021 VND
Net profit after tax (60 = 50 - 51 - 52) (brought forward from previous page)	60		8,577,575,319,708	10,632,535,972,478
Attributable to:				
Equity holders of the Company	61		8,516,023,694,342	10,532,477,099,899
Non-controlling interest	62		61,551,625,366	100,058,872,579
Basic earnings per share	70	VI.11	3,632	4,517

28 February 2023

Prepared by:


Le Thanh LiemExecutive Director - Finance
cum Chief Accountant

Approved by:


Mai Kieu Lien

Chief Executive Officer

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES**Consolidated statement of cash flows for the year ended 31 December 2022 (Indirect method)****Form B 03 - DN/HN***(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	2022 VND	2021 VND
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	01		10,495,534,676,745	12,922,235,486,919
Adjustments for				
Depreciation and amortisation	02		2,095,449,858,677	2,121,337,734,780
Amortisation of goodwill	02	V.13	245,540,115,225	245,540,115,225
Allowances and provisions	03		(4,572,925,078)	33,465,629,186
Exchange losses/(gains) arising from revaluation of monetary items denominated in foreign currencies	04		3,222,766,873	(1,658,368,628)
Losses on disposals/written off of fixed assets and construction in progress	05		88,472,438,579	73,844,049,508
Dividends, interest income and other gain from investment activities	05		(1,210,689,718,561)	(1,106,041,407,749)
Share of loss in associates and joint venture	05		24,475,976,403	45,044,429,889
Interest expense	06	VI.4	166,039,091,744	88,799,090,663
Income from waiver of borrowing	07		-	(70,747,452,470)
Operating profit before changes in working capital	08		11,903,472,280,607	14,351,819,307,323
Change in receivables	09		(288,077,307,677)	(516,850,818,361)
Change in inventories	10		851,263,069,739	(2,260,680,842,222)
Change in payables and other liabilities	11		(386,032,574,554)	1,484,048,321,527
Change in prepaid expenses	12		(73,120,062,114)	115,756,136
Interest paid	14		(141,304,083,849)	(98,339,684,932)
Income tax paid	15	V.16	(1,975,289,763,439)	(2,356,597,912,369)
Other payments for operating activities	17		(1,063,638,382,197)	(1,171,540,563,209)
Net cash flows from operating activities	20		8,827,273,176,516	9,431,973,563,893

The accompanying notes are an integral part of these consolidated financial statements

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES**Consolidated statement of cash flows for the year ended 31 December 2022 (Indirect method - continued)****Form B 03 - DN/HN***(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	2022 VND	2021 VND
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets and other long-term assets	21		(1,456,914,052,616)	(1,531,025,359,270)
Receipts from disposals of fixed assets and construction in progress	22		137,125,557,857	133,904,995,529
Payments for term deposits	23		-	(3,514,465,835,454)
Receipts from term deposits	24		3,634,715,046,607	-
Receipts from collecting loans	24		-	150,000,000
Payments for investments in other entities	25		(43,175,000,000)	(23,227,732,575)
Collections from investments in other entities	26		-	1,336,500,000
Receipts of interest and dividends	27		1,201,019,963,250	1,000,079,344,561
Net cash flows from investing activities	30		3,472,771,515,098	(3,933,248,087,209)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from sales of treasury shares	31		-	60,119,994,553
Proceeds from additional shares issued by a subsidiary to non-controlling interest	31		-	39,200,670,000
Proceeds from capital contributed by non-controlling interest to a subsidiary	31		338,100,000,000	218,540,000,000
Proceeds from borrowings	33		6,257,530,054,586	9,596,960,360,003
Payments to settle loan principals	34		(10,789,019,801,789)	(7,551,460,199,195)
Payments of dividends	36		(8,046,328,463,250)	(7,523,560,503,000)
Payments of dividends of subsidiaries to non-controlling interest	36		(120,571,155,470)	(97,197,960,150)
Net cash flows from financing activities	40		(12,360,289,365,923)	(5,257,397,637,789)

The accompanying notes are an integral part of these consolidated financial statements

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Consolidated statement of cash flows for the year ended 31 December 2022 (Indirect method - continued)

Form B 03 - DN/HN

(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	2022 VND	2021 VND
Net cash flows during the year (50 = 20 + 30 + 40)	50		(60,244,674,309)	241,327,838,895
Cash and cash equivalents at the beginning of the year	60		2,348,551,874,348	2,111,242,815,581
Effect of exchange rate fluctuations on cash and cash equivalents	61		(1,729,154,879)	(2,270,210,170)
Currency translation differences	62		13,365,482,464	(1,748,569,958)
Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61 + 62)	70	V.1	2,299,943,527,624	2,348,551,874,348

28 February 2023

Prepared by:


Le Thanh LiemExecutive Director - Finance
cum Chief Accountant

Approved by:


Mai Kieu Lien

Chief Executive Officer

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Notes to the consolidated financial statements for the year ended 31 December 2022

Form B 09 - DN/HN

*(Issued under Circular No. 202/2014/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 consolidated financial statements.

I CORPORATE INFORMATION

1 Ownership structure

Vietnam Dairy Products Joint Stock Company (“the Company”) is incorporated as a joint stock company in Vietnam.

Major milestones related to the establishment and development of the Company and its subsidiaries (collectively referred to as “the Group”) are achieved as follows:

- ✦ **20 August 1976:** The Company was established on the basis of three dairy factories: Thong Nhat Dairy Factory, Truong Tho Dairy Factory, Dielac Powdered Milk Factory.
- ✦ **29 April 1993:** Vietnam Dairy Products Company was established according to Decision No. 420/CNN/TCLD issued by the Ministry of Light Industry in form of a State-owned Enterprise.
- ✦ **1 October 2003:** The Company was equitised from a State-owned Enterprise of the Ministry of Industry according to Decision No. 155/2003/QĐ-BCN.
- ✦ **20 November 2003:** The Company was registered as a joint stock company and began operating under Enterprise Laws of Vietnam and its Business Registration Certificate No. 4103001932 was issued by Ho Chi Minh City Planning and Investment Department.
- ✦ **28 December 2005:** The State Securities Commission of Vietnam issued Listed Licence No. 42/UBCK-GPNY.
- ✦ **19 January 2006:** The Company’s shares were listed on Ho Chi Minh City Stock Exchange.
- ✦ **12 December 2006:** International Real Estates One Member Limited Company was established in accordance with the Business License No. 4104000260 issued by the Department of Investment and Planning of Ho Chi Minh City.
- ✦ **14 December 2006:** Vietnam Dairy Cow One Member Limited Company was established in accordance with the Business License No. 150400003 issued by the Department of Planning and Investment of Tuyen Quang Province.
- ✦ **26 February 2007:** Lam Son Dairy Joint Stock Company was established in accordance with the Business License No. 2603000521 issued by the Department of Planning and Investment of Thanh Hoa Province.
- ✦ **24 June 2010:** Lam Son Dairy Joint Stock Company was renamed as Lam Son Dairy One Member Company Limited.
- ✦ **30 September 2010:** Dielac Dairy One Member Company Limited was established based on the re-registration of F&N Food Vietnam Limited Company in accordance with the Investment Certificate No. 463041000209 issued by the Management of Vietnam – Singapore Industrial Park.

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

Form B 09 - DN/HN

(Issued under Circular No. 202/2014/TT-BTC
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- ✦ **18 September 2012:** The Company issued the Decision No. 2482/QĐ-CTS.KSNB/2012 on the liquidation of the Dielac Dairy One Member Limited Company to establish a dependent branch of Vietnam Dairy Products Joint Stock Company. On 25 September 2012, the Management of Vietnam – Singapore Industrial Park issued the Decision No. 37/QĐ-BQL on the termination of operating activities of Dielac Dairy One Member Limited Company. In July 2013, Dielac Dairy One Member Limited Company had finalised its process of liquidation.
- ✦ **21 October 2013:** Thong Nhat Thanh Hoa Dairy Cow Limited Company was established in accordance to Business Registration Certificate No. 2801971744 issued by the Department of Investment and Planning of Thanh Hoa Province.
- ✦ **6 December 2013:** The Company received Foreign Investment Certificate No. 663/BKHĐT-ĐTRNN issued by the Ministry of Investment and Planning, investing in Driftwood Dairy Holding Corporation in California, the United States of America. As at 31 December 2013, the Company completed a transfer of its investment of USD7 million and held 70% of ownership in Driftwood Dairy Holding Corporation.
- ✦ **6 January 2014:** The Company received Foreign Investment Certificate No. 667/BKHĐT-ĐTRNN issued by the Ministry of Investment and Planning, investing in Angkor Dairy Products Co., Ltd. in Phnom Penh, Cambodia with 51% of ownership.
- ✦ **24 February 2014:** The Company's Board of Management issued the resolution to liquidate International Real Estate One Member Limited Company. On 14 January 2015, the Department of Planning and Investment of Ho Chi Minh City issued Notice No. 14191/15 to liquidate International Real Estate One Member Limited Company.
- ✦ **30 May 2014:** The Company received Foreign Investment Certificate No. 709//BKHĐT-ĐTRNN issued by the Ministry of Investment and Planning, to establish Vinamilk Europe sp.z.o.o in Poland with 100% of ownership.
- ✦ **19 May 2016:** The Company received Foreign Investment Certificate No. 201600140 issued by the Ministry of Investment and Planning, approved additional investment in Driftwood Dairy Holding Corporation amounted to USD3 million. As at 30 June 2016, the Company completed a transfer of its investment of USD3 million, bringing the total investment to USD10 million and increased ownership percentage in Driftwood Dairy Holding Corporation from 70% to 100%.
- ✦ **19 January 2017:** The Company received its 25th revised Business Registration certificate dated 18 January 2017, issued by the Ho Chi Minh Department of Planning and Investment. Accordingly, Lam Son Dairy Products One Member Company Limited was merged into the Company (prior to the merger, it was a 100% subsidiary owned by the Company). The Company completed the merger on 1 March 2017.
- ✦ **31 July 2017:** On 23 March 2017, the Company received its first revised offshore investment registration certificate dated 10 March 2017 issued by the Ministry of Planning and Investment of Vietnam, in relation to Angkor Dairy Products Co., Ltd. ("Angkormilk"). Accordingly, the Company's total investment capital increased from USD10,210,000 to USD20,995,390. The reason of capital increase was to purchase the entire capital contribution of the local partner in Angkormilk. As at 31 July 2017, the Company completed the transfer of its investment, bringing the total investment to USD20.9 million and increased ownership percentage in Angkormilk from 51% to 100%.

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

Form B 09 - DN/HN

(Issued under Circular No. 202/2014/TT-BTC
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- ✦ **21 October 2017:** On 30 September 2017, the Company entered into an agreement to acquire the remaining 3.89% of its equity interest in Thong Nhat Thanh Hoa Limited Company from non-controlling shareholders. The transaction was completed on 21 October 2017.
- ✦ **1 November 2017:** On 25 October 2017, the Company entered into an agreement to purchase newly issued shares of Khanh Hoa Sugar Joint Stock Company and took 65% equity interest. The transaction was completed on 1 November 2017. From 14 November 2017, Khanh Hoa Sugar Joint Stock Company changed its name to Viet Nam Sugar Joint Stock Company.
- ✦ **23 November 2018:** In July 2018, the Company entered into an agreement to acquire 51% equity interest of Lao-Jagro Development Xiengkhouang Co., Ltd to develop a high-tech beef – dairy farm complex. The transaction was completed on 23 November 2018. On 29 January 2019, the Company invested VND51,547 million representing its percentage of equity interest in this entity following the shareholders' decision. On 1 April 2019 and 15 July 2021, the Company paid VND154,391 million and VND20,790 million, respectively, to the former owners according to the Share Purchase Agreement.
- ✦ **12 September 2019:** On 12 September 2019, the Company received the second revised Oversea Investment Registration Certificate no. 201600140 in which the Company's investment in its 100% owned subsidiary named Driftwood Dairy Holding Corporation in California, United States increased from USD10 million to USD20 million. As at 30 September 2019, the Company completed the transfer of its investment.
- ✦ **19 December 2019:** The Company completed its acquisitions of 75% of equity interest of GTNFoods Joint Stock Company through various acquisition transactions.
- ✦ **10 August 2020:** The Company received the first amendment of the foreign Investment Registration Certificate dated 10 August 2020 from the Ministry of Planning and Investment to increase the Company's investment capital in Lao-Jagro from USD25,411,924 to USD66,413,630.
- ✦ **19 November 2020:** The Company's Board of Directors approved the resolution to close the subsidiary Vinamilk Europe Spółka Z Ograniczona Odpowiedzialnoscia. In November 2021, the Company collected VND42,195 million from the dissolution. The dissolution was completed in 2022.
- ✦ **31 January 2021:** On 31 January 2021, the Company, GTNFoods Joint Stock Company, and Vietnam Livestock Corporation – Joint Stock Company have completed the acquisition of 9.7 million, 29.5 million and 1.7 million additional shares issued by Moc Chau Dairy Cattle Breeding Joint Stock Company, respectively.
- ✦ **1 March 2021:** Vibev Food and Beverage Joint Venture Company Limited, 51% owned subsidiary, was established in accordance with the Business License No. 0316724859 issued by the Ho Chi Minh City Planning and Investment Department. On 9 April 2021 and 10 June 2021, the Company contributed capital amounting to VND51,000 million and VND153,000 million, respectively, to Vibev Food and Beverage Joint Venture Company Limited for the establishment of this subsidiary.
- ✦ **19 April 2021:** On 19 April 2021 and 29 December 2021, the Company contributed capital amounting to VND328,578 million and VND11,232 million, respectively, to Lao-Jagro Development Xiengkhouang Co., Ltd..

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

Form B 09 - DN/HN

(Issued under Circular No. 202/2014/TT-BTC
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- ✦ **27 September 2021:** Japan Vietnam Livestock Company Limited, 51% owned subsidiary of Vietnam Livestock Corporation – Joint Stock Company, was established in accordance with the Business License No. 0109752537 issued by the Ha Noi City Planning and Investment Department. Vietnam Livestock Corporation – Joint Stock Company contributed capital amounting to VND23,460 million to Japan Vietnam Livestock Company Limited for the establishment of this subsidiary.
- ✦ **9 March 2022:** The Company contributed additional capital amounting to USD8,220,273 (equivalent to VND188,902 million) to Lao-Jargo Development Xiengkhouang Co., Ltd. As the result, the Company's ownership in Lao-Jargo Development Xiengkhouang Co., Ltd increased from 85.54% to 87.32% as other investors did not continue to contribute capital in this subsidiary.
- ✦ **14 March 2022:** The entire shares of GTNFoods Joint Stock Company owned by the Company were swapped with 117,187,500 shares of Vietnam – Livestock Corporation Joint Stock Company. Thereafter, GTNFoods Joint Stock Company was merged into Vietnam Livestock Corporation – Joint Stock Company.

2 Principal activities

The principal activities of the Group are to:

- ✦ Process, manufacture and distribute milk cake, soya milk, fresh milk, refreshment drinks, bottled milk, powdered milk, nutritious powder and other products from milk;
- ✦ Trade in food technology, spare parts, equipment, materials and chemicals;
- ✦ Trade in real estate, own or lease land use rights (according to Article no. 11.3 of 2014 Real Estate Law);
- ✦ Trade in warehouse, yards;
- ✦ Provide internal transportation by cars for manufacturing and consuming Company's products;
- ✦ Manufacture, sell and distribute beverages, grocery and processing foods, roasted-ground-filtered and instant coffee (not manufacturing and processing at the head office);
- ✦ Manufacture and sell plastic, packaging (not at the head office);
- ✦ Provide healthcare clinic services (not at the head office);
- ✦ Raise cattle, cultivation;
- ✦ Retail sugar, milk and products from milk, bread, jam, candy and products processed from cereal, flour, starch and other food;
- ✦ Retail alcoholic drinks, non-alcoholic drinks (carbonated and non-carbonated soft drinks), natural mineral water, low-alcoholic or non-alcoholic wine and beer;
- ✦ Manufacture and trade products from tea and wine; and
- ✦ Manufacture, breed, process and trade cattle and poultry products and premix products for livestock.

3 Normal operating cycle

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

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES**Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)****Form B 09 - DN/HN***(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***4 Group structure**

As at 31 December 2022, the Group had 10 subsidiaries and 8 associates, 1 joint venture (1/1/2022: the Group had 12 subsidiaries and 8 associates, 1 joint venture and dependent units) as follows:

(a) Subsidiaries

Name	Location	Principal activities	Economic interest	
			31/12/2022	1/1/2022
Directly owned subsidiaries				
Vietnam Dairy Cow One Member Limited Company	10 Tan Trao, Tan Phu Ward, District 7, Ho Chi Minh City	Dairy cow raising	100.00%	100.00%
Thong Nhat Thanh Hoa Dairy Cow One Member Limited Company	Ward 1, Thong Nhat Town, Yen Dinh District, Thanh Hoa Province	Milk production and cattle raising	100.00%	100.00%
Driftwood Dairy Holding Corporation	No. 10724, Street Lower Azusa and El Monte Boulevards Intersection, California 91731-1390, United States	Milk production	100.00%	100.00%
Angkor Dairy Products Co., Ltd.	Lot P2-096 and P2-097, Phnom Penh Special Economic Zone (PPSEZ), National Highway 4, Khan Posenchey, Phnom Penh, Kingdom of Cambodia	Milk production	100.00%	100.00%
Vinamilk Europe Spółka Z Ograniczona Odpowiedzialnoscia (*)	Ul, Gwiazdzista 7a/401-651 Warszawa, Poland	Dairy raw materials and animal trading	-	100.00%
Vietnam Sugar Joint Stock Company	Thuy Xuong Village, Suoi Hiep Commune, Dien Khanh District, Khanh Hoa Province	Sugar producing and refining	65.00%	65.00%
Lao-Jagro Development Xiengkhouang Co., Ltd.	Boungvene Village, Paek District, Xiengkhouang Province, Lao PDR	Dairy cow raising and agricultural products trading	87.32%	85.54%

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES**Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)****Form B 09 - DN/HN***(Issued under Circular No. 202/2014/TT-BTC
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Name	Location	Principal activities	Economic interest	
			31/12/2022	1/1/2022
Directly owned subsidiaries (continued)				
Vietnam Livestock Corporation – Joint Stock Company (**)	519 Minh Khai, Vinh Tuy Ward, Hai Ba Trung District, Ha Noi City	Manufacturing, breeding, processing and trading of cattle and poultry products	68.00%	55.87%
Vibev Food and Beverage Joint Venture Company Limited (***)	10 Tan Trao, Tan Phu Ward, District 7, Ho Chi Minh City	Producing ice cream and beverages	51.00%	51.00%
GTNFoods Joint Stock Company (**)	14th floor, A Tower, Handi Resco Building, 521 Kim Ma, Ngoc Khanh Ward, Ba Dinh District, Ha Noi City	Manufacturing and trading products from milk, tea and wine	-	75.00%
Indirectly owned subsidiaries through Vietnam Livestock Corporation – Joint Stock Company				
Moc Chau Dairy Cattle Breeding Joint Stock Company (**)	Km194 Moc Chau Farm Town, Phiang Luong, Moc Chau District, Son La Province	Processing of milk and dairy products	49.17%	47.12%
Japan Vietnam Livestock Company Limited (**)	519 Minh Khai, Vinh Tuy Ward, Hai Ba Trung District, Ha Noi City	Importing, processing and trading beef products	34.68%	28.49%

(*) On 19 November 2020, the Company's Board of Directors approved the resolution to dissolve this subsidiary. The dissolution was completed in 2022.

(**) On 14 March 2022, the entire shares of GTNFoods Joint Stock Company owned by the Company were swapped with 117,187,500 shares of Vietnam Livestock Corporation – Joint Stock Company. Thereafter, GTNFoods Joint Stock Company was merged into Vietnam Livestock Corporation – Joint Stock Company. After these transactions, the Company directly owned 68% equity interest in Vietnam Livestock Corporation – Joint Stock Company and the effective economic interest of the Company in Moc Chau Dairy Cattle Breeding Joint Stock Company and Japan Vietnam Livestock Company Limited has been changed.

(***) On 30 November 2022, the Company's Board of Directors approved the resolution to dissolve this subsidiary. At as 31 December 2022, the dissolution was not completed.

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES**Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)****Form B 09 - DN/HN***(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***(b) Associates, joint venture**

Name	Location	Principal activities	Economic interest	
			31/12/2022	1/1/2022
Directly owned associates, joint venture				
Miraka Holdings Limited (*)	108 Tuwharetoa, Taupo, New Zealand	Milk production	16.96%	22.81%
APIS Corporation	No. 18A, VSIP II-A, 27 Street, Viet Nam – Singapore II-A Industrial Zone, Vinh Tan Ward, Tan Uyen District, Binh Duong Province	Food raw materials trading	20.00%	20.00%
Asia Coconut Processing Joint Stock Company (**)	Giao Long Industrial Zone, Phase II, An Phuoc Commune, Chau Thanh District, Ben Tre Province, Vietnam	Coconut-based products manufacturing and trading	24.96%	24.96%
Del Monte – Vinamilk Dairy Inc., Philippines	JV Campos Centre, 9 th Avenue corner, 30 th Street, Bonifacio Global City, Taguig City, Philippines	Importing and trading milk and dairy products	50.00%	50.00%

(*) In 2022, Miraka Holdings Limited has increased its capital. Other investors have contributed additional capital to this entity; however, the Company has not contributed additional capital accordingly. As a result, the Company's ownership in this entity has decreased from 22.81% to 16.96%. Miraka Holdings Limited is still considered as an associate of the Company because the Company has significant influence over the financial and operation activities of this entity through the right to appoint a member in the Board of Directors of this entity.

(**) On 19 January 2022, the Company purchased 3,090,000 additional shares in total of 12,380,000 shares issued by Asia Coconut Processing Joint Stock Company for a consideration of VND30,900 million.

Indirectly owned associates through Vietnam Livestock Corporation – Joint Stock Company

As at 31 December 2022, there were 5 associates (1/1/2022: 5 associates) indirectly owned through Vietnam Livestock Corporation – Joint Stock Company.

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES**Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)****Form B 09 - DN/HN***(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***(c) Dependent units****Sales branches**

1. Vietnam Dairy Products Joint Stock Company's Branch in Ha Noi – 11th Floor, Tower B, Handi Resco Building, 521 Kim Ma, Ngoc Khanh Ward, Ba Dinh District, Ha Noi City.
2. Vietnam Dairy Products Joint Stock Company's Branch in Da Nang – 7th Floor, Danang Post Office Tower, 271 Nguyen Van Linh, Vinh Trung Ward, Thanh Khe District, Da Nang City.
3. Vietnam Dairy Products Joint Stock Company's Branch in Can Tho – 77-77B Vo Van Tan, Tan An Ward, Ninh Kieu District, Can Tho City.

Manufacturing factories

1. Thong Nhat Dairy Factory – 12 Dang Van Bi, Thu Duc District, Ho Chi Minh City.
2. Truong Tho Dairy Factory – 32 Dang Van Bi, Thu Duc District, Ho Chi Minh City.
3. Dielac Dairy Factory – Bien Hoa I Industrial Park, Dong Nai Province.
4. Can Tho Dairy Factory – Tra Noc Industrial Park, Can Tho City.
5. Sai Gon Dairy Factory – Tan Thoi Hiep Industrial Park, District 12, Ho Chi Minh City.
6. Nghe An Dairy Factory – Sao Nam Street, Nghi Thu Commune, Cua Lo Town, Nghe An Province.
7. Binh Dinh Dairy Factory – 87 Hoang Van Thu, Quang Trung Ward, Quy Nhon City, Binh Dinh Province.
8. Vietnam Beverage Factory – My Phuoc II Industrial Park, Binh Duong Province.
9. Tien Son Dairy Factory – Tien Son Industrial Park, Bac Ninh Province.
10. Da Nang Dairy Factory – Hoa Khanh Industrial Park, Da Nang City.
11. Vietnam Powdered Milk Factory – 9 Tu Do Boulevard – Vietnam-Singapore Industrial Park, Thuan An District, Binh Duong Province.
12. Vietnam Dairy Factory – My Phuoc II Industrial Park, Binh Duong Province.
13. Lam Son Dairy Factory – Le Mon Industrial Zone, Thanh Hoa City, Thanh Hoa Province.

Warehouses

1. Ho Chi Minh Logistic Enterprise – 32 Dang Van Bi, Thu Duc District, Ho Chi Minh City.
2. Hanoi City Logistic Enterprise – Km 10 Highway 5, Duong Xa Commune, Gia Lam District, Ha Noi City.

Clinic

1. An Khang Clinic – Pharmacy – 184-186-188 Nguyen Dinh Chieu, Ward 6, District 3, Ho Chi Minh City.

Raw milk center

1. Branch of Vietnam Dairy Products Joint Stock Company's – Cu Chi Raw Milk Center – Lot B14-1, B14-2 D4, Dong Nam Industrial Zone, Hoa Phu Commune, Cu Chi District, Ho Chi Minh City.

As at 31 December 2022, the Group had 9,506 employees (1/1/2022: 9,732 employees).

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES**Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)****Form B 09 - DN/HN***(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***II ACCOUNTING PERIOD AND ACCOUNTING CURRENCY****1 Annual accounting period**

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

2 Accounting and presentation currency

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

III ACCOUNTING STANDARDS AND SYSTEM**1 Statement of compliance**

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

2 Basis of measurement

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

IV SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The accounting policies that have been adopted by the Group in the preparation of these consolidated financial statements are consistent with those adopted in the preparation of the latest consolidated annual financial statements.

1 Basis of consolidation**(a) Subsidiaries**

Subsidiaries are those entities in which the Group has control over the financial and operating policies, generally evidenced by holding more than half of voting rights. In assessing control, exercisable potential voting rights are taken into account. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(b) Non-controlling interests

Non-controlling interests ("NCI") are measured at their proportionate share of the acquiree's identifiable net assets at date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners. The difference between the change in the Group's share of net assets of the subsidiary and any consideration paid or received is recorded directly in retained profits under equity.

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

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(c) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in the consolidated statement of income. Any interest retained in the former subsidiary when control is lost is stated at the carrying amount of the retained investment in the consolidated financial statements adjusted for appropriate shares of changes in equity of the investee since the acquisition date, if significant influence in the investee is maintained, or otherwise stated at cost.

(d) Associates and joint venture

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Associates and joint ventures are those entities in which the Group normally hold 20% to 50% of voting rights in these entities.

Associates and joint ventures are accounted for using the equity method. The consolidated interim financial statements include the Group's share of the income and expenses of the associates and joint ventures after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate or joint venture, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate or joint venture.

(e) Transactions eliminated on consolidation

Intra-group balances, transactions and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains and losses arising from transactions with associates, joint venture are eliminated against the investment to the extent of the Group's interest in the associate or joint venture.

(f) Business combination

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

2 Foreign currency

(a) Foreign currency transactions

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

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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 and its subsidiaries most frequently conduct transactions and has the largest outstanding balance of foreign currencies at the end of the annual accounting period.

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

(b) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to VND at exchange rates at the end of the annual accounting period. Income and expenses of foreign operations are translated to VND at average exchange rates of the year.

Foreign currency differences arising from the translation of foreign operations are recognised in the consolidated statement of financial position under the caption "Foreign exchange differences" in equity.

3 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 amount 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.

4 Investments

(a) Trading securities

Trading securities are those held by the Group for trading purpose, include those with maturity periods more than 12 months that are purchased for resale with the aim of making profits. Trading securities are initially recognised at cost which include purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at cost less allowance for diminution in value.

Trading securities shall be recorded when the Group acquires the ownership, in particular:

- + Listed securities are recognised at the time of matching (T+0).
- + Unlisted securities are recognised at the time the ownership is acquired as prescribed in the Vietnamese laws and regulations.

An allowance is made for diminution in value of trading securities if market price of the securities item falls below its carrying amount. The allowance is reversed if there is evidence that the market price subsequently increases after the allowance was recognised. An allowance is reversed only to the extent that the securities' carrying amount does not exceed the carrying amount that has been determined if no allowance had been recognised.

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(b) Held-to-maturity investments

Held-to-maturity investments are those that the Group's management has intention and ability to hold until maturity. Held-to-maturity investments include term deposits at bank. These investments are stated at costs less allowance for diminution in the value.

Held-to-maturity investments classified as monetary items denominated in foreign currencies are revaluated at actual exchange rate at the reporting date.

(c) Loans receivable

Loans receivable are loans granted under an agreement between parties but not being traded as securities in the market. Allowance for doubtful loans receivable is made for each of the doubtful debt based on overdue days in payment of principals according to initial debt commitment (exclusive of the debt rescheduling between contractors), or based on the estimated possible loss that may arise.

(d) Investment in equity instruments of other entities

Investment in equity instruments of other entities is initially recognised at cost which include purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, these investments are stated at cost less allowance for diminution in value. An allowance is made for diminution in investment value if the investee has suffered a loss which may cause the Group to lose their invested capital, unless there is evidence that the value of the investment has not been diminished. The allowance is reversed if the investee subsequently made a profit that offsets the previous loss for which the allowance had been made. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

5 Accounts receivable

Accounts receivable are monitored in detail of receivable terms, receivable parties, original currency and other factors depending on the Group's managerial requirements. Accounts receivable from customers include trade receivables arising from buying-selling transactions. Other receivables include non-trade receivables, not related to buying-selling transactions. Accounts receivable are classified as short-term and long-term in the consolidated statement of financial position based on the remaining period of these receivables at the reporting date.

Trade and other receivables are stated at cost less allowance for doubtful debts. Allowance for doubtful debts is made for each doubtful debt based on overdue days in payment of principals according to initial debt commitment (exclusive of the debts rescheduling between contracting parties), or based on expected loss that may arise.

Trade and other receivables classified as monetary items denominated in foreign currencies are revaluated at actual exchange rate at the reporting date.

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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 estimated costs to sell.

The Group applies the perpetual method of accounting for inventories.

7 Tangible fixed assets**(a) 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, and the costs of dismantling and removing the asset and restoring the site on which it is located. Expenditure incurred after tangible fixed assets have been put into operation, such as repair and maintenance and overhaul cost, is charged to the consolidated 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.

(b) 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	5 - 20 years
✦ Machinery and equipment	2 - 20 years
✦ Motor vehicles	4 - 10 years
✦ Office equipment	2 - 12 years
✦ Livestock	6 years
✦ Others	3 - 20 years

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

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8 Intangible fixed assets

(a) Land use rights

Definite life land use rights are stated at cost less accumulated amortisation. The initial cost of land use rights comprises its purchase price and any directly attributable costs incurred in conjunction with securing the land use rights. Amortisation is computed on a straight-line basis over the valid term of land use rights certificate.

Indefinite life land use rights are stated at cost and not amortised.

Land lease right acquired through business combination are initially recognised at fair value and amortised on a straight-line basis over the term of the lease.

(b) Trademark

Trademark acquired through business combinations are initially recognised at fair value and amortised on a straight-line basis over 20 years.

(c) Raw material area

Raw material area acquired through business combination are initially recognised at fair value and amortised on a straight-line basis over 18 years.

(d) Software

Cost of acquiring of new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Software is amortised on a straight-line basis over 2 – 8 years.

(e) Others

Other intangible assets are amortised on a straight-line basis over 4 – 10 years.

9 Investment property

(a) Cost

Investment property held to earn rental is stated at cost less accumulated depreciation. The initial cost of an investment property held to earn rental comprises its purchase price, cost of land use rights and any directly attributable expenditure of bringing the property to the condition necessary for it to be capable of operating in the manner intended by management. Expenditure incurred after the investment property held to earn rental has been put into operation, such as repair and maintenance, is charged to the consolidated statement of income in the year in which the expenditure is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in future economic benefits in excess of the originally assessed standard of performance of the existing investment property held to earn rental, the expenditure is capitalised as an additional cost of the investment property.

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES**Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)****Form B 09 - DN/HN***(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***(b) Depreciation**

Depreciation is computed on a straight-line basis over the estimated useful lives of investment property held to earn rental. The estimated useful lives are as follows:

✦	Definite life land use rights	13 - 50 years
✦	Infrastructure	8 - 10 years
✦	Buildings	6 - 50 years

Indefinite life land use rights are not amortised.

10 Construction in progress

Construction in progress represents the costs of tangible and intangible fixed assets which have not been fully completed or installed. No depreciation is provided for construction in progress during the period of construction and installation.

11 Prepaid expenses**(a) Prepaid land costs**

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

(b) Tools and instruments

Tools and instruments include assets held for use by the Group 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 over 1 - 5 years.

(c) Others

Others are recorded at cost and amortised on a straight-line basis over their economic useful lives of 1 - 3 years.

12 Goodwill

Goodwill arises on the acquisition of subsidiaries, associates and joint venture. Goodwill is measured at cost less accumulated amortisation. Cost of goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative (gain from bargain purchase), it is recognised immediately in the consolidated statement of income.

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Goodwill arising on acquisition of a subsidiary is amortised on a straight-line basis over 10 years. Carrying value of goodwill arising on acquisition of a subsidiary is written down to recoverable amount as management determines that it is not fully recoverable.

In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment and is not amortised.

13 Trade and other payables

Accounts payable are monitored in details by payable terms, payable parties, original currency and other factors depending on the Group's managerial requirements. Accounts payable to suppliers include trade payables arising from transaction of buying-selling transactions and payables for import through trustees (in import entrustment transactions). Other payables include non-trade payables, not related to buying-selling transactions. Accounts payable are classified as short-term and long-term in the consolidated statement of financial position based on the remaining period of these payables at the reporting date.

Trade and other payables are stated at their cost. Trade and other payables classified as monetary items denominated in foreign currencies are revaluated at actual exchange rate at the reporting date.

14 Accrued expenses

Accrued expenses include those made for goods, services received from suppliers in the annual accounting period but not yet paid due to the lack of receipts or supporting documents, are recognised in the reporting period based on the term stated in the respective contracts.

15 Provisions

A provision is recognised if, as a result of a past event, the Group 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.

Severance allowance

Under the Vietnamese Labour Code, when an employee who has worked for 12 months or more ("the eligible employees") voluntarily terminates his/her labour contract, the employer is required to pay the eligible employee severance allowance calculated based on years of service and employee's compensation at termination. Provision for severance allowance has been provided based on employees' years of service and their average salary for the six-month period prior to the end of the annual accounting period. For the purpose of determining the number of years of service by an employee, the period for which the employee participated in and contributed to unemployment insurance in accordance with prevailing laws and regulations and the period for which severance allowance has been paid by the Company are excluded

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16 Share capital

(a) Ordinary shares

Ordinary shares are stated at par value. Excess of cash received from share issues 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.

(b) Repurchase and reissue of ordinary shares (treasury shares)

Treasury shares are recognised only in respect of repurchased shares which are aggregated fractions of share arising when the company issues shares to pay dividends or issues shares from equity reserves in accordance with an approved issuance plan, or repurchased odd-lots of shares as requested by the shareholders. In all other cases, when shares recognised as equity are repurchased, their par value amount is recognised as a reduction to share capital. The difference between the par value and the amount of the consideration paid, which includes directly attributable costs, net of tax effects, is included in share premium.

17 Taxation

Income tax on the consolidated profit or loss for the year comprises current and deferred tax. Income tax is recognised in the consolidated 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.

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Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

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18 Revenue and other income

(a) Goods sold

Revenue from the sale of goods is recognised in the consolidated 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.

(b) Services rendered

Revenue from services rendered is recognised in the consolidated statement of income in proportion to the stage of completion of the transaction at the end of the annual accounting period. The stage of completion is assessed by reference to surveys of work performed. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

(c) Rental income

Rental income from leased property is recognised in the consolidated statement of income on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income.

(d) Interest income

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

(e) Dividend income

Dividend income is recognised when the right to receive dividend is established.

(f) Income from disposal of short-term and long-term financial investments

Income from disposal of short-term and long-term financial investments is recognised in the consolidated statement of income when significant risks and rewards of ownership have been transferred to the buyer. Significant risks and rewards of ownership have been transferred upon the completion of the trading transaction (for listed securities) or the completion of the agreement on transfer of assets (for non-listed securities).

19 Revenue deductions

Revenue deductions include sales discounts, sales allowances and sales returns.

In case goods were sold or services were provided during the reporting period but the related sales discounts, sales allowances or sales returns occur in the following period, revenue deductions are recognised in the reporting period only if such payments occur prior to the issuance of the consolidated financial statements.

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES**Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)****Form B 09 - DN/HN***(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***20 Cost of sales**

Cost of sales comprise the cost of products, goods and services provided during the year and is recognised corresponding to revenue. For cost of direct raw materials consumed which is over the normal level, labour cost and manufacturing overheads not allocated to finished goods are recorded directly into the cost of sales (after deducting compensations, if any) even if products and goods are not yet determined to be consumed.

21 Operating lease payments

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

22 Borrowing costs

Borrowing costs are recognised as an expense in the year in which they are incurred, except where 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.

23 Dividend distribution

The Group's net profit after tax is available for appropriation to shareholders as dividends after approval by shareholders at the Company's Annual General Meeting and after making appropriation to reserve funds in accordance with the Company's Charter.

Dividends are declared and paid based on the estimated earnings of the year. Final dividends are declared and paid in the following year from undistributed earnings based on the approval of shareholders at the Company's Annual General Meeting.

24 Funds

Appropriation to funds is made in accordance with the Company's Charter as follows:

✦ Bonus and welfare fund	10% of profit after tax
✦ Investment and development fund	10% of profit after tax

Utilisation of the above funds requires approval of the shareholders, the Board of Directors or the Chief Executive Officer, depending on the nature and magnitude of the transactions involved as stated in the Company's Charter.

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

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25 Earnings per share

The Group presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Company (after appropriation to bonus and welfare fund for the annual accounting period) by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares, which comprise convertible bonds and share options.

26 Segment reporting

A segment is a distinguishable component of the Group 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 Group's primary format for segment reporting is based on geographical segments..

27 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control or are controlled by, or under common control with, the Group, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the enterprises, key management personnel, including directors and officers of the Group and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

28 Comparative information

Comparative information in these consolidated financial statements is presented as corresponding figures. Under this method, comparative information for the prior year is included as an integral part of the current year consolidated 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 consolidated financial statements is not intended to present the Group's consolidated financial position, results of operation or cash flows for the prior year.

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

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	31/12/2022 VND	1/1/2022 VND
Cash on hand	1,715,151,072	1,485,618,484
Cash in bank	1,325,714,367,365	1,185,864,633,095
Cash equivalents	972,514,009,187	1,161,201,622,769
	2,299,943,527,624	2,348,551,874,348

2 Allowance for doubtful debts

Movements of allowance for doubtful debts during the year were as follows:

	2022 VND	2021 VND
Opening balance	(12,257,493,261)	(16,434,079,108)
Increase in allowance during the year	(1,656,841,857)	(466,127,562)
Allowance utilised during the year	527,606,281	3,060,361,538
Allowance written back during the year	42,363,959	1,572,227,183
Currency translation differences	(101,359,922)	10,124,688
Closing balance	(13,445,724,800)	(12,257,493,261)

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Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

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	31/12/2022 VND	1/1/2022 VND
Interest income and dividends	457,294,545,422	432,204,790,110
Receivables from employees	1,169,913,026	1,033,203,389
Advances to employees	44,429,612,864	41,579,487,025
Short-term deposits	3,835,986,414	108,968,676,520
Import tax refundable	2,555,575,760	4,664,338,506
Rebate income receivable from suppliers	214,341,684,142	128,258,346,989
Others	166,838,882,943	93,988,265,234
	890,466,200,571	810,697,107,773

(b) Other long-term receivables

	31/12/2022 VND	1/1/2022 VND
Collateral, deposits	35,422,722,715	12,442,333,595
Others	3,000,000,000	4,252,770,900
	38,422,722,715	16,695,104,495

4 Investments**(a) Trading securities**

	31/12/2022			1/1/2022		
	Carrying amount VND	Fair value VND	Allowance for diminution in value VND	Carrying amount VND	Fair value VND	Allowance for diminution in value VND
Short-term investments in shares	1,159,355,253	469,610,056	(689,745,197)	1,119,781,812	453,580,382	(666,201,430)

(b) Held-to-maturity investments

	31/12/2022 VND	1/1/2022 VND
Held-to-maturity investments - short-term		
- Term deposits	17,413,585,718,627	21,025,282,199,093

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	31/12/2022				1/1/2022			
	% of equity owned and voting rights	Equity accounted/ cost VND	Fair value VND	Allowance for diminution in value VND	% of equity owned and voting rights	Equity accounted/ cost VND	Fair value VND	Allowance for diminution in value VND
Investments in associates, joint venture								
Miraka Holdings Limited	16.96%	287,362,154,997	(*)	-	22.81%	325,236,308,653	(*)	-
APIS Corporation	20.00%	39,499,496,146	(*)	-	20.00%	32,456,749,642	(*)	-
Asia Coconut Processing Joint Stock Company	24.96%	150,355,490,875	(*)	-	24.96%	106,218,560,860	(*)	-
Del Monte – Vinamilk Dairy Inc., Philippines	50.00%	593,854,138	(*)	-	50.00%	4,285,501,160	(*)	-
Indirectly owned associates through Vietnam Livestock Corporation – Joint Stock Company		186,491,781,862	(*)	-		192,826,634,107	(*)	-
		664,302,778,018		-		661,023,754,422		-
Equity investments in other entities								
Asia Saigon Food Ingredients Joint Stock Company	14.71%	69,261,607,154	(*)	-	14.71%	69,261,607,154	(*)	-
An Khang Clinic – Pharmacy		300,000,000	(*)	-		300,000,000	(*)	-
Others		32,388,611,927	(*)	(23,582,690,668)		32,359,451,927	(*)	(19,082,789,672)
		101,950,219,081		(23,582,690,668)		101,921,059,081		(19,082,789,672)
		766,252,997,099		(23,582,690,668)		762,944,813,503		(19,082,789,672)

(*) At the reporting date, the Group has not determined fair values of these financial instruments for disclosure in the consolidated financial statements because information about their market prices is not available and there is currently no guidance on determination of fair value using valuation techniques under the Vietnamese Accounting Standards or the Vietnamese Accounting System for enterprises. The fair values of these financial instruments may differ from their

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Movements of equity investments in associates, joint venture during the year were as follows:

	2022 VND	2021 VND
Opening balance	661,023,754,422	686,485,729,063
Investments	43,175,000,000	23,227,732,575
Dividends received	(15,420,000,001)	(2,600,000,000)
Disposals	-	(1,045,277,327)
Share of loss in associates and joint venture	(24,475,976,403)	(45,044,429,889)
Closing balance	664,302,778,018	661,023,754,422

Movements in the allowance for diminution in the value of trading securities during the year were as follows:

	2022 VND	2021 VND
Opening balance	(666,201,430)	(936,520,806)
Allowance written back during the year	-	267,749,939
Currency translation differences	(23,543,767)	2,569,437
Closing balance	(689,745,197)	(666,201,430)

Movements in the allowance for diminution in the value of long-term financial investments during the year were as follows:

	2022 VND	2021 VND
Opening balance	(19,082,789,672)	(14,969,115,668)
Increase in allowance during the year	(4,499,900,996)	(6,325,491,549)
Allowance written back during the year	-	2,211,817,545
Closing balance	(23,582,690,668)	(19,082,789,672)

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	31/12/2022		1/1/2022	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Goods in transit	812,950,683,637	-	1,074,655,773,411	-
Raw materials	3,365,992,574,670	(20,772,142,150)	4,226,624,123,827	(16,060,209,799)
Tools and supplies	93,825,867,140	(374,613,608)	65,185,806,961	(548,075,465)
Work in progress	199,435,483,074	-	257,787,043,440	(29,811,948,260)
Finished goods	1,024,111,382,368	(1,459,301,629)	1,124,201,739,313	(994,524,129)
Merchandise inventories	37,037,692,091	-	65,918,346,190	-
Goods on consignment	26,815,770,524	-	6,113,558,528	-
	5,560,169,453,504	(22,606,057,387)	6,820,486,391,670	(47,414,757,653)

Movements in the allowance for inventories during the year were as follows:

	2022 VND	2021 VND
Opening balance	(47,414,757,653)	(47,780,074,395)
Increase in allowance during the year	(13,343,747,910)	(47,777,803,432)
Allowance written back during the year	35,616,693,471	22,197,765,545
Allowance utilised during the year	3,403,318,819	25,825,670,746
Currency translation differences	(867,564,114)	119,683,883
Closing balance	(22,606,057,387)	(47,414,757,653)

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	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Livestock VND	Others VND	Total VND
Cost							
Opening balance	5,798,921,373,703	18,523,813,151,891	1,287,446,830,696	695,422,998,913	1,332,765,153,288	6,973,557,065	27,645,343,065,556
Additions	69,460,350,225	244,560,219,566	73,283,959,166	25,697,946,425	24,169,683,324	3,450,344,269	440,622,502,975
Transfer from construction in progress	134,729,741,863	428,285,052,278	9,835,619,499	7,984,885,669	50,560,031,785	-	631,395,331,094
Transfer from inventories	-	-	-	-	480,417,563,007	-	480,417,563,007
Disposals/write off	(128,561,724,666)	(82,643,119,203)	(21,220,430,308)	(3,454,935,062)	(376,379,977,637)	(434,307,670)	(612,694,494,546)
Other (decreases)/increases	(861,329,206)	-	84,000,000	-	(127,646,265,081)	-	(128,423,594,287)
Currency translation differences	7,328,107,711	33,307,089,473	2,946,271,230	835,603,721	1,066,049,479	13,775,454	45,496,897,068
Closing balance	5,881,016,519,630	19,147,322,394,005	1,352,376,250,283	726,486,499,666	1,384,952,238,165	10,003,369,118	28,502,157,270,867
Accumulated depreciation							
Opening balance	2,454,289,028,622	11,723,803,078,841	854,667,448,628	534,597,616,580	451,333,596,700	6,557,706,666	16,025,248,476,037
Charge for the year	293,540,883,687	1,379,727,690,078	105,145,650,434	46,560,248,013	213,260,555,246	638,876,749	2,038,873,904,207
Disposals/write off	(103,782,029,640)	(73,605,429,807)	(21,298,478,682)	(3,422,435,057)	(184,553,817,255)	(434,307,669)	(387,096,498,110)
Other (decreases)/increases	(291,588,063)	714,520,991	94,348	-	(62,578,482,027)	-	(62,155,454,751)
Currency translation differences	3,125,200,889	20,639,819,335	2,072,163,397	735,377,698	342,215,037	5,559,706	26,920,336,062
Closing balance	2,646,881,495,495	13,051,279,679,438	940,586,878,125	578,470,807,234	417,804,067,701	6,767,835,452	17,641,790,763,445
Net book value							
Opening balance	3,344,632,345,081	6,800,010,073,050	432,779,382,068	160,825,382,333	881,431,556,588	415,850,399	11,620,094,589,519
Closing balance	3,234,135,024,135	6,096,042,714,567	411,789,372,158	148,015,692,432	967,148,170,464	3,235,533,666	10,860,366,507,422

Included in the cost of tangible fixed assets were assets costing VND6,688,784 million which were fully depreciated as at 31 December 2022 (1/1/2022: VND5,686,436 million), but which are still in active use.

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	Land use rights VND	Trademark VND	Raw material area VND	Software VND	Others VND	Total VND
Cost						
Opening balance	710,981,415,640	276,413,594,392	164,964,058,635	139,569,334,400	49,736,400,000	1,341,664,803,067
Additions	-	-	-	1,095,070,682	-	1,095,070,682
Transfer from construction in progress	-	-	-	1,209,641,917	-	1,209,641,917
Currency translation differences	7,463,917,554	-	-	232,482,397	1,757,699,288	9,454,099,239
Closing balance	718,445,333,194	276,413,594,392	164,964,058,635	142,106,529,396	51,494,099,288	1,353,423,614,905
Accumulated amortisation						
Opening balance	50,962,771,439	32,519,246,399	21,995,207,818	115,991,209,086	33,692,399,995	255,160,834,737
Charge for the year	16,564,385,127	16,259,623,199	10,997,603,909	10,298,256,342	-	54,119,868,577
Currency translation differences	-	-	-	111,076,079	1,190,699,994	1,301,776,073
Closing balance	67,527,156,566	48,778,869,598	32,992,811,727	126,400,541,507	34,883,099,989	310,582,479,387
Net book value						
Opening balance	660,018,644,201	243,894,347,993	142,968,850,817	23,578,125,314	16,044,000,005	1,086,503,968,330
Closing balance	650,918,176,628	227,634,724,794	131,971,246,908	15,705,987,889	16,610,999,299	1,042,841,135,518

Included in the cost of intangible fixed assets were assets costing VND93,914 million which were fully amortised as at 31 December 2022 (1/1/2022: VND91,560 million), but which are still in active use.

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	Land use rights VND	Infrastructure VND	Buildings VND	Total VND
Cost				
Opening balance and closing balance	39,821,793,375	982,364,064	58,018,521,446	98,822,678,885
Accumulated depreciation				
Opening balance	7,207,929,415	976,263,639	30,588,592,155	38,772,785,209
Charge for the year	865,672,684	6,100,425	1,584,312,784	2,456,085,893
Closing balance	8,073,602,099	982,364,064	32,172,904,939	41,228,871,102
Net book value				
Opening balance	32,613,863,960	6,100,425	27,429,929,291	60,049,893,676
Closing balance	31,748,191,276	-	25,845,616,507	57,593,807,783

The Group's investment property represented land use rights, buildings and infrastructure held for earning rental income.

At the reporting date, the Group has not determined fair values of investment property held to earn rental for disclosure in the consolidated financial statements because there is currently no guidance on determination of fair value using valuation techniques under the Vietnamese Accounting Standards or the Vietnamese Accounting System for enterprises. The fair values of investment property held to earn rental may differ from its carrying amounts.

Included in the cost of investment property held to earn rental was assets costing VND17,421 million which were fully depreciated as at 31 December 2022 (1/1/2022: VND4,433 million), but which are still in active use.

9 Long-term work in progress

Long-term work in progress represented cows under 16 months of age, which will be transferred to tangible fixed assets under livestock category at the end of the sixteen-month period, when the cows are ready for milk production.

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	2022 VND	2021 VND
Opening balance	834,818,937,515	793,821,481,341
Additions	1,306,831,083,954	699,233,714,086
Transfer to tangible fixed assets	(631,395,331,094)	(584,790,993,983)
Transfer to intangible fixed assets	(1,209,641,917)	(9,805,777,108)
Transfer to inventories	(36,472,947,276)	(4,145,910,049)
Transfer to short-term prepaid expenses	(3,782,041,938)	(2,394,716,320)
Transfer to long-term prepaid expenses	(9,167,551,229)	(9,352,479,360)
Disposals	-	(251,726,812)
Other decreases	(6,645,721,227)	(45,799,778,777)
Currency translation differences	17,605,766,249	(1,694,875,503)
Closing balance	1,470,582,553,037	834,818,937,515

Major constructions in progress by the entities within the Group were as follows:

	31/12/2022 VND	1/1/2022 VND
Vietnam Dairy Products Joint Stock Company	431,377,363,957	185,208,805,297
Vietnam Dairy Cow One-Member Company Limited	75,464,917,042	38,998,571,441
Lao-Jagro Development Xiengkhouang Co., Ltd.	723,078,016,500	385,541,144,205
Mocchau Dairy Cattle Breeding Joint Stock Company	95,736,189,738	102,119,517,256
Others	144,926,065,800	122,950,899,316
	1,470,582,553,037	834,818,937,515

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	31/12/2022 VND	1/1/2022 VND
Software deployment and networks maintenance	8,657,427,608	12,701,896,856
Advertising	173,480,476	1,884,131,751
Operating lease	3,473,362,556	2,935,474,635
Tools and supplies	12,657,028,624	12,276,634,485
Renovation and repair	1,997,822,909	1,209,272,308
Cows isolated for testing and bovine semen used for insemination	1,492,271,346	982,649,464
Other short-term prepaid expenses	69,119,299,524	25,282,613,602
	97,570,693,043	57,272,673,101

(b) Long-term prepaid expenses

	Prepaid land costs VND	Tools and instruments VND	Others VND	Total VND
Opening balance	348,481,131,658	329,285,505,251	47,341,464,466	725,108,101,375
Additions	69,866,828,856	148,877,721,210	59,758,329,415	278,502,879,481
Transfer from construction in progress	274,828,400	8,186,198,616	706,524,213	9,167,551,229
Amortisation for the year	(13,210,144,278)	(183,119,740,086)	(51,110,604,396)	(247,440,488,760)
Other increases	-	405,815,495	2,846,375,488	3,252,190,983
Currency translation differences	3,506,310,003	170,093,044	538,025,786	4,214,428,833
Closing balance	408,918,954,639	303,805,593,530	60,080,114,972	772,804,663,141

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	31/12/2022 VND	1/1/2022 VND
Deferred tax assets		
Foreign exchange differences	1,170,509,495	582,265,598
Accrued expenses and provisions and fixed assets	33,814,693,966	26,565,255,313
	34,985,203,461	27,147,520,911

(b) Deferred tax liabilities – net

	31/12/2022 VND	1/1/2022 VND
Deferred tax assets		
Tax losses carry forwards	48,654,734,310	45,661,384,440
Accrued expenses	7,671,837,810	8,428,646,640
Accounts receivable	839,069,070	1,733,600,040
Inventories	-	996,607,440
Others	3,596,732,370	3,063,120,480
Total deferred tax assets	60,762,373,560	59,883,359,040
Deferred tax liabilities		
Fixed assets	(293,266,548,176)	(340,194,799,510)
Others	(55,478,119,993)	(36,023,821,035)
Total deferred tax liabilities	(348,744,668,169)	(376,218,620,545)
Net deferred tax liabilities	(287,982,294,609)	(316,335,261,505)

Deferred tax assets have been recognised on taxable temporary differences and tax losses incurred at Driftwood Dairy Holding Corporation, a subsidiary incorporated and operating in the United States of America, using its effective tax rate.

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	2022 VND	2021 VND
Opening balance	1,813,007,890,387	2,058,548,005,612
Charge for the year	(245,540,115,225)	(245,540,115,225)
Closing balance	1,567,467,775,162	1,813,007,890,387

14 Accounts payable to suppliers**Accounts payable to related parties**

	31/12/2022 VND	1/1/2022 VND
Associates		
APIS Corporation	84,876,556,696	57,204,285,214
Asia Coconut Processing Joint Stock Company	2,503,728,482	2,577,889,096
Miraka Holdings Limited	133,471,803,087	-
Asia Sai Gon Food Ingredients Joint Stock Company	388,800,000	-

The trade related amounts due to the related parties were unsecured, interest free and payable within 60 days from invoice date.

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	1/1/2022 VND	Incurred VND	Paid VND	Currency translation differences VND	31/12/2022 VND
Short-term borrowings	9,361,726,118,118	9,568,813,054,585	(14,370,324,894,289)	288,050,210,689	4,848,264,489,103
Current portion of long-term borrowings	20,628,000,000	12,206,272,500	(14,682,907,500)	713,985,000	18,865,350,000
	9,382,354,118,118	9,581,019,327,085	(14,385,007,801,789)	288,764,195,689	4,867,129,839,103

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

Lenders	Note	Currency	31/12/2022 VND	1/1/2022 VND
Sumitomo Mitsui Banking Corporation, Ho Chi Minh City Branch	(i)	USD	1,150,000,000,000	2,991,350,000,000
DBS Bank, Singapore	(i)	VND	2,260,267,036,000	-
The Bank of Tokyo – Mitsubishi UFJ Ltd., Ho Chi Minh City Branch	(i)	USD	-	3,558,850,000,000
Mizuho Bank, Ltd., Ho Chi Minh City Branch	(i)	USD	1,137,500,000,000	1,150,500,000,000
DBS Bank, Singapore	(i)	USD	-	-
BNP Paribas, Ho Chi Minh City Branch	(i)	USD	-	1,138,000,000,000
HSBC Bank (Vietnam) Limited, Ho Chi Minh City Branch	(i)	VND	126,080,577,000	444,192,575,505
ANZ Bank Vientiane	(i)	USD	17,883,094,110	-
HSBC Bank USA	(ii)	USD	156,533,781,993	78,833,542,613
			4,848,264,489,103	9,361,726,118,118

(i) These borrowings were unsecured.

(ii) This borrowing was secured by assets with carrying amount of VND896,805 million as at 31 December 2022 (1/1/2022: VND801,145 million).

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	1/1/2022 VND	Addition VND	Reclassification VND	Paid VND	Other decrease VND	Currency translation differences VND	31/12/2022 VND
Long-term borrowings	96,264,000,000	-	(12,206,272,500)	-	(2,476,635,000)	3,312,982,500	84,894,075,000
Current portion of long-term borrowings	(20,628,000,000)	(12,206,272,500)	-	14,682,907,500	-	(713,985,000)	(18,865,350,000)
	75,636,000,000	(12,206,272,500)	(12,206,272,500)	14,682,907,500	(2,476,635,000)	2,598,997,500	66,028,725,000

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

Lenders	Note	Currency	Year of maturity	31/12/2022 VND	1/1/2022 VND
HSBC Bank USA	(i)	USD	2024	84,894,075,000	96,264,000,000

*(i) This borrowing was secured by assets with carrying amount of VND896,805 million as at 31 December 2022 (1/1/2022: VND801,145 million).***16 Taxes payable to State Treasury**

	1/1/2022 VND	Incurred VND	Paid VND	Currency translation differences VND	31/12/2022 VND
Value added tax	182,017,604,295	1,951,447,777,690	(1,968,125,136,011)	15,496,066	165,355,742,040
Corporate income tax	437,000,965,568	1,956,248,296,285	(1,975,289,763,439)	141,654,474	418,101,152,888
Personal income tax	19,108,677,853	234,531,900,895	(247,106,513,572)	17,812,205	6,551,877,381
Import tax	8,521,886,871	125,448,711,961	(126,501,952,504)	109,285,787	7,577,932,115
Other taxes	1,497,607,048	97,134,961,084	(98,076,967,321)	(7,176,940)	548,423,871
	648,146,741,635	4,364,811,647,915	(4,415,100,332,847)	277,071,592	598,135,128,295

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	31/12/2022 VND	1/1/2022 VND
Sale incentives, promotion	886,202,042,098	1,004,191,792,903
Advertising expenses	339,732,444,471	334,356,713,062
Transportation expenses	80,876,367,744	109,774,054,216
Expenses for outsourced employees	46,939,692,451	107,782,976,757
Interest expenses	57,977,342,676	33,242,334,779
Repair and maintenance expenses	15,984,085,729	31,916,483,333
Rental fees	18,623,204,640	41,097,998,583
Fuel expenses	7,712,203,638	9,356,705,167
Others	166,827,154,996	145,543,959,120
	1,620,874,538,443	1,817,263,017,920

18 Other payables

	31/12/2022 VND	1/1/2022 VND
Short-term deposits received	79,829,249,889	37,079,820,897
Insurance and trade union fees	3,656,536,904	7,455,897,780
Dividend payables	2,926,103,293,830	61,054,000
Mutual fund collected and managed on behalf of farmers	-	17,382,287,343
Others	49,664,289,613	74,338,939,449
	3,059,253,370,236	136,317,999,469
Of which		
Short-term	3,055,541,590,234	114,417,067,658
Long-term	3,711,780,002	21,900,931,811

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19	Provision	31/12/2022 VND	1/1/2022 VND
	Provision for severance allowance (*)	8,096,601,309	6,438,083,860
	Others	18,539,158,003	3,852,898,463
		26,635,759,312	10,290,982,323

(*) Movements of provision for severance allowance during the year as follows:

	2022 VND	2021 VND
Opening balance	6,438,083,860	4,769,394,680
Increase in provision during the year	11,600,758,238	5,223,050,845
Provision utilised during the year	(9,927,124,140)	(3,477,077,675)
Provision written back during the year	(15,116,649)	(77,283,990)
Closing balance	8,096,601,309	6,438,083,860

20 Bonus and welfare fund

This fund is established by appropriating amounts from retained profits as approved by shareholders at shareholders' meeting. This fund is used to pay bonus and welfare to the Company's and subsidiaries' employees in accordance with the Company's bonus and welfare policies.

Movements of bonus and welfare fund during the year were as follows:

	2022 VND	2021 VND
Opening balance	507,365,624,913	559,325,621,730
Appropriation (Note V.21)	948,573,877,583	1,116,210,797,835
Other increases	11,920,000	173,789,837
Utilisation	(1,053,787,780,031)	(1,168,344,584,489)
Closing balance	402,163,642,465	507,365,624,913

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

Form B 09 - DN/HN*(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***21 Changes in owners' equity**

	Share capital VND	Share premium VND	Other capital VND	Treasury shares VND	Foreign exchange differences VND	Investment and development fund VND	Retained profits VND	Non - controlling interest VND	Total VND
As at 1 January 2021	20,899,554,450,000	-	202,658,418,215	(11,644,956,120)	10,647,239,612	3,286,241,911,090	6,909,725,668,453	2,349,939,498,572	33,647,122,229,822
Shares issued by a subsidiary	-	-	-	-	-	-	(166,137,328,617)	205,337,998,617	39,200,670,000
Contributed capital to subsidiaries	-	-	-	-	-	-	-	218,540,000,000	218,540,000,000
Sales of treasury shares	-	34,110,709,700	-	11,644,956,120	-	-	-	14,364,328,733	60,119,994,553
Net profit for the year	-	-	-	-	-	-	10,532,477,099,899	100,058,872,579	10,632,535,972,478
Appropriation to equity funds	-	-	-	-	-	1,066,198,750,215	(1,066,198,750,215)	-	-
Appropriation to bonus and welfare fund (Note V.20)	-	-	-	-	-	-	(1,092,036,658,532)	(24,174,139,303)	(1,116,210,797,835)
Other increases/ (decreases)	-	-	-	-	-	673,755	(9,149,613)	8,317,135	(158,723)
Dividends (Note V.23)	-	-	-	-	-	-	(7,523,560,503,000)	-	(7,523,560,503,000)
Dividends of a subsidiary to non-controlling interest	-	-	-	-	-	-	-	(97,239,487,900)	(97,239,487,900)
Currency translation differences	-	-	-	-	(10,393,670,011)	-	-	-	(10,393,670,011)
As at 1 January 2022	20,899,554,450,000	34,110,709,700	202,658,418,215	-	253,569,601	4,352,441,335,060	7,594,260,378,375	2,766,835,388,433	35,850,114,249,384

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

Form B 09 - DN/HN*(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

	Share capital VND	Share premium VND	Other capital VND	Treasury shares VND	Foreign exchange differences VND	Investment and development fund VND	Retained profits VND	Non - controlling interest VND	Total VND
As at 1 January 2022	20,899,554,450,000	34,110,709,700	202,658,418,215	-	253,569,601	4,352,441,335,060	7,594,260,378,375	2,766,835,388,433	35,850,114,249,384
Capital contribution to a subsidiary	-	-	-	-	-	-	-	338,100,000,000	338,100,000,000
Net profit for the period	-	-	-	-	-	-	8,516,023,694,342	61,551,625,366	8,577,575,319,708
Appropriation to equity funds	-	-	-	-	-	914,320,249,913	(914,320,249,913)	-	-
Appropriation to bonus and welfare fund (Note V.20)	-	-	-	-	-	-	(924,627,242,747)	(23,946,634,836)	(948,573,877,583)
Merger of two subsidiaries	-	-	-	-	-	-	54,397,598,859	(54,397,555,359)	43,500
Dividends (Note V.23)	-	-	-	-	-	-	(10,972,266,086,250)	-	(10,972,266,086,250)
Dividends of a subsidiary to non-controlling interest	-	-	-	-	-	-	-	(120,675,772,300)	(120,675,772,300)
Currency translation differences	-	-	-	-	92,244,478,626	-	-	-	92,244,478,626
As at 31 December 2022	20,899,554,450,000	34,110,709,700	202,658,418,215	-	92,498,048,227	5,266,761,584,973	3,353,468,092,666	2,967,467,051,304	32,816,518,355,085

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

Form B 09 - DN/HN

*(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***22 Share capital**

The Company's authorised and issued share capital are:

	31/12/2022 Number of shares	and 1/1/2022 VND
Authorised share capital	2,089,955,445	20,899,554,450,000
Issued shares		
Ordinary shares	2,089,955,445	20,899,554,450,000
Shares currently in circulation		
Ordinary shares	2,089,955,445	20,899,554,450,000

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. In respect of shares bought back by the Company, all rights are suspended until those shares are reissued.

Details of share capital:

	31/12/2022 VND	and 1/1/2022 %
The State Capital Investment Corporation	7,524,766,020,000	36.00%
Other shareholders' capital	13,374,788,430,000	64.00%
	20,899,554,450,000	100.00%

23 Dividends

On 1 December 2021, 24 June 2022 and 1 December 2022, the Board of Directors of the Company resolved to distribute dividends in relation to 2021 and 2022 profits, in total amounting to VND10,972,266 million (VND1,400 per share for the second advance distribution for the fiscal year 2021, and VND2,450 per share for the remaining distribution for the fiscal year 2021 and for the first advance distribution for the fiscal year 2022 and VND1,400 per share for the second advance distribution for the fiscal year 2022, respectively). For the year ended 31 December 2021: dividend distributions were VND7,523,561 million (VND2,100 per share for the remaining distribution for the fiscal year 2020 and VND1,500 per share for the first advance distribution for the fiscal year 2021 respectively).

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

Form B 09 - DN/HN

(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)**24 Off balance sheet items****(a) Leases**

The future minimum lease payments under non-cancellable operating leases were:

	31/12/2022 VND	1/1/2022 VND
Within one year	70,716,169,179	33,407,705,100
Within two to five years	219,329,158,109	97,744,848,655
More than five years	788,339,947,001	529,551,568,253
	1,078,385,274,289	660,704,122,008

(b) Foreign currencies

	31/12/2022		1/1/2022	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	1,949,585	45,639,789,532	22,377,924	506,636,207,058
EUR	33,756	829,950,721	4,871	123,691,735
		46,469,740,253		506,759,898,793

(c) Capital commitments

At the reporting date, the Group had following outstanding capital commitments approved but not provided for in the balance sheet:

	31/12/2022 VND	1/1/2022 VND
Approved and contracted	2,542,718,016,426	1,533,701,726,846

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

Form B 09 - DN/HN

(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)**VI SUPPLEMENTARY INFORMATION TO ITEMS DISCLOSED IN THE CONSOLIDATED STATEMENT OF INCOME****1 Revenue from sales of goods and provision of services**

Total revenue represented the gross value of goods sold and services rendered exclusive of value added tax.

Net revenue comprised:

	2022 VND	2021 VND
Total revenue		
- Sales of finished goods	56,583,366,266,697	57,932,322,582,280
- Sales of merchandise goods	3,218,309,235,889	2,855,102,775,305
- Services rendered	39,602,107,343	39,701,901,834
- Rental income from investment property	7,706,976,033	4,956,165,148
- Others	225,745,637,337	179,990,723,197
	60,074,730,223,299	61,012,074,147,764
Less revenue deductions		
- Sale discounts	68,389,179,115	57,048,684,900
- Sales allowances	-	493,094,566
- Sale returns	50,093,846,766	35,367,522,152
	118,483,025,881	92,909,301,618
Net revenue	59,956,247,197,418	60,919,164,846,146

In which revenue from sales to related parties were as follows:

	2022 VND	2021 VND
Associates and joint venture		
Del Monte - Vinamilk Dairy Inc., Philippines	74,571,387,027	-
APIS Corporation	567,188,980	-
Asia Coconut Processing Joint Stock Company	-	210,648,156

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES**Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)****Form B 09 - DN/HN***(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***2 Cost of sales**

	2022 VND	2021 VND
Total cost of sales		
- Finished goods sold	32,305,714,096,438	30,848,721,191,467
- Merchandise goods sold	3,061,626,272,799	2,737,726,621,353
- Cost of promotional goods	581,247,707,149	893,257,186,779
- Operating costs of investment property	1,643,358,171	1,643,358,165
- Services rendered	1,033,584,784	5,720,963,973
- Allowance for inventories	(22,272,945,561)	25,580,037,887
- Other cost of sales	130,023,616,931	128,213,994,215
	36,059,015,690,711	34,640,863,353,839

3 Financial income

	2022 VND	2021 VND
Interest income from deposits	1,198,974,626,506	1,103,472,820,884
Foreign exchange gains	117,613,345,537	53,270,754,380
Dividend income	11,715,092,058	7,930,883
Gain on disposal of financial investment	-	291,222,673
Others	51,601,343,639	57,641,090,574
	1,379,904,407,740	1,214,683,819,394

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES**Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)****Form B 09 - DN/HN***(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***4 Financial expenses**

	2022 VND	2021 VND
Interest expense on borrowings	166,039,091,744	88,799,090,663
Interest expense on deposits received	841,917,041	220,680,833
Foreign exchange losses	279,985,584,683	35,671,801,202
Allowance for diminution in value of financial investments	4,499,900,996	3,845,924,065
Payment discounts for customers	17,601,776,691	18,967,274,701
Others	148,568,911,840	54,833,460,768
	617,537,182,995	202,338,232,232

5 Selling expenses

	2022 VND	2021 VND
Promotion, product display expenses, support and commission expenses for distributors	8,717,780,486,455	9,229,057,850,953
Advertising and market research expenses	1,197,802,874,822	1,233,350,351,965
Staff costs	742,460,039,515	660,223,065,419
Transportation expenses	883,656,485,446	876,997,613,963
Outside service expenses	679,562,325,002	669,312,658,542
Tools and supplies expenses	132,514,400,886	124,038,885,042
Materials expenses	83,709,353,015	61,298,483,171
Depreciation expenses	52,720,135,277	53,003,930,795
Warranty expenses	58,006,146,453	43,387,562,554
	12,548,212,246,871	12,950,670,402,404

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES**Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)****Form B 09 - DN/HN***(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***6 General and administration expenses**

	2022 VND	2021 VND
Staff costs	556,391,771,664	573,819,360,808
Outside service expenses	348,107,136,538	347,777,620,697
Depreciation expenses	83,005,211,618	91,338,899,765
Per-diem allowances	41,199,620,502	26,902,387,638
Materials expenses	54,565,711,147	45,127,448,787
Transportation expenses	46,648,088,480	45,605,841,439
Loading expenses	18,149,433,658	24,713,287,238
Office supplies	22,520,219,758	24,456,574,998
Taxes, fees and duties	62,163,438,673	42,639,484,562
Bank charges	11,980,489,731	10,410,130,912
Allowance for doubtful debts and provision for severance allowance	13,200,119,487	4,039,667,234
Goodwill amortisation	245,540,115,225	245,540,115,225
Others	92,374,324,597	84,941,607,682
	1,595,845,681,078	1,567,312,426,985

7 Other income

	2022 VND	2021 VND
Rebate income from suppliers	117,059,705,435	180,625,374,966
Proceeds from disposals of fixed assets and construction in progress	137,273,416,582	133,916,631,891
Income from waiver of borrowing due to government grants	-	70,747,452,470
Compensations received from other parties	10,250,458,524	8,827,111,365
Others	24,438,218,586	28,706,621,598
	289,021,799,127	422,823,192,290

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

Form B 09 - DN/HN

(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)**8 Other expenses**

	2022 VND	2021 VND
Net book value of fixed assets and construction in progress disposed/written off	225,597,996,436	207,497,318,225
Others	58,953,953,046	20,710,207,337
	284,551,949,482	228,207,525,562

9 Production and business costs by element

	2022 VND	2021 VND
Raw material costs included in production costs	28,254,043,965,342	26,791,762,196,999
Labour costs and staff costs	2,584,010,369,890	2,610,866,195,351
Depreciation and amortisation	2,081,613,738,006	2,114,227,260,665
Outside services	3,250,849,396,879	3,328,399,860,750
Other expenses	11,442,139,103,204	12,238,525,067,822

10 Income tax**(a) Recognised in the consolidated statement of income**

	2022 VND	2021 VND
Current tax expense	1,956,248,296,285	2,320,981,674,175
<i>In which: current tax expense relating to taxable income of prior years</i>	17,586,208,221	65,592,640,708
Deferred tax benefit		
Origination and reversal of temporary differences	(38,288,939,248)	(31,282,159,734)
Income tax expense	1,917,959,357,037	2,289,699,514,441

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

Form B 09 - DN/HN

(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)**(b) Reconciliation of effective tax rate**

	2022 VND	2021 VND
Accounting profit before tax	10,495,534,676,745	12,922,235,486,919
Tax at the Company's tax rate	2,099,106,935,349	2,584,447,097,384
Tax rate differential applied to Company's subsidiaries, branches and factories	(97,579,560,790)	(79,696,711,272)
Tax exempt income	(2,343,018,412)	(1,586,177)
Non-deductible expenses	10,833,816,918	10,776,368,530
Tax incentives	(181,818,411,414)	(290,245,639,640)
Changes in deferred tax assets not recognised	72,173,387,165	(1,172,655,092)
Current tax expense relating to taxable income of prior years	17,586,208,221	65,592,640,708
Income tax expense	1,917,959,357,037	2,289,699,514,441

(c) Applicable tax rates

The companies in the Group are required to pay income tax at rates ranging from 10% to 21%, depending on principal activities of their factories and branches, on taxable profits. The Company and its subsidiaries incurred the income tax charges.

11 Basic earnings per share

The calculation of earnings per share for the year ended 31 December 2022 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 outstanding, calculated as follows:

(a) Net profit attributable to ordinary shareholders

	2022 VND	2021 VND
Net profit for the year – attributable to ordinary shareholders before appropriation to bonus and welfare fund	8,516,023,694,342	10,532,477,099,899
Appropriation to bonus and welfare fund – attributable to ordinary shareholders	(924,627,242,747)	(1,092,036,658,532)
Net profit for the year attributable to ordinary shareholders after appropriation to bonus and welfare fund	7,591,396,451,595	9,440,440,441,367

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

Form B 09 - DN/HN

(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)**(b) Weighted average number of ordinary shares**

	2022 Number of shares	2021 Number of shares
Issued ordinary shares at the beginning of the year	2,089,955,445	2,089,645,346
Effect of treasury shares sold during the year	-	285,461
Weighted average number of ordinary shares	2,089,955,445	2,089,930,807

As at 31 December 2022, the Group did not have potentially dilutive ordinary shares.

VII OTHER INFORMATION**1 Significant transactions with related parties**

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

Related party	Relationship	Nature of transaction	2022 VND	2021 VND
Miraka Holdings Limited	Associate	Purchases of goods	231,425,301,017	155,017,742,176
		Sales of goods	103,180,923	-
APIS Corporation	Associate	Purchases of goods and services	471,997,298,179	233,374,210,894
		Dividends received	-	2.600.000.000
Asia Coconut Processing Joint Stock Company	Associate	Purchases of goods	37,370,417,796	22,901,079,806
		Purchase of shares	30,900,000,000	-
		Dividends received	12,360,000,000	-
Del Monte – Vinamilk Dairy Inc., Philippines	Joint venture	Capital contribution	12,275,000,000	22,810,312,500
		Sales of goods	46,356,662,890	-
		Sales of services	2,197,314,167	-
The State Capital Investment Corporation	Shareholder	Dividends	2,897,034,917,700	2,708,915,767,200

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

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(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)**Key management personnel compensation**

	2022 VND Million	2021 VND Million
Board of Directors members		
Total fees		
Mr. Nguyen Hanh Phuc – Chairman	1,720	-
Mdm. Le Thi Bang Tam – Chairwoman	1,837	3,646
Mdm. Mai Kieu Lien – Member (i)	2,067	2,118
Mr. Lee Meng Tat – Member	2,398	2,458
Ms. Dang Thi Thu Ha – Member	2,398	2,495
Mr. Le Thanh Liem – Member (ii)	931	1,064
Mr. Michael Chye Hin Fah – Member	2,646	2,712
Mr. Do Le Hung – Member	2,398	2,458
Mr. Alain Xavier Cany – Member	2,646	2,675
Ms. Tieu Yen Trinh – Member	1,734	920
Mr. Hoang Ngoc Thach – Member	2,411	1,280

(i) Board of Directors member cum Chief Executive Officer

(ii) Board of Directors member cum Executive Director – Finance.

	2022 VND Million	2021 VND Million
Chief Executive Officer		
<i>Average salary per month</i>		
Mdm. Mai Kieu Lien	366	366
Other key management personnel		
<i>Average salary per month per person</i>		
Executive Directors	167	218

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

Form B 09 - DN/HN*(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***2 Segment information**

Segment information is presented in respect of the Group's primary segment, which is the geographical segment.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise assets and liabilities, financial income and expenses, selling expenses, general and administration expenses, other gains or losses, and corporate income tax.

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers, which is located in Vietnam ("Domestic") or countries other than Vietnam ("Overseas"). Segment assets and capital expenditure are not presented since most of assets and production facilities are in Vietnam.

	Domestic (Customers located in Vietnam)		Overseas (Customers located in countries other than Vietnam)		Total	
	2022 VND	2021 VND	2022 VND	2021 VND	2022 VND	2021 VND
Net revenue	50,704,403,447,753	51,202,029,350,725	9,251,843,749,665	9,717,135,495,421	59,956,247,197,418	60,919,164,846,146
Cost of sales	(30,148,858,565,457)	(29,154,535,362,690)	(5,910,157,125,254)	(5,486,327,991,149)	(36,059,015,690,711)	(34,640,863,353,839)
Segment gross profit	20,555,544,882,296	22,047,493,988,035	3,341,686,624,411	4,230,807,504,272	23,897,231,506,707	26,278,301,492,307

Prepared by

28 February 2023

Approved by


Le Thanh LiemExecutive Director - Finance
cum Chief Accountant**Mai Kieu Lien**

Chief Executive Officer

CONSOLIDATED FINANCIAL STATEMENTS**CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022****PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)****VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022**

	31/12/2022 VND million	31/12/2021 VND million
Current assets	31,513,455	36,072,451
Cash and cash equivalents	2,299,944	2,348,552
Other investments	17,414,056	21,025,736
Trade and other receivables	6,308,820	5,962,551
Inventories	5,490,635	6,735,612
Non-current assets	18,139,373	18,164,572
Trade and other receivables	471,288	390,442
Right of use assets	767,593	758,853
Other investments	78,368	82,838
Property, plant and equipment	11,582,466	11,784,683
Biological assets	1,348,784	1,214,416
Intangible assets	3,135,987	3,187,114
Investment property	57,594	60,050
Investment in equity accounted investees	664,303	661,024
Deferred tax assets	32,990	25,152
TOTAL ASSETS	49,652,828	54,237,023

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022 (CONTINUED)

	31/12/2022 VND million	31/12/2021 VND million
LIABILITIES AND EQUITY		
LIABILITIES	16,262,813	18,064,937
Current liabilities	15,301,684	17,063,335
Borrowings	4,867,130	9,382,354
Trade and other payables	9,674,710	6,966,798
Income tax payable	418,101	437,001
Other taxes payable	180,034	211,146
Advances from customers	161,709	66,036
Non-current liabilities	961,129	1,001,602
Borrowings	66,029	75,636
Trade and other payables	3,712	21,901
Lease liabilities	460,632	430,262
Severance allowance obligations	142,774	157,468
Deferred tax liabilities	287,982	316,335
EQUITY	33,390,015	36,172,086
Equity attributable to equity holders of the Company	30,364,533	33,361,179
Share capital	20,899,554	20,899,554
Share premium	34,111	34,111
Other capital	202,658	202,658
Fair value reserve	(14,817)	(10,293)
Translation reserve	92,526	258
Other reserve	5,266,762	4,352,442
Retained earnings	3,883,739	7,882,449
Non-controlling interest	3,025,482	2,810,907
TOTAL LIABILITIES AND EQUITY	49,652,828	54,237,023

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 VND million	2021 VND million
I. Profit or loss		
Revenue	51,455,897	51,834,145
Cost of sales	(37,518,671)	(36,058,863)
Gross profit	13,937,226	15,775,282
Other income	151,747	288,907
Selling expenses	(3,500,662)	(3,336,811)
General and administration expenses	(1,377,806)	(1,605,084)
Other losses – net	(405,340)	(73,555)
Results from operating activities	8,805,165	11,048,739
Finance income	1,210,690	1,103,481
Finance cost	(188,394)	(109,118)
Net finance income	1,022,296	994,363
Share of loss of equity accounted investees	(24,476)	(45,044)
Profit before tax	9,802,985	11,998,058
Income tax	(1,917,959)	(2,289,700)
Net profit	7,885,026	9,708,358

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

	2022 VND million	2021 VND million
II. Other comprehensive income		
Items that will not be reclassified to profit or loss		
Equity investments at FVOCI – net change in fair value	(4,524)	(3,843)
Items that are or may be reclassified subsequently to profit or loss		
Foreign operations – foreign currency translation differences	92,268	(10,396)
Total comprehensive income	7,972,770	9,694,119
Net profit attributable to:		
Equity holders of the Company	7,833,478	9,639,671
Non-controlling interest	51,548	68,687
Net profit	7,885,026	9,708,358
Total comprehensive income attributable to:		
Equity holders of the Company	7,921,222	9,625,432
Non-controlling interest	51,548	68,687
Total comprehensive income	7,972,770	9,694,119
Earnings per share		
Basic earnings per share (in VND)	3,749	4,612
Basic earnings per share from continuing operations (in VND)	3,749	4,612

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 VND million	2021 VND million
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	9,802,985	11,998,058
Adjustments for		
Depreciation and amortisation	2,123,253	2,148,844
Exchange losses/(profits) arising from revaluation of monetary items denominated in foreign currencies	3,222	(1,658)
Losses on disposals of property, plant and equipment and biological assets	88,472	73,844
Interest expense	166,881	89,020
Dividends, interest income and other investment activities	(1,210,690)	(1,106,042)
Share of loss of equity accounted investees Income from waiver of borrowing	24,476	45,044
Impacts of shares issued under Employees Stock	-	(70,747)
Option Plan ("ESOP")	-	39,746
Operating profit before changes in working capital	10,998,599	13,216,109
Change in receivables	(371,808)	(476,868)
Change in inventories	1,291,932	(1,860,439)
Change in payables and other liabilities	(947,738)	1,438,403
	10,970,985	12,317,205
Interest paid	(141,304)	(98,561)
Income tax paid	(1,975,290)	(2,356,598)
Net cash generated from operating activities	8,854,391	9,862,046

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

(CONTINUED)

	2022 VND million	2021 VND million
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment, intangible assets and biological assets	(1,456,914)	(1,936,256)
Collections on disposals of property, plant and equipment and biological assets	137,126	133,905
Receipts from collecting loans	-	150
Payments for investments in other entities	(43,175)	(23,227)
Collections from investments in other entities	-	1,337
Payments for term deposits - net	-	(3,514,466)
Collections from term deposits - net	3,634,715	-
Receipts of interest and dividends	1,201,020	1,000,079
Net cash used in investing activities	3,472,772	(4,338,478)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from sales of treasury shares	-	60,120
Proceeds from additional shares issued by a subsidiary to non-controlling interest	-	39,201
Proceeds from capital contributed by non-controlling interest	338,100	218,540
Proceeds from borrowings	6,257,530	9,596,960
Payments to settle loan principals	(10,789,020)	(7,551,460)
Payments of lease liabilities	(27,116)	(24,843)
Payments of dividends	(8,046,225)	(7,523,561)
Payments of dividends of subsidiaries to non-controlling interest	(120,675)	(97,198)
Net cash used in financing activities	(12,387,406)	(5,282,241)
Net cash flows during the year	(60,243)	241,327
Cash and cash equivalents at the beginning of the year	2,348,552	2,111,243
Effect of exchange rate fluctuations on cash and cash equivalents	(1,729)	(2,270)
Currency translation differences	13,364	(1,748)
Cash and cash equivalents at the end of the year	2,299,944	2,348,552

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