

CARE TO CHANGE



2023 HIGHLIGHTS

47

Years of partnership and service
to Vietnamese consumers



Total consolidated revenue

VND

60,479
billion

VND

+404
billion
Year-on-Year

Consolidated profit before tax

VND

10,968
billion

VND **+472** billion
Year-on-Year

Contribution to the state budget

VND

3,820
billion

4 million
Online orders



USD 3 billion⁽¹⁾
Vinamilk brand value
⁽¹⁾According to Brand Finance

USD +200 million
Year-on-Year

60

Cumulative
export markets



**REVEAL THE NEW
BRAND IDENTITY**

25 HA

Area of mangrove forest
that Vinamilk has fenced off
for regeneration



02



Vinamilk's factories and farms are
recognized as Carbon Neutral according
to PAS 2060:2014 standard

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Mr. Nguyen Hanh Phuc

CHAIRMAN'S MESSAGE

VINAMILK'S BRAND VALUE CLIMBED TO USD 3 BILLION, UP FROM USD 2.8 BILLION THE PREVIOUS YEAR, CEMENTING OUR SPOT AS THE NO. 1 FOOD BRAND IN VIETNAM AND THE 6TH LARGEST DAIRY BRAND IN THE WORLD.

Dear Valued Shareholders,

Vinamilk proudly hit its 47th year of development with the remarkable success. Reflecting on last year's performance, it is noteworthy that Vinamilk was able to maintain steady dividend payments and reasonable allocation of resources for sustainability commitments. Vinamilk's brand value also climbed to USD 3 billion, up from USD 2.8 billion the previous year, cementing our spot as the No. 1 food brand in Vietnam and the 6th largest dairy brand in the world. These achievements are testament to Vinamilk's relentless efforts and commitment to offering the best values to shareholders and customers, fostering mutual growth with partners, and safeguarding the planet.

CARE TO CHANGE

In 2023, Vinamilk took a significant step forward by undergoing a bold rebranding initiative. This strategic move underscores the company's commitment to nurturing a culture of creativity and courage by way of challenging the status quo in response to the ever-evolving needs of consumers. To sustain the leading position in such a volatile market,

the Company's transformation goes beyond superficial changes. It encompasses fundamental restructuring through a series of strategic digital transformation projects currently being implemented across all operational aspects. By leveraging cutting-edge technologies, Vinamilk aims to gain deeper customer insights, boost supply chain optimization, sharpen competitive edges, and streamline operational costs.

COMMITMENT TO SUSTAINABILITY

Pioneering the sustainability journey for years, Vinamilk marked another significant milestone in 2023 with the launch of the action program "Pathways to Dairy Net Zero 2050", coupled with a roadmap detailing 4 key pillars: Sustainable Agriculture, Green Production, Eco-friendly Logistics, and Sustainable Consumption. In addition, Vinamilk is the first dairy company in Vietnam to have a factory and farm-certified carbon neutrality according to the PAS 2060:2014 standard. This is thanks to the dual efforts in mitigating emissions in production and farming as well as maintaining green tree funds to absorb greenhouse gases over the

years. Eventually, these achievements also serve as the first important building blocks in the pursuit of carbon neutrality by 2050.

DIVIDEND STABILITY

Vinamilk takes pride in maintaining its dividend payout policy with the significantly high ratios for shareholders. In 2023, the Company declared 3 interim dividends with a total value of VND 2,900 per share. At the 2024 Annual General Meeting of Shareholders, the Board of Directors is expected to propose a final dividend so that the total dividend for the full year is not lower than that of 2022. If approved, the dividend payout ratio to consolidated net profit after-tax attributed to the shareholders will likely continue to be over 90%, significantly higher than the minimum committed ratio of 50%.

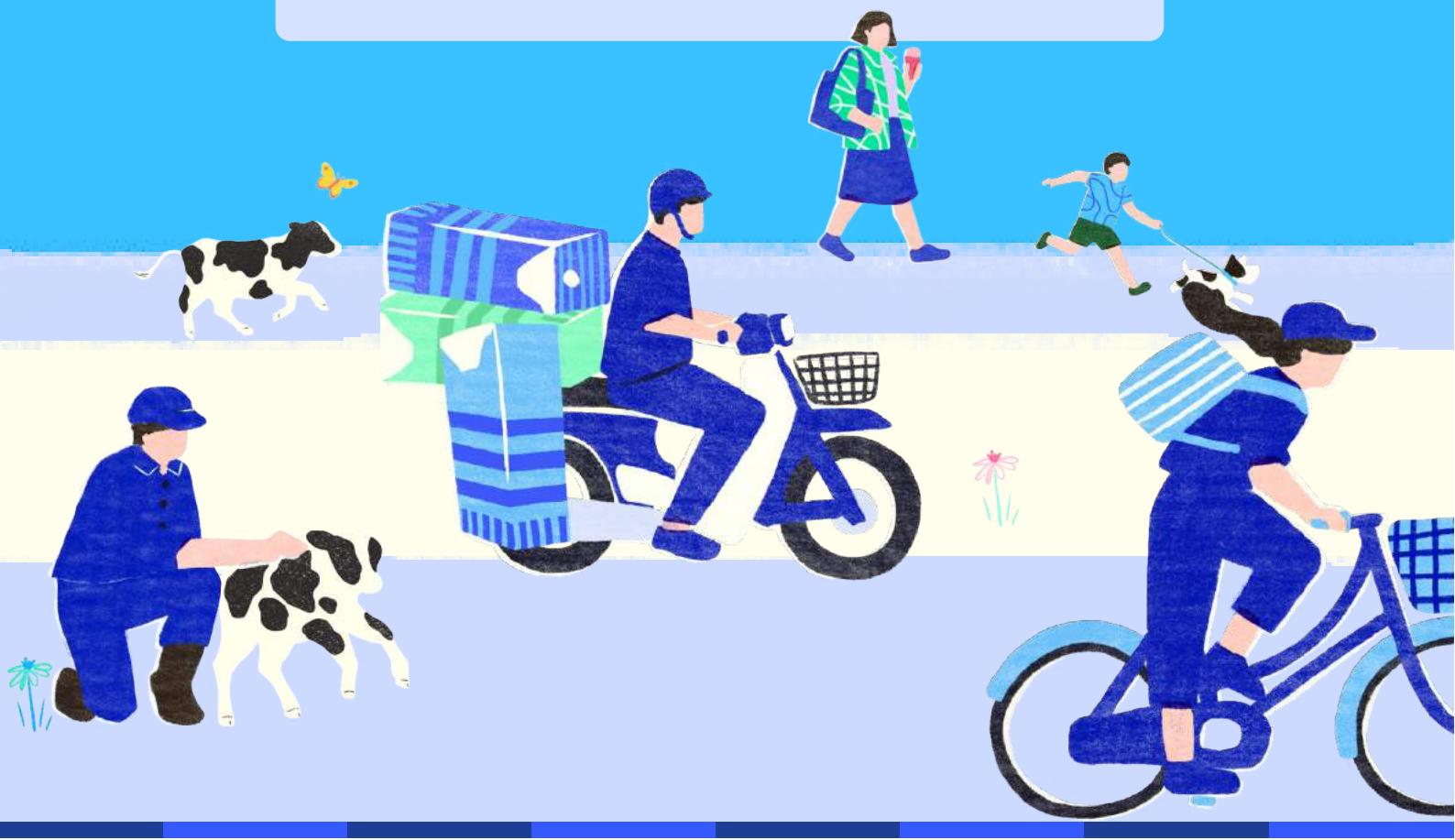
⁽¹⁾ Brand Finance

FUTURE PROSPECTS

Entering 2024, the halfway point of the AGM Resolution for the term 2022-2026 with the 50th anniversary on the horizon, we are bubbling with optimism and confidence in the future success, backed by the resilience and adaptability shown in the face of last year's adversity. In particular, we are committed to leveraging the competitive edge to uphold our promises of sustainable development, innovation, and value enhancement for stakeholders through well-aligned investments in people, technology, and infrastructure.

On behalf of the Board of Directors, I would like to express my sincere gratitude to the Board of Management, the employees, customers, partners, shareholders, and other stakeholders for your close cooperation in the past year. Your trust and support are essential for Vinamilk to lead the transformation and lay a solid foundation for a new growth cycle.

We are excited about the journey ahead and look forward to continuing to partner with you on this journey.





Ms. Mai Kieu Lien

CEO'S MESSAGE

ENDED UP 2023, VINAMILK RECORDED A TOTAL CONSOLIDATED REVENUE OF VND 60,479 BILLION, A YOY INCREASE BY VND 404 BILLION, COMPLETING 95% OF ANNUAL PLAN. THE CONSOLIDATED NET PROFIT REACHED VND 9,019 BILLION, UP BY VND 472 BILLION YOY, SURPASSING THE TARGET BY 5%, THANKS TO EFFECTIVE MANAGEMENT OF PRODUCTION AND OPERATIONAL COSTS.

Dear Valued Shareholders,

Vinamilk's business performance in 2023 reflected contrasting colors. In particular, the consumption of fast-moving consumer goods saw a significant decline due to domestic and international macroeconomic challenges, slipping into negative growth in the second half of the year. On the other hand, the recovery of the global supply chain following the pandemic benefited us in controlling production costs effectively. Given such complexity, Vinamilk and our people has displayed immense resilience, leveraging all available resources and competitive strengths to strive for optimal execution of the business plan.

BUSINESS RESULTS IN 2023

Ended up 2023, Vinamilk recorded a total consolidated revenue of VND 60,479 billion, a YoY increase by VND 404 billion, completing 95% of annual plan. The consolidated net profit reached VND 9,019 billion, up by VND 472 billion YoY, surpassing the target by 5%, thanks to effective management of production and operational costs.

Domestic business



Amid the gloomy days of the Vietnamese dairy industry, the domestic business posted a consolidated net revenue and gross profit of VND 50,617 billion and VND 20,894 billion. The latter witnessed an increase of 1.6%. This was attributed to positive results in condensed milk, yogurt, and milk powder products.

A defining moment in 2023 was the launch of a new brand identity in July, which embodies Vinamilk's "be determined, be bold, and be authentic" spirit, while resonating with the youthful energy and aspirations of the Vietnamese consumers. This was followed by the introduction of new packaging for the liquid milk category in August. Simultaneously, large-scale marketing campaigns were rolled out to enhance brand recognition among consumers.

The multisensory exhibition "Chu Du Miền Vị Giác (A Trip to Flavour Land)" for the flagship Green Farm fresh milk brand attracted

NEARLY

7,000

visitors

Product showcases at GEN-fest Music Festival 2023 and Nguyen Hue walking street during the 2024 Tet holiday welcomed

TENS OF THOUSANDS
of attendees

Vinamilk stores were another bright spot for growth, reflected via a 13% increase in revenue YoY. In December 2023, a store makeover was piloted in Vinamilk's headquarters, coupled with the change of name from "Giấc Mơ Sữa Việt" to "Vinamilk" for wider brand recognition. This is soon to be applied to the remaining 653 stores nationwide.

Vinamilk's online channel also saw a successful year with double-digit YoY sales growth, manifesting in over 4 million orders, 500,000 reaches, and 17,000 engagements on social media⁽¹⁾. This was owing to the successful implementation of the strategy to boost the Company's presence in e-commerce platforms, built upon its venture into this space in 2022.

Vinamilk has deployed a digital program at the outlets, which provides partners sales support while establishing direct customer engagement. At the same time, it gave the Company's deeper insights into the target customer profile, thereby facilitating product and service adjustments. The program has covered 1,165 stores across 63 provinces and cities, distributing over 373 thousand gifts. Additionally, Vinamilk Rewards program was also launched in Q4 2023. By joining this program, consumers are able to accumulate points through direct purchases from Vinamilk, which are then redeemed for various attractive gifts.

Regarding Moc Chau Dairy Cattle Breeding Joint Stock Company (Moc Chau Milk), it recored a net revenue of VND 3,135 billion in 2023, maintaining year-over-year stability, and a net profit of VND 747 billion, up 2.5% from the previous year. Besides, positive developments were also observed at Vietnam Livestock Corporation (Vilico). In particular, the construction of its key project, the beef farm and processing complex in collaboration with Sojitz (Japan) in Vinh Phuc province, commenced in early 2023 with a total investment of VND 3,000 billion. Given the current progress, which remains on

schedule, the complex is anticipated to start operation by the end of 2024.

International business

The International business's net revenue reached VND 9,752 billion, up 5.4% YoY. In which, Overseas subsidiaries and Exports contributed VND 5,039 billion and VND 4,713 billion, rising to 6.5% and 4.4% YoY respectively. Its gross profit, therefore, accounted for VND 3,651 billion, an impressive 9.3% increase YoY.

The overseas subsidiaries remain the growth engine of Vinamilk's international business in 2023. In the United States, Driftwood maintained revenue growth and recorded a seven-fold YoY increase in profit. Meanwhile, AngkorMilk ramped up marketing activation programs at schools, markets, and supermarkets, while collaborating with partners to survey milk consumption trends to reach Cambodian consumers in a more systematic and effective way. As a result, Angkormilk recorded impressive growth in revenue and profit in 2023, with an increase of 6% and 27% respectively, compared to the previous year.

For Export, Vinamilk successfully secured numerous high-value contracts for infant formula in the Middle Eastern market. The revenue from condensed milk, fresh milk, and yogurt products also experienced positive growth as Vinamilk has become a popular name in the Asian region. China, Vinamilk's emerging market, also witnessed encouraging signals, reflected via signed cooperative agreements with two leading companies specialized in import and distribution, an additional effort to penetrate this billion-population market. The first batch of Vinamilk's durian-flavored yogurt hit the shelves in China in early December. Prior to that, Vinamilk's flagship product, Ông Thọ sweetened condensed milk, officially made its debut in a major retail chain.

IMPLEMENTATION OF THE 5-YEAR STRATEGIC PLAN FOR THE 2022-2026 PERIOD

High quality products and superior consumer experience

Keeping a close eye on consumption trends, Vinamilk has launched products tailored to the needs of each target segment. Therefore, the introduction of packaging, in line with a new brand identity, for the liquid milk category was the central theme over the past year. This packaging transformation is expected to be adopted for the remaining categories in 2024. Throughout 2023, over 10 products, ranging from mid-end to high-end segments, were launched and innovated. In addition, Vinamilk is developing solutions to enhance supply chain capabilities in the pursuit of optimal operations and seamless customer experience.

A crystal-clear testament to Vinamilk's endeavors in product and customer experience enhancement is our continued participation and attainment of many international awards, built upon a successful year of 2022. This includes the Clean Label Project and Purity Award (50 products), Monde Selection (4 products), and Superior Taste Award (8 products). Notably, Vinamilk Green Farm's UHT fresh milk has just won 2 additional awards from Monde Selection and Superior Taste Award, making it the first milk brand of Vinamilk to achieve all three prestigious accolades—Clean Label Project, Superior Taste Award, and Monde Selection.

Elevated adoption of advanced technologies into sustainable agriculture

Amid the current complex scenario of climate change, Vinamilk has taken a proactive approach to researching, testing, and piloting new climate-resilient farming methods. In particular, priority is given to the application of new technologies in production (such

(1) Social Buzz

as drone inspection and automatic center pivot systems), as well as the identification of appropriate cultivation methods (via the use of seeders, row seeders, etc.) for each raw material region. The goal is to replace traditional cultivation methods, leading to increased production efficiency, labor savings, and minimized environmental impact. The Company is proud that 100% of farms maintained GlobalG.A.P and ISO 9001-2015 certifications and 02 Organic Farms were recertified with EU Organic Certification.

Exploration of new business opportunities

In addition to the core dairy business, we have actively looked out for business opportunities in new markets through mergers and acquisitions, joint ventures, or venture capital. This is exemplified by the success of the joint venture in the beef project, resulting in the establishment of the Japan Vietnam Livestock Co., Ltd. with Sojitz Corporation (Japan). We are now seeking suitable land funds to upscale the dairy farms in Vietnam.

Talent destination

By creating a favorable environment for talent, Vinamilk has successfully maintained higher employee satisfaction and lower turnover rates compared to the industry average. This has enabled us to satisfy almost all recruitment needs over the past year. We also prioritize the recruitment of young talents equipped with extensive technological knowledge, ensuring a competent workforce for digital transformation and e-commerce development. Currently, at Vinamilk, Gen Y-Z accounts for 63.7% of the present young workforce, with 18.4% of middle- to upper-level managers aged 25-35.

2024 OUTLOOK

Stepping into 2024, Vinamilk anticipates a recovering macroeconomic picture, fostering continued growth in revenue and profitability. The Company's priority is a sustainable and profitable recovery of market share and sales volume. This justifies our ongoing focus on solutions for optimal operations, thereby generating additional budgets for market development and brand power enhancement. Innovation and creativity remain central themes guiding the Company's future endeavors. This focus ensures that Vinamilk not only delivers delicious and high-quality products but also establishes itself as a brand

endorsed by multiple generations of consumers, particularly the younger demographic.

I believe Vinamilk is well-positioned for **CHANGE** and headed for a new growth cycle, and we do **CARE** about this opportunity. Given that journey, a robust financial platform is a huge advantage for Vinamilk as it gives us the flexibility to make decisions and adjustments in response to market fluctuations. Combined with the **"CARE TO CHANGE"** spirit instilled in every Vinamilk employee, this trump card will empower us to effectively overcome challenges ahead and seize growth opportunities.



GENERAL INFORMATION

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VINAMILK IN A BRIEF



1976

Vinamilk was established under the name Southern Milk - Coffee Company, taking over 3 milk factories: Thong Nhat, Truong Tho, and Dielac powdered milk.



2003

The company was capitalized and renamed Vietnam Dairy Joint Stock Company.



2006

The company was listed on the Ho Chi Minh City Stock Exchange (HOSE).



2014

The company contributed 51% of capital to establish Angkor Dairy Products Co., Ltd. ("Angkormilk") in Cambodia and increased to 100% in 2017.



2013

The company invested to hold 96.1% of shares in Thong Nhat Thanh Hoa Dairy Co., Ltd., then increased to 100% in 2017; 70% of shares in Driftwood Dairy Holdings Corporation in California, USA, and increased to 100% in 2016.



2010

The company invested USD 10 million to hold 19.3% of shares in Miraka Holdings Limited in New Zealand and increased to 22.8% in 2015. In 2022-2023, Miraka increased its capital, diluting Vinamilk's contribution from 22.8% to 17.0% in 2022 and 13.6% in 2023.





2016

The company invested to hold 18.0% of shares in APIS JSC. In 2018, the company increased its ownership ratio to 20.0%.



2017

The company invested to hold 65% of shares in Vietnam Sugar JSC and 25% of shares in Asia Coconut Processing JSC.



2018

The company invested to hold 51% of shares in Lao-Jagro Development Xiengkhouang Co., Ltd. in Laos.



2022

Vinamilk increased its ownership ratio to 87.3% at Lao-Jagro. All GTNFoods shares owned by the company were exchanged for shares of Vietnam Livestock Corporation (Vilico) after merging GTNFoods into Vilico.



2021

The company contributed 50% of capital to establish a joint venture with Del Monte Philippines, Inc. - a food and beverage company in the Philippines and distributed products to consumers in the Philippines from Q4/2021.



2019

The company invested to hold 75% of shares in GTNFoods JSC, thereby participating in the management of Moc Chau Milk JSC with a herd size of 27,500 cows.



2023

USD 6 BILLION

Market capitalization

The largest food & beverage company on the Ho Chi Minh City Stock Exchange (HOSE).



USD 3 BILLION

Brand value

According to Brand Finance



NO. 1

in the Vietnamese dairy industry according to market share with:

According to AC Nielsen



15

Dairy farms

140,000

Cows under management

250 SKUs

In the product portfolio

16

Modern dairy factories domestically and globally

200,000

Sales points in the distribution system



VINAMILK'S BUSINESS MODEL

What we depend on

Stakeholders



Suppliers and partners

We are working closely with nearly **5,000** dairy farmers on a herd of about **100,000** cow heads.



Community

The year 2023 marks the **16th** 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 54%/46% and institutional/individual investors at 92%/8% (as of December 28, 2023).



Employees

The whole group has **9,877** employees as of December 31, 2023.



Regulators

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



Customer 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 **200,000** points of sale across Vietnam. The cumulative export market covers 60 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

We maintained a healthy balance sheet as at December 31st, 2023 with:

Total assets	VND 52,673 billion
Total equity	VND 35,026 billion
Total liabilities	VND 17,647 billion

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

- Strategy committee
- Nomination committee
- Remuneration committee
- Audit committee

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 step up technology application and implementation of international standards for sustainable development.

To create new business opportunities through mergers and acquisitions, joint ventures and venture capital.

To become a destination for talent, and nurture a corporate culture that values innovation and creativity.

The value created in 2023

Stakeholders



Suppliers and partners

The total volume of purchased fresh milk reached over **240 thousand tons**.



Community

The total contribution to society reached **VND 81 billion** through programs such as School Milk, Stand Tall Vietnam, and elderly health care.



Shareholders

100% of investors surveyed were satisfied with business results update meetings and **96%** were satisfied with disclosed documents.



Employees

The Employee Satisfaction rate remained high. Vinamilk has been certified by **Great Place To Work**.



Regulators

Contribution to the State budget reached **more than VND 3,800 billion**. We also gave comments and feedback on the development of legal documents.



Customer and consumers

Sufficient delivery rate has been improved, enhancing satisfaction and trust of customer, the loss rate through storage or in process transportation is also reduced, ensuring product quality and safety.

99% of international customers surveyed were satisfied with Vinamilk's export services. We won 12 more new export customers.

Resources



Environment

The green energy use rate in production activities, recycled water level used for agriculture and reused animal waste was at a high level.



Product portfolio

Launched new and re-launched **over 10 products**. Improved packaging and design for many flagship products.



Infrastructure

13 farms are certified to GlobalG.A.P and ISO 9001:2015.

2 farms are certified to Organic EU.

15 factories are certified to FSSC 22000 and/or Halal and/or ISO 9001.



Financial health and Corporate governance

Total consolidated revenue

VND 60,479 billion

Consolidated profit after tax

VND 9,019 billion

Dividend payout ratio (Expected)

91%

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.



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.

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.



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.



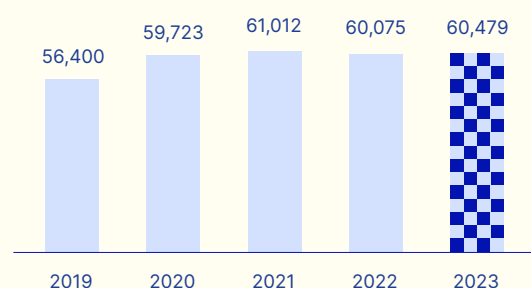
Marketing and Sales

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.

FINANCIAL PERFORMANCE IN 2019-2023

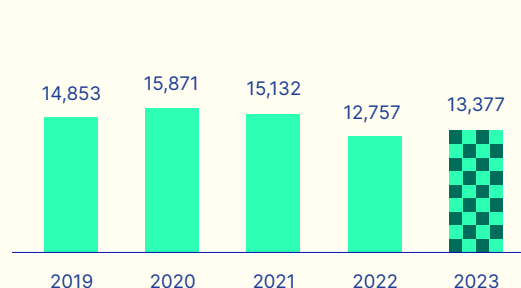
Revenue

(VND Billion)



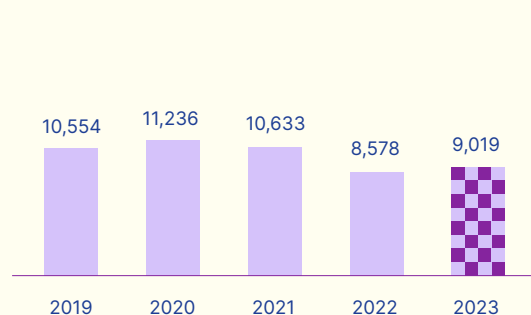
EBITDA

(VND Billion)



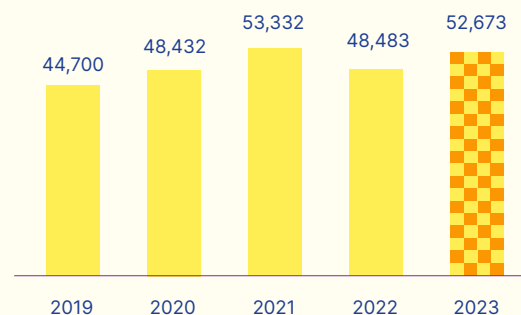
Net Profit After Tax ("NPAT")

(VND Billion)



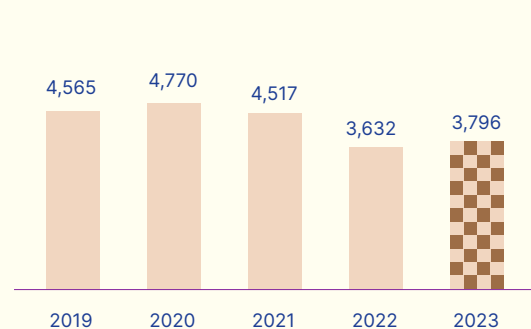
Total Assets

(VND Billion)



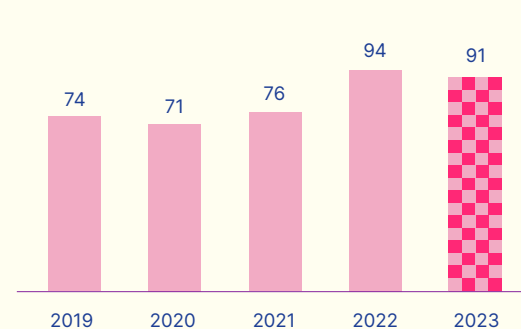
Earnings Per Share

(VND)



Payout Ratio (Expected)

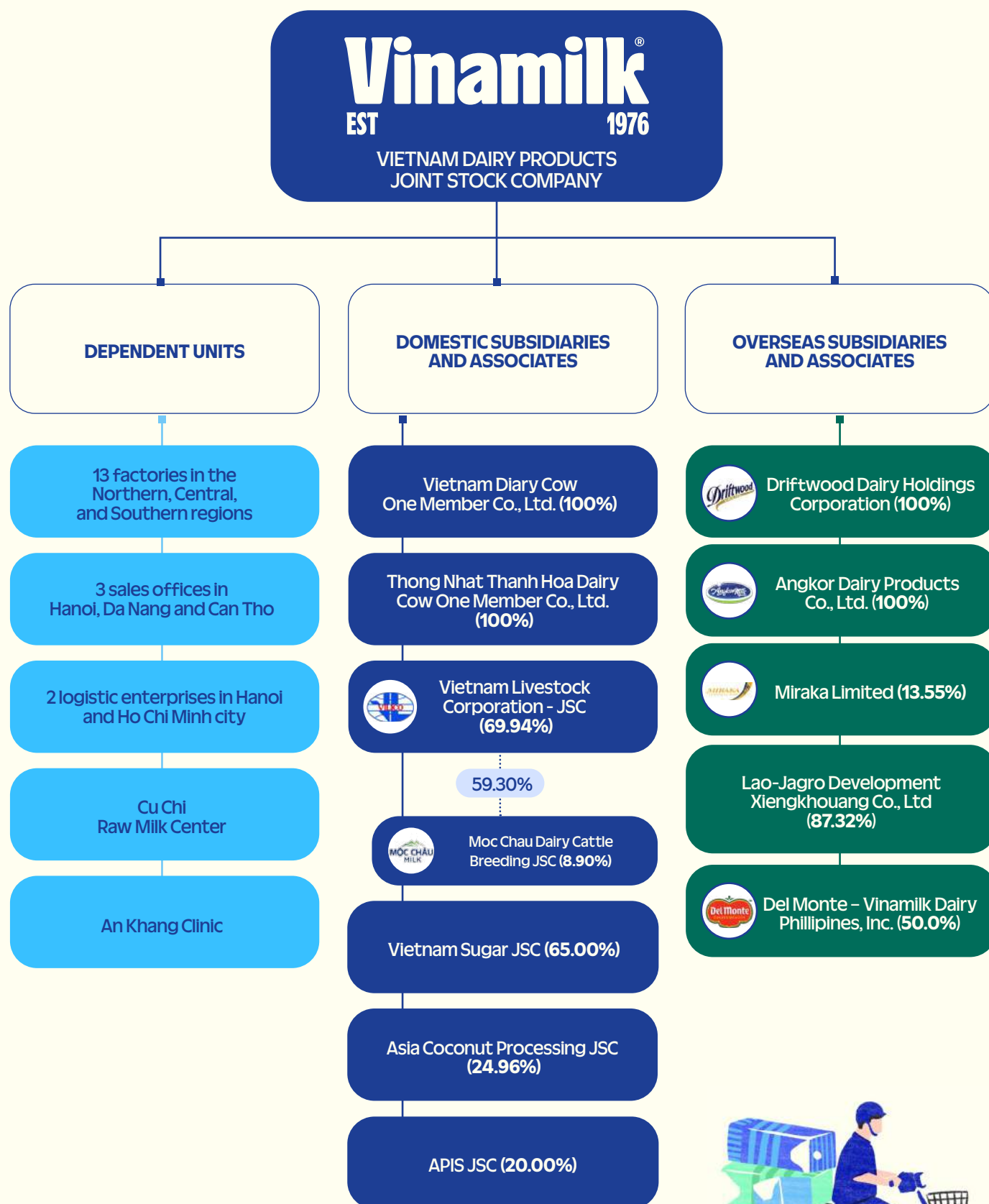
(%)



Major financial indicators	2019	2020	2021	2022	2023
1. Solvency ratio					
- Current ratio	1.71	2.09	2.12	2.06	2.10
- Quick ratio	1.37	1.74	1.72	1.70	1.74
2. Capital structure ratio					
- Debt/Total assets ratio	12.2%	15.5%	17.7%	10.2%	16.1%
- Debt/Owner's Equity ratio	18.4%	22.2%	26.4%	15.0%	24.1%
3. Operation capability ratio					
- Inventory turnover	5.66	6.47	5.93	5.86	6.14
- Total asset turnover	1.37	1.28	1.20	1.18	1.19
4. Profitability					
- Profit after tax/Net revenue ratio	18.7%	18.8%	17.5%	14.3%	14.9%
- Profit after tax/Total capital ratio	35.5%	33.4%	29.7%	26.1%	25.8%
- Profit after tax/Total assets ratio	23.6%	23.2%	19.9%	17.7%	17.1%
- Profit from operations/Net revenue ratio	22.7%	22.7%	20.9%	17.5%	18.1%



CORPORATE STRUCTURE



SHARE AND SHAREHOLDER INFORMATION

Vinamilk
EST 1976

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

December 31

Independent auditor

KPMG Vietnam Company Limited

Dividend policy

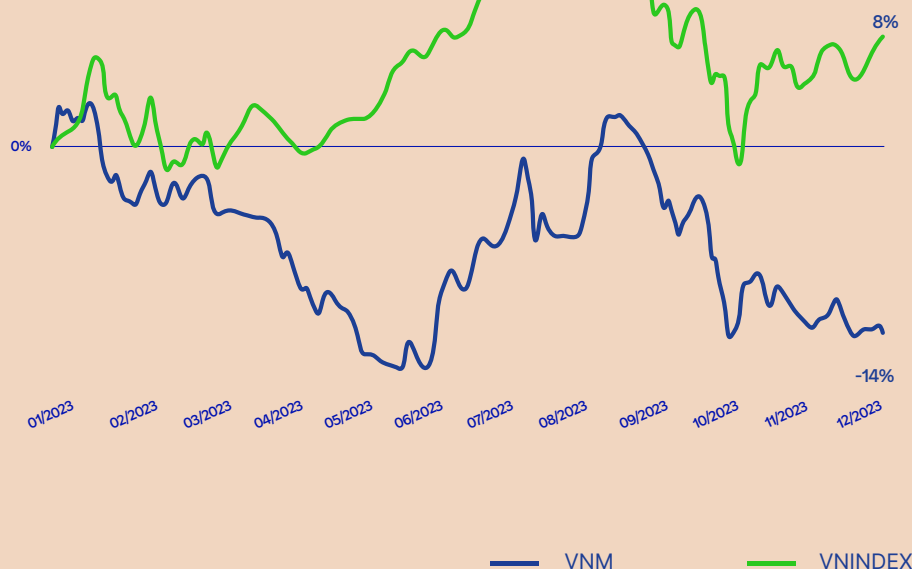
No less than 50% of consolidated profit after tax

Adjusted closing share price (from January 1st, 2023 to December 31st, 2023):

Highest
81,300 VND/share

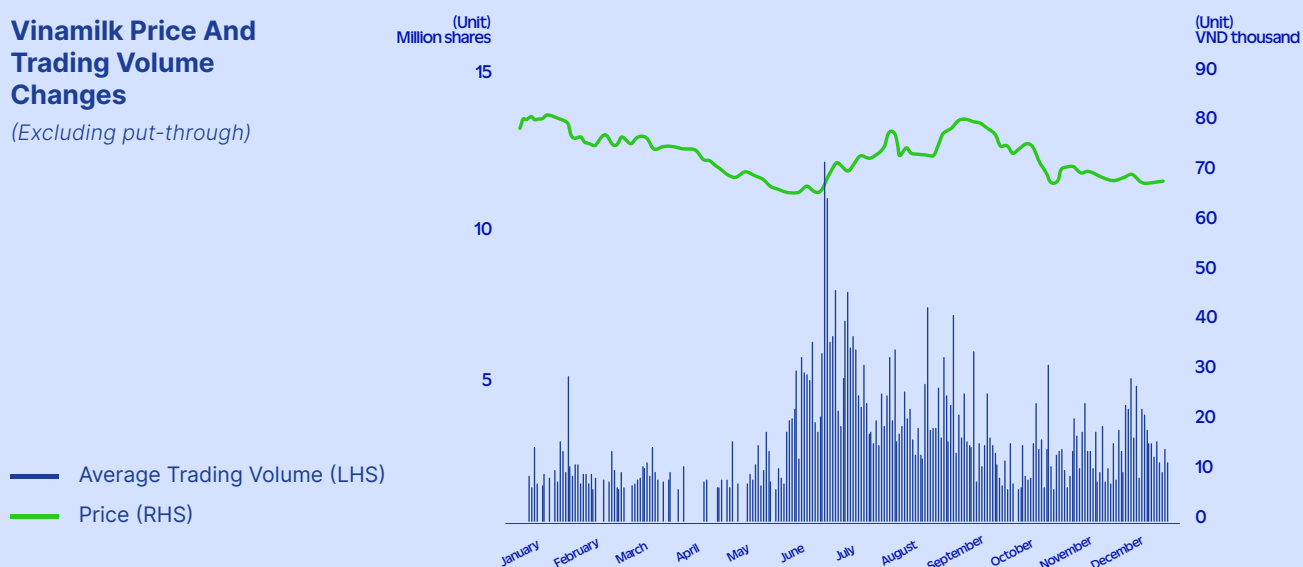
Lowest
65,500 VND/share

Vinamilk ("VNM") Price Changes And VN-Index In 2023



Vinamilk Price And Trading Volume Changes

(Excluding put-through)



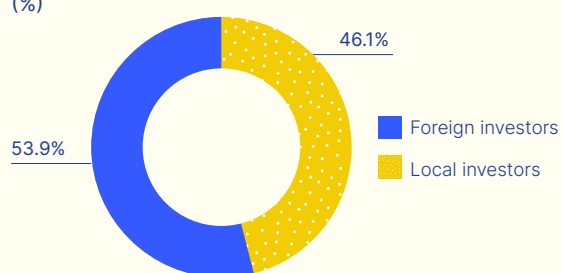
Share information (as of December 31st, 2023)

Registered share capital	VND 20,899,554,450,000
Contributed share capital	VND 20,899,554,450,000
Total issued and listed shares	2,089,955,445 shares
Class of shares	one vote per share
Treasury shares	0 shares
Common shares, par value	VND 10,000/share
Outstanding shares	2,089,955,445 shares
Market capitalization	VND 141,281 billion

Shareholder structure (according to the latest shareholders list as of December 28th, 2023)

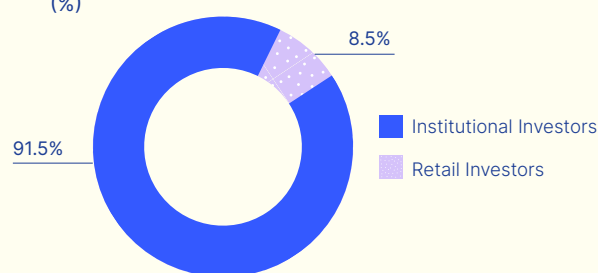
Ownership by geography

(%)



Ownership by type

(%)

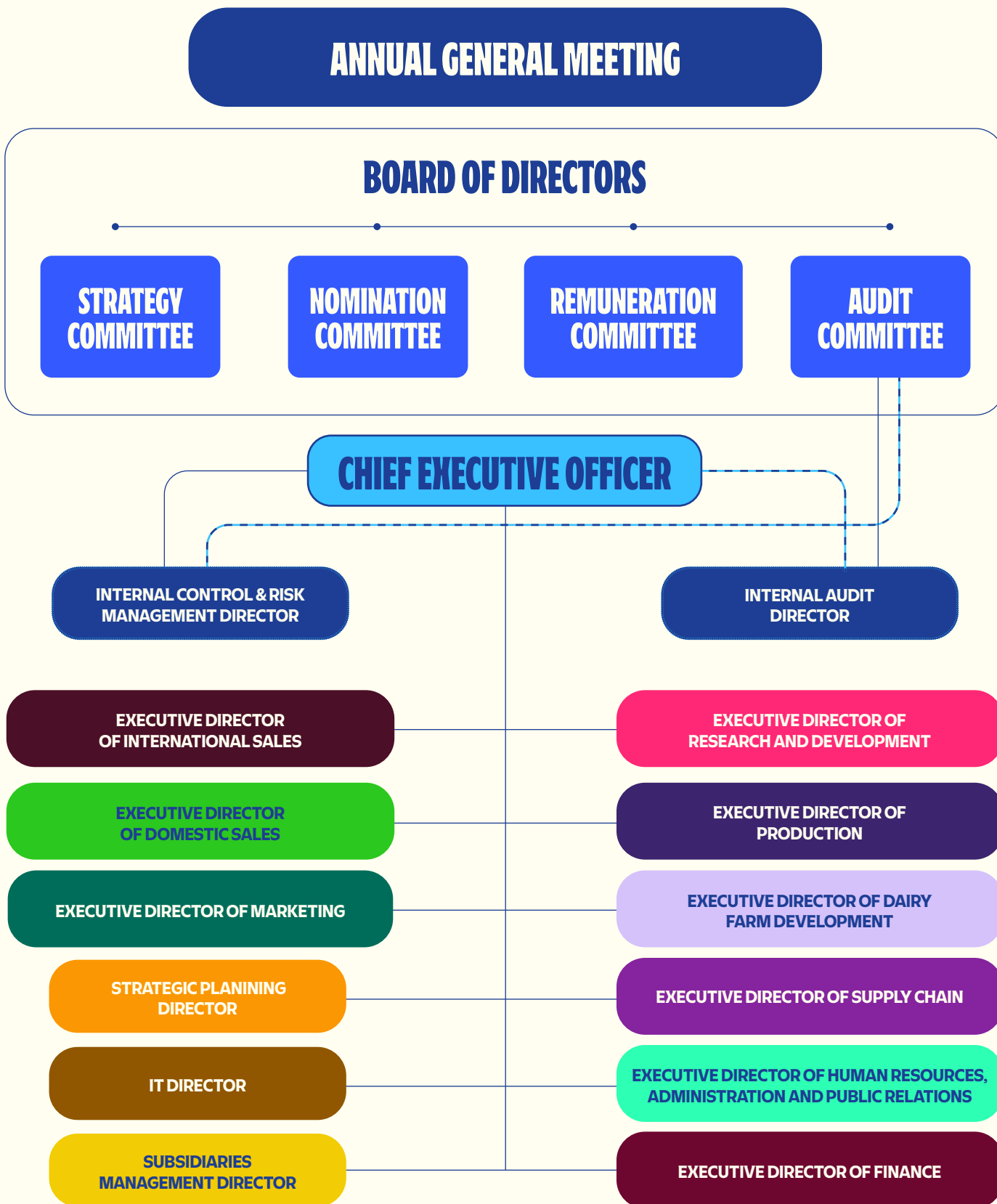


Top 20 largest shareholders

No.	Name of shareholder	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	FUBON FTSE VIETNAM ETF	26,733,100	1.28%
6	EMPLOYEES PROVIDENT FUND BOARD	26,565,864	1.27%
7	VANGUARD INTERNATIONAL VALUE FUND	21,924,100	1.05%
8	MATTHEWS PACIFIC TIGER FUND	17,993,828	0.86%
9	VANECK VIETNAM ETF	15,070,141	0.72%
10	NORGES BANK	10,807,900	0.52%
11	MANULIFE (VIETNAM)	9,695,600	0.46%
12	MAWER GLOBAL SMALL CAP FUND	9,531,593	0.46%
13	KIM VIETNAM GROWTH EQUITY FUND	9,485,900	0.45%
14	MERRILL LYNCH INTERNATIONAL	9,407,528	0.45%
15	BL	9,017,280	0.43%
16	CITIGROUP GLOBAL MARKETS LIMITED	8,631,945	0.41%
17	PZENA EMERGING MARKETS VALUE FUND	8,583,500	0.41%
18	INVESCO ASIAN FUND (UK)	7,855,100	0.38%
19	INVESCO FUNDS	7,403,500	0.35%
20	GOVERNMENT OF SINGAPORE	7,274,316	0.35%
Total		1,606,499,585	76.9%

ORGANIZATION CHART

(Issued under Circular No.15/NQ-CTS.HDQT/2023 dated 14 August 2023 of the Board Of Directors)



— Direct line of reporting

- - - Functional line of reporting

THE BOARD OF DIRECTORS



01 Mr. Alain Xavier Cany P25	02 Mr. Nguyen Hanh Phuc P24	03 Mr. Lee Meng Tat P27	
04 Mr. Le Thanh Liem P26	05 Mr. Hoang Ngoc Thach P28	06 Mr. Michael Chye Hin Fah P27	07 Mr. Do Le Hung P26
08 Ms. Dang Thi Thu Ha P25	09 Ms. Mai Kieu Lien P24	10 Ms. Tieu Yen Trinh P28	

Mr.**NGUYEN HANH PHUC**

Independent Chairman
Head of the Nomination Committee
Member of Remuneration Committee

He was born in 1959. He has been a member of the Board of Directors of Vinamilk and has been the Chairman since April 2022. He has many years of experience in the field of State management.

Professional qualifications

- Civil Engineer, Hanoi University of Architecture 1976-1981.

Experience

- From 2011 to 2021, he was a member of the National Assembly (XI session, XII session), Member of the National Assembly of the XII, XIII, XIV, and held many other important positions in the National Assembly such as Member of the National Assembly Party Union, Member of the National Assembly Standing Committee, General Secretary of the National Assembly, Chairman of the National Assembly Office (XIII session, XIV), Secretary of the Party Committee of the National Assembly Office, Chief of the Party Office of the National Assembly, Chief of the National Election Council, Chairman of the Vietnam-Australia Friendship Parliamentary Group.
- From 2005 to 2011, he was Secretary of the Provincial Party Committee of Thai Binh Province and held many other important positions such as Deputy Permanent Secretary of Thai Binh Province, Chairman of the Provincial People's Council, Secretary of the Provincial People's Committee, Chairman of the Provincial People's Committee, Head of the XII National People's Delegation of Thai Binh Province.
- From 2003 to 2005, he held the positions of Standing Committee of the Provincial Committee, Secretary of the Party Committee, Chairman of the People's Council of Thai Binh City.
- Before 2003, he worked as Director of Thai Binh Department of Industry, Deputy Director of Department of Construction, Deputy Director of Construction Management Department, Director of Thai Binh Ceramic Tile Company.

Awards

- Second Independence Medal.

- First Labor Medal.
- Third Labor Medal.
- Great National Unity Medal.
- Second Freedom Medal of the Lao PDR.
- Prime Minister's Certificate of Merit.

Ms.**MAI KIEU LIEN**

Executive BOD member
Head of Strategy Committee
Member of Nomination Committee
Chief Executive Officer ("CEO")

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, Moscow University of Meat and Dairy Processing (currently known as Moscow State University of Applied Biotechnology).
- Certificate of Corporate Governance.

Experience

- She has more than 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.

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 XiangKhouang Co., Ltd.
- BOD member, Miraka Holdings Limited.
- Chairwoman, Vietnam Livestock Corporation JSC.
- Chairwoman, Moc Chau Dairy Cattle Breeding JSC.
- Chairwoman, Del Monte - Vinamilk Dairy Philippines, Inc.

- 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

- Senior Advisor of Jardine Matheson Ltd. (Vietnam), parent of Jardine Cycle & Carriage Ltd since April 2023.
- Vice-Chairman and member of the BOD of REE Corporation.
- Chairman of the Advisory Board of EuroCham.

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:
- From 2007 to 2023 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.

Ms.

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.

- She has been working in the Investment Department of SCIC for 15 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 the 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.
- 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 (Vietnam Academy of Finance now), 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 (VNM).
 - 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 certificates from Prime Minister and many from the Ministry of Finance from 1997 to 2006.

Mr.

LE THANH LIEM

Executive BOD member
Member of Strategy Committee
Chief Financial Officer cum. Chief Accountant

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, 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 27 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 entity

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

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).
- Senior Accredited Director, Singapore Institute of Directors (SID) (2024).

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.

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.
- Fellow of Singapore Institute of Directors (SID) since 2013.
- Associate Member of Institute of Singapore Chartered Accountants (ISCA) since 2003.
- Member of Institute of Chartered Secretaries & Administrators (ACIS) since 1990.
- Associate Member of Chartered Secretaries Institute of Singapore (CSIS).

Experience

- He has over 15 years of experience as a company director. He is currently a member of the Board of Directors, Audit Committee and Sustainability and Risk Management Committee of Saigon Beer- Alcohol-

Beverage Corporation. He is also an Alternate Director at Fraser and Neave Limited and a 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 of Fraser and Neave Ltd and Fraser & Neave Holdings Berhad.
- Non-Executive BOD member at: Heritas Capital Management Pte Ltd, IMC Pan Asia Alliance Corporation, Prudence Holdings Ltd.

Mr.

HOANG NGOC THACH

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

Born in 1975, he has been a non-executive BOD member since April 2021.

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

Born in 1974, she has been a non-executive BOD member since April 2021.

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).

Position at other entities

- Independent BOD member at Phu Nhuan Jewelry JSC.

THE BOARD OF MANAGEMENT



MS. BUI THI HUONG

Executive Director – Human Resources,
Administration and Public Relations

P30



MR. LE HOANG MINH

Executive Director – Production

P31



MR. NGUYEN QUOC KHANH

Executive Director – Research and Development

P30



MR. DOAN QUOC KHANH

Acting Executive Director – Dairy Farm Development

P31



MR. NGUYEN QUANG TRI

Executive Director – Marketing

P30

Ms.**BUI THI HUONG****Executive Director – Human Resources,
Administration and Public Relations**

Born in 1962, she joined Vinamilk in 2005.

Professional qualifications

- 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 – Human Resources, Administration 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 qualifications

- 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.**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.

Position at other entities

- BOD member, Moc Chau Dairy Cattle Breeding 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.

Position at other entities

- BOD member, Moc Chau Dairy Cattle Breeding JSC.

Mr.

DOAN QUOC KHANH

Acting Executive Director –
Dairy Farm Development

Born in 1974, he joined Vinamilk in 1999.

Professional qualifications

- Engineer in Automation, Moscow State University of Applied Biotechnology (1998).
- He belonged to the first batch of international students sent by Vinamilk to study under the training program and prepare the leadership team.

Experience

- He has been appointed to the position of Executive Director – Dairy Farm Development since September 2023.
- From 2016 to 2023, he is the CEO of Angkormilk, a subsidiary 100% owned by Vinamilk in Cambodia, and has helped Angkormilk achieve impressive growth for many consecutive years.
- Previously, from 1999 to 2016, he held various positions at factories and projects including: Project leader of Angkor Dairy Factory in Cambodia; Head of Technical Department, Head of Electrical Team - M&E Department and coordinate the project of installing powdered milk filling line at Dielac Dairy Factory; in charge of engineering, procurement, installation, putting into operation equipment of Saigon Coffee Factory project.

Positions at other entities

- CEO, Vietnam Livestock Corporation – JSC.
- BOD member, Angkor Dairy Products Co., Ltd.

CORPORATE SECRETARY



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 Finance 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 Finance 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 Investor 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 Corporate Secretary 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, Del Monte – Vinamilk Dairy, Philippines, Inc.

(*) Until March 1st, 2024.



Mr.
DONG QUANG TRUNG

Corporate Secretary
Head of Investor Relations

Born in 1989, he joined Vinamilk in 2019 and has held the position of Corporate Secretary since 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 Head of Investor Relations.
- From 2016 to 2019, he was a Senior Stock Analyst at Thien Viet Securities Joint Stock Company.
- Prior to that, he was the Senior Associate at PricewaterhouseCoopers Vietnam Co., Ltd.

Positions at other entities

- Company Secretariat, Vietnam Livestock Corporation JSC (Vilico).
- Company Secretariat, Moc Chau Dairy Cattle Breeding JSC (MCM).

PROFILE OF INTERNAL AUDIT



Ms.
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.

BUSINESS PERFORMANCE IN 2023

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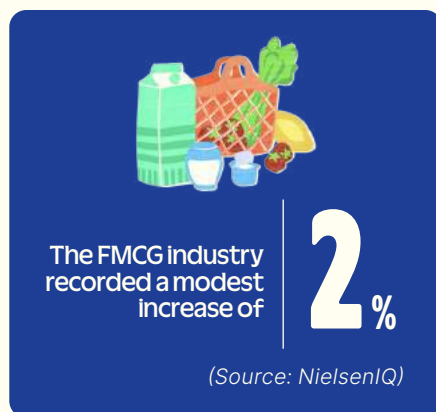


VIETNAM DAIRY INDUSTRY 2023

In 2023, the fast-moving consumer goods industry recorded a modest increase of 2% YoY, while the dairy industry saw a slight decline of 1%. Vietnam's economy fell under the impact of the global economic situation, resulting in a decrease in total demand. Many of Vietnam's

major trading partners experienced slowed growth due to contractionary monetary policy, elevated inflation, geopolitical instability, food security concerns, climate change, and more. According to the General Statistics Office, the growth of purchasing power for goods and services after excluding

price factors slowed down significantly each quarter in 2023. In particular, the cumulative value increased by 10.3% in 3 months, 8.4% in 6 months, 7.3% in 9 months, and 7.1% in 12 months. Additionally, there was no longer as much support from pricing factors for dairy industry growth as in last year.



For domestic consumers, income and employment instability reigned as top concerns. Changes in consumer habits were evident through the preference for products or shopping channels with enticing promotional programs, affordable alternatives, or larger packs to stretch their budgets.

According to Euromonitor's report, infant formula market in Vietnam hit a rough patch in 2023 due to economic hardship and a declining birth rate. Plus, infant formula is yet considered by the locals as a newborn staple. This, coupled with its price point, creates a significant barrier for low-income consumers. Therefore, other cost-effective alternatives such as breast milk or homemade complementary foods could be preferred during this period of economic strain.

The story of the liquid milk category last year wasn't much different due to the significant impacts of inflation and the rising cost of living. In fact, many Vietnamese have yet to form a

habit of drinking milk daily. Besides, there is another group of consumers favoring other alternatives such as nut milk or plant-based milk, which is benefiting from trends towards health, sustainable lifestyles, and wellness.

On the other hand, yogurt was able to maintain its growth, serving as a flexible option for meal preparation and light snacking. It is also highly valued for its protein-rich content, digestive support, and immunity enhancement. The coffee culture continues to thrive in Vietnam, characterized by a distinctive drink made through a combination of coffee and condensed milk. Besides, condensed milk showcases its versatility via a wide range of application, either in beverages and dishes, such as milkshake and desserts, or in traditional cuisine.

The rise of healthy living remains a major driving force for the Vietnam's dairy industry. Recently, organic fresh milk, infant formula as well as fat-free or sugar-free yogurt, are taking on a

higher profile. To keep up with these trends, dairy companies are actively promoting awareness of health and nutrition among consumers. Moreover, a great number of newly launched products shift their focus on wellbeing and healthy lifestyle.

In response to the low birth rate, the Government has made great efforts to boost childbirth through public campaigns, initiatives, draft laws, and incentives. Several measures have been piloted with according to the Government's Decision, including discouraging late marriage and late childbirth; promoting the ideal of two children per married couple along with responsible parenting practices; or piloting and scaling up incentives for couples with two children in regions experiencing low birth rates, etc. Recognizing the evolving needs of modern parents, many infant formula brands are investing in enhancing product quality, convenience, and nutritional values.

ASSESSMENT OF THE BOARD OF DIRECTORS' PERFORMANCE IN 2023

Performance assessment of the Board of Directors and the Committees

This marks the second year of the five-year term (2022 – 2026) for Vinamilk's Board of Directors. The BOD has performed its functions and duties as stipulated in the Company's Charter, the Regulations on Corporate Governance, and the BOD Regulations, in the best possible manner in terms of compliance, relevance and effectiveness.

Due to the critical and confidential nature of the Company's information, the BOD decided not to engage an independent entity, instead the 2023 performance assessment was conducted internally. Specific assessment criteria and forms were disseminated to all BOD members.



With the motto of result-driven and flexible application of the best practices, the entire BOD and all relevant Committees carried out duties through the following key activities:

Assessment of the BOD's overall performance

- The assessment of the BOD's performance was conducted with the presence of all BOD members and the support of the Secretariat in charge of Corporate Governance. The results were documented, aggregated, and shared anonymously with all BOD members.
- Assessment criteria: 8 behavioral and efficiency indicators in accordance with the Regulations on Corporate Governance. The assessment form in 2023 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



Activities of the Committees

The Strategy Committee

The primary focus of 2023 was the implementation of the 2022 – 2026 strategy, particularly Vinamilk's rebranding. Additionally, sustainable development, corporate social responsibility to ensure the balance of interests of stakeholders, and more importantly, the Net Zero by 2050 program, were considered to be integrated into the strategy.

The Nomination Committee

The Nomination Committee advised the BOD in developing a Resource Building Program and succession plan for BOD-managed positions, as well as guiding the implementation of the BOM. The Committee also reviewed, assessed, and submitted nominations for Acting Director of Dairy Development, as a replacement for the retired Executive Director, to BOD for approval.

The Remuneration Committee

The Remuneration Committee reviewed and submitted proposals to the BOD for approval of the adjusted compensation policies for the BOM and employees. This aim is to ensure alignment with the labor market standards and enhance competitiveness in recruitment, talent attraction and retention. The Committee also advised the BOD on the 2022 bonus plan for the BOM.



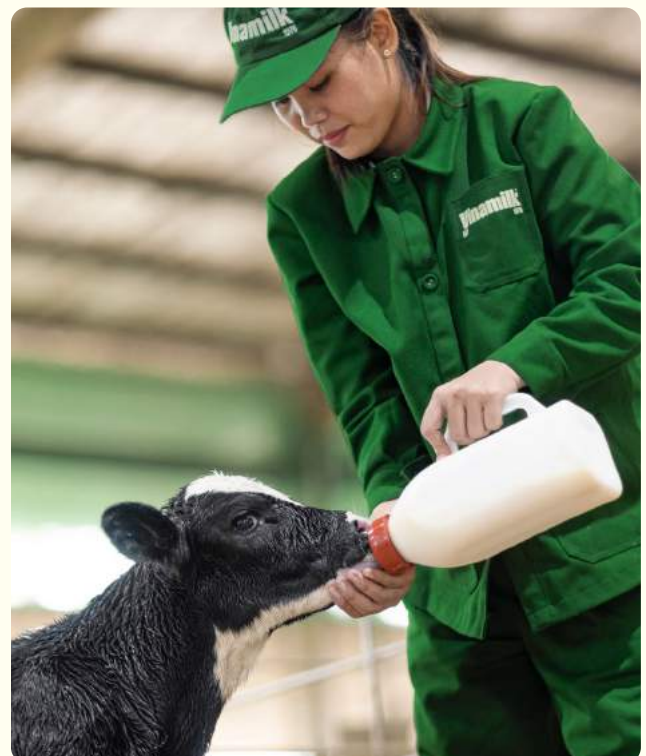
The Audit Committee

The Audit Committee, following its quarterly schedule and assigned tasks, fully, timely and effectively reviewed the Company's financial reports and situation, while improving the internal control system, risk management system and 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.

RESULTS

In 2023, the BOD operated in accordance with the laws and the Company's Charter and overcame difficulties to achieve the plan set out by the AGM. The tasks under the BOD's responsibilities and authority on corporate governance, risk management, compliance, audit, strategic supervision, human resources and remuneration were executed with great diligence.

The assessment results also showed the BOD members were highly commended for their performance, exemplified by the active and positive approach to the fulfillment of their duties and responsibilities.



SUPERVISION AND ASSESSMENT OF CEO AND BOM'S PERFORMANCE



Pursuant to the Company's Charter and Corporate Governance Regulations, the Board of Directors supervised the performance of the General Director and members of the Board of Management in the execution of production and business activities as well as the AGM and the BOD's resolutions in 2023 as follows:

Assessment method

The BOD, assisted by the committees with specific tasks mentioned in the Internal Regulations on Corporate Governance, supervises the BOM's planning and implementation of the AGM and the BOD's resolutions in 2023. The assessment is conducted at meetings of the BOD and its Committees.

The committees bring forward topics for presentation and discussion by the BOM and relevant Directors at the meetings of BOD's Committees.

At the regular BOD meetings, the BOD reviews the implementation

status of the resolutions as well as quarterly and cumulative results of production and business plans. Hence, this is followed by discussions for clarification before the approval of the resolutions as a basis for the CEO's and the BOM's implementation.

In addition, the CEO and the BOM submit monthly reports and make explanations for the contents requested by the BOD. Also, the BOD members, according to the tasks assigned to each committee, regularly discuss relevant matters with the BOM members.



The BOD's assessment of the CEO's and Executive Directors' performance

Following the Corporate Governance Regulations, the BOD continued to carry out the assessment of the CEO's and the Executive Directors' performance under the following criteria:

Individual performance of BOM members in 2023

Common duties of BOM members



Individual performance of BOM members in 2023

This criterion is assessed through the implementation results 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 03 financial targets, operational target, and manager's assessment. The weight of each target will vary between positions, depending on the

role of each individual. In which, the financial targets include revenue, profit, and expenses of the entire company and each department. Operational targets for each Executive Director are established separately based on the responsibilities of their respective departments. The assessment is combined with a summary report and self-assessment of each BOM member.



Common duties of BOM members

The assessment of general duties includes two stages: self-assessment and assessment of upper level. These general duties 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

ASSESSMENT RESULTS

After review and discussion, the BOD has concluded that: Despite unmet revenue goals, profitability still surpassed the plan. The CEO and the Board of Management made great efforts and performed assigned tasks in 2023 with remarkable and encouraging results. The results of 2023 also indicate clear positive signals as Vinamilk resumed its growth momentum, achieving highly favorable outcomes amid the tough business climate. Notably, the Company received global awards for the quality of its UHT fresh milk, super nut milk (9 kinds of nuts), and sweetened condensed milk.

Throughout its operations, the Company strictly complies with current legal regulations and the Company's operating regulations. The BOM effectively managed the production and business operations, demonstrating a high level of responsibility to stakeholders.



AUDIT COMMITTEE REPORT

Mr. Do Le Hung

Head of Audit Committee

Organizational structure and operation of the Audit Committee

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

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).

Audit Committee meetings and attendance of members

No.	Member	Meetings attended	Attendance rate	Reasons for absence
1	Mr. Do Le Hung	5/5	100%	N/A
2	Mr. Michael Chye Hyn Fah	5/5	100%	N/A
3	Mr. Alain Xavier Cany	5/5	100%	N/A
4	Mr. Hoang Ngoc Thach	5/5	100%	N/A

Audit Committee's remuneration and operating costs

Details of the Audit Committee members' remuneration in 2023 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 are in compliance with Vinamilk's internal regulations.

Supervision results of the Audit Committee

The Audit Committee's supervision results for 2023 are reported as follows:

The BOD's implementation of Resolutions

All key issues were openly and democratically discussed by the BOD. The evaluation and discussion were conducted thoroughly and carefully to reach unanimous decisions before the issuance of resolutions. The BOM closely followed and strictly implemented the resolutions issued by the BOD.

The Company Secretariat was responsible for monitoring and reporting on the implementation of the BOD's resolutions.

Financial statements

The Audit Committee ("AC") reviewed the quarterly and annual financial statements of 2023 based on the financial statements prepared by the Company and the audit results by the Independent auditor. Additionally, the BOM provided quarterly reports to the AC on key issues in financial activities, accounting systems, and other major concerns.

At Vinamilk, while not mandatory, all quarterly financial statements undergo independent scrutiny and auditing.

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.



This enables the AC and the BOM to promptly address emerging issues and enhances the credibility of externally disclosed financial statements, offering the AC deeper insights into the financial situation and related accounting matters.

The AC routinely engages with both the Board of Management (BOM) and the Independent Auditor to address any significant concerns. In 2023, the BOM and the Independent Auditor satisfactorily responded to the AC's inquiries and requests during the financial statements review.

The financial statements in 2023 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 fiscal year 2023, the company maintained consistency in applying accounting policies and principles for determining accounting estimates compared to the previous year. These

policies were deemed suitable for the company's operational characteristics within the context of the production and business conditions of the year.

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

Over a year, a significant focus was placed on evaluating the effectiveness of investment projects approved by the AGM and the BOD since 2019, under the supervision of the AC. This evaluation allowed the BOD and the BOM to review the precision of their investment decisions and ensure compliance with investment procedures and processes, spanning from project planning to implementation and settlement for use. The majority of projects already in operation were assessed as effective investments, successfully achieving their objectives. Ongoing projects will continue to be monitored, tracked, and implemented by the BOD and the BOM to ensure they remain cost-efficient, effective, and aligned with investment objectives.



Risk management and internal control system

The AC has actively monitored and evaluated the Internal control and Risk management system throughout the Company.

Detailed updates on risks and controls, including reviews of the risk profile, progress on response action plans, and identification of emerging risks, were promptly reported to the AC.

The Risk Management report was updated quarterly, enabling the AC and BOD to promptly detect changes in existing and emerging material risks and respond accordingly. Material risks and challenges that had a negative impact on business results in the previous year, such as fluctuations in raw material costs and consumer purchasing power due to wars, pandemics, declining demand, and intense competition in both domestic and international markets, were identified. The BOD and the BOM promptly addressed these difficulties and challenges with appropriate response measures, effectively mitigating their impact and ensuring optimal business outcomes.

The top risks identified by international organizations and experts as the greatest global threats today, such as cybersecurity and information technology, were also subject to in-depth monitoring and discussions.

Quality control systems such as food safety, energy and environment, occupational health and safety, laboratory capacity, corporate social responsibility, or farming practices were implemented in accordance with the requirements of applicable standards. The Company consistently monitored the upgrading to newer

versions of these standards, analyzed their impacts, and planned appropriate system upgrades accordingly. Currently, the certification of all standards in force is duly maintained.

Given the persistent significance of food quality and safety as a top priority, in the past year, the Company diligently progressed with phase 2 of the Vinamilk integrated management system project, with a significant focus on enhancing food quality and safety measures. Additionally, the project “Maturity Assessment of the Food Quality and Safety Management System at Factories” was also implemented.

The company continues to extend and implement sustainable development programs aligned with the international GRI standards and the United Nations’ 17 Sustainable Development Goals. In 2023, the company maintained its dedication to sustainable development through active action plans, resulting in several notable achievements. These include the announcement of the “Pathways to Dairy Net Zero 2050” initiative and the distinction of becoming Vietnam’s first dairy company to achieve carbon neutrality for its factories and farms, as per the PAS 2060:2014 standards. Additionally, the company continued its collaboration with the Ministry of Natural Resources and Environment in tree planting initiatives aimed at achieving carbon neutrality, along with other tree planting projects, to add more Vinamilk forests to the tree fund for carbon absorption.

Important components of the control system reviewed and evaluated last year were the fraud and corruption

prevention policy and the compliance management program. These regulations establish ethical standards that all employees, contractors, suppliers, partners, or any third party acting on behalf of the Company must adhere to. Reports collected through information channels underwent thorough monitoring and investigation to ensure proper handling, with findings promptly reported to the AC.

Digitized systems such as E-office, Tender online, eSign, and Vendor management maintained stability and accuracy, serving as convenient, effective, and user-friendly instruments that meet the Company’s control needs efficiently.

Legal issues and risks were effectively managed, thereby protecting the Company’s interests. The Legal Department always ensured that all legal risks were appropriately controlled.

In general, the AC acknowledges the meaningful improvements in internal control and risk management made by the Company in 2023, which have contributed to its success in achieving business objectives. Despite positive factors such as the global market conditions, input cost management, and consumer adoption of the new brand identity, the AC recognizes several challenges including weak purchasing power, intense industry competition, and geopolitical instability. The AC believes that continued efforts to maintain the effectiveness and efficiency of the internal control and risk management system will support the Company in attaining both short-term and long-term business goals.

Related party transaction control

The conflict-of-interest control system has been effectively established and operated, ensuring tight control over transactions involving related parties and stakeholders. Both the Independent Audit Report and the Internal Compliance Report confirmed the absence of any conflicts of interest in related party transactions.

Internal audit

In 2023, the Internal Audit (IA) continued to serve as a robust defense shield for Vinamilk's corporate risk management system. The audit approach and procedures adopted by the IA adhere closely to best practices and international standards for internal auditing, ensuring compliance with legal regulations and guidance. Adequate human resources and budgetary allocations were provided to the IA to effectively meet audit requirements.

The annual audit plan was formulated based on the top risks prevalent in the Company's operations. Prior to drafting and submitting the plan for approval to the AC, the IA engaged in consultation and exchange of views with the BOM.

As of fiscal year 2023, the IA successfully executed its plan within the allocated timeline and resources. Internal audit results indicate that the control system is effectively designed. Audited units and processes have demonstrated satisfactory levels of compliance, with the majority of detected issues being graded as low or insignificant.

In addition to its role as an independent auditor, the IA actively contributes to improving the Company's internal control and risk management system. Through audit reports, the IA frequently provided recommendations for the Company to enhance and supplement its controls, enabling robust prevention and timely detection of material risks in operations. These recommendations were promptly applied and implemented across units.

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.



2023 BUSINESS PERFORMANCE



Ms. Mai Kieu Lien
CEO

DOMESTIC SALES

“

Efforts in market research, brand repositioning, and diversification of distribution channels.

Vinamilk's domestic business strategy for 2023 identifies key platforms for optimizing sales operations. As a result, despite the dairy industry's unfavorable development phases, the Company generated net revenue of more than VND 50,600 billion from the domestic market in 2023 and gradually regained market share across most product categories compared to the beginning of the year. The condensed milk and yogurt categories stood out for their positive commercial outcomes in 2023. Additionally, efforts in market research, brand repositioning, and diversification of distribution channels contributed to halting the decline in market share for the liquid milk and powdered milk categories.

Net revenue of
domestic market

VND

50,600
billion



In terms of market segmentation, the company first performed extensive research to identify target audiences and adapt products accordingly, ranging from nutritious milk for children to organic milk for health-conscious consumers. To stay ahead of the competition while delivering optimal value to customers, Vinamilk developed a rigorously researched pricing strategy. Various discount and promotional programs were also implemented to acquire consumer attention and maintain market competitiveness.

Quality and innovation are paramount for Vinamilk, driving continuous investment in research and development to enhance product quality and introduce new offerings. Rigorous quality control measures were in place to ensure the safety and reliability of the products. Vinamilk also prioritized advertising and marketing efforts across multiple channels including television, social media, and direct advertising. Marketing content was carefully crafted to resonate with the values and messages of the products.

Regarding distribution and channel marketing, Vinamilk established robust relationships with distribution partners, ensuring widespread product availability across the nation. The flexibility between online and offline channels was leveraged to optimize customer reach. Finally, as customer care is a crucial aspect of this strategy, Vinamilk offered promotional programs and benefits to loyal customers while promptly addressing any feedback or issues raised. Overall, this strategy underscores Vinamilk's unwavering commitment to quality, innovation, and customer satisfaction within the domestic dairy market.



The lucky draw program was launched in line with Vinamilk's Direct-to-Consumer (DTC) directive introduced at the beginning of 2023. The objective was to identify target customers and their consumption preferences, allowing for the most suitable customization of products and services. Over the course of a year, the program distributed over 373 thousand gift sets at 1,165 locations across 63 provinces and cities. In addition to the lucky spin program, in Q4 2023, Vinamilk introduced the Vinamilk Rewards program. This

initiative enables consumers to earn points through direct purchases with Vinamilk and redeem those points for rewards.

In December 2023, a store makeover was piloted in Vinamilk's headquarters, coupled with the change of name from "Giấc Mơ Sữa Việt" to "Vinamilk" for wider brand recognition. This is soon to be applied to the remaining 653 stores nationwide. In 2023, the retail store channel's sales increased by an impressive 13% year on year.



2023 BUSINESS PERFORMANCE



Ms. Mai Kieu Lien
CEO

INTERNATIONAL SALES

“

Maintaining operations of overseas subsidiaries and enhancing export activities.

OVERSEAS SUBSIDIARIES



Driftwood

In 2023, the U.S. economy experienced a slow post-COVID recovery, with manufacturing sectors grappling with persistent headwinds and gradual contractions, consumer demand dwindling, and labor, fuel, and raw material costs steadily rising. Despite this major obstacle, Vinamilk's Driftwood successfully maintained constant sales, met revenue targets. In particular, 2023 is the first time Driftwood's profit increased 7 times over the same period. These successes could be attributed to Vinamilk's effective bid strategy for the school milk program, proactive cost estimation, and operating expense optimization.

2023 profit increased

7 TIMES over the same period





Angkormilk

Angkormilk sustained consistent operations and exhibited significant expansion in 2023. Both revenue and profit saw substantial increases of 6% and 27%, respectively, compared to 2022. These remarkable achievements were the result of Vinamilk's proactive approach to rethinking sales and marketing activities, with a focus on activation programs at schools, markets, and supermarkets, as well as Cambodia's milk consumption trend study in collaboration with research partner Tetrapak. Additionally, Vinamilk expanded investment in infrastructure improvements, including the successful completion of a new warehouse, the installation of an additional 1-liter condensed milk production line, the transition of yogurt film to Alumpet film, the initiation of upgrading the UHT tank system, and enhancements to the refrigeration system.

2023 revenue increased

6%

compared to 2022

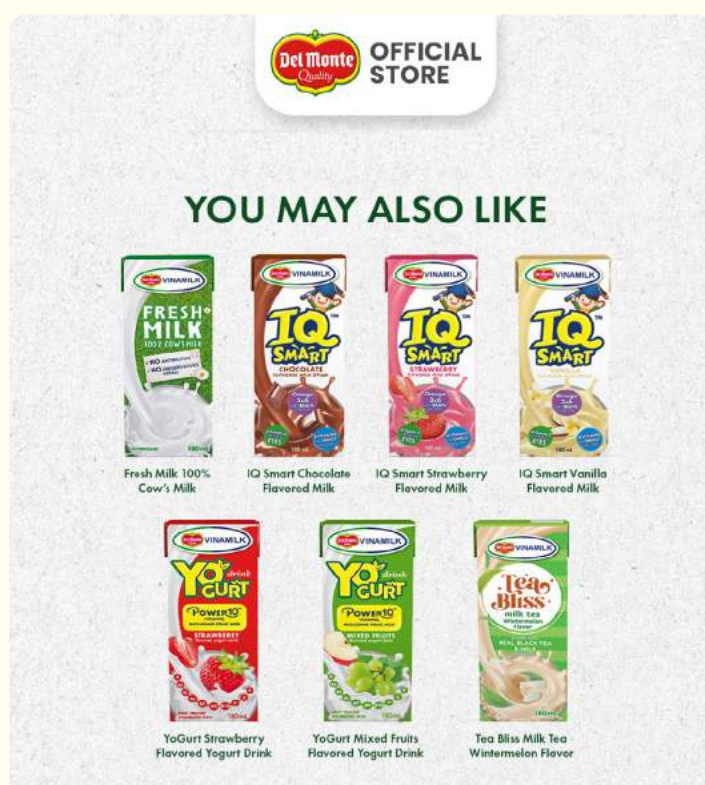
2023 profits increased

27%

compared to 2022



Del Monte – Vinamilk Dairy Philippines, Inc



In 2023, the Philippines market faced considerable challenges due to high inflation and economic effects, which prompted Filipino consumers to tighten their spending and switch to affordable, small-packaged goods. The joint venture, however, weathered the storm, navigating these challenges with agility and securing a modest year-on-year revenue increase.

On a brighter note, challenges presented opportunities for the joint venture to evaluate and identify key points in the distribution system and sales channels. An additional factor contributing to the increase in market coverage and consequent boost in sales was a high degree of client loyalty.

Looking ahead to 2024, the joint venture intends to allocate its resources towards the expansion of brand recognition and coverage, as well as the effective implementation of thoughtfully prepared new sales strategies.

EXPORT

At the beginning of 2023, Vinamilk successfully signed several substantial contracts worth up to USD 100 million, primarily for the supply of infant formula to the Middle Eastern markets. Vinamilk's condensed milk, fresh milk, and eating yogurt products also witnessed positive sales growth as they became increasingly popular among consumers in the Asian region. Throughout 2023, net sales of exports reached over VND 5,000 billion, marking a 4.4% increase compared to the previous year.

Net sales of exports
reached

VND **5,000+**
billion



China market appears promising, following the agreements with two leading enterprises specialized in the import and distribution of dairy products to better penetrate this populous market. In particular, Vinamilk's first batch of durian-flavored yogurt made its debut on shelves in China around early December. Prior to that, Vinamilk's expansion in the Chinese market centered around its flagship product, Ông Thọ condensed milk. This product has now officially

entered a major retailer in Guangzhou. In addition, with the goal of expanding distribution channels as well as introducing new images and brands - Vinamilk has actively participated in more than 5 International Fairs and trade promotion activities in China, focusing on groups of key and potential provinces and areas such as Guangzhou, Guangxi, Shanghai, Hainan...



Vinamilk continued to strengthen the key export products, especially those under the brands of Dielac, RiDielac, Ông Thọ, and Southern Star. On the product development front, packaging changes and flavor diversity in line with local trends and consumption habits were among the innovations to meet greater market demand. Additionally, Vinamilk provided continued support to the distributor network and actively sought new customers. In 2023, despite hardship in some traditional markets like Africa and the Middle East, Vinamilk still managed to deliver its commitment to import partners in terms of product quantity, quality, and

price. Since mid-2023, positive results have started to pick up, thanks to a higher level of political stability in some markets compared to the first half of 2023, plus the steadiness in the Middle Eastern and Southeast Asian markets.

Vinamilk has leveraged sustainable development as a competitive edge in exports. In particular, the Company strictly adhered to **"green, sustainable"** requirements in New Zealand such as no plastic straws and lids as per agreements on plastic waste mitigation. These "green" products also piqued the interest of potential partners in Australia, who plan to place

orders in 2024. Besides, Vinamilk already switched to environmentally friendly packaging materials for the probiotic drinking yogurt (130ml), adding another one to the export-ready list, while seeking ways to adapt the packaging of other product lines. By 2025, all products exported to Australia and New Zealand are expected to have packaging made from recyclable and sustainable materials. Going forward, Vinamilk aims to win over high-income markets in Asia, and the Americas, and at the same time, strengthen newly tapped markets.

2023 BUSINESS PERFORMANCE



Mr. Doan Quoc Khanh

Acting Executive Director –
Dairy Farm Development

DAIRY FARM DEVELOPMENT

66

Commitment to sustainable agricultural practices.

In 2023, the Dairy Farm Development Division continued to implement production in line with sustainable development principles, with a total herd of approximately 140,000 dairy cows. In which, 38,000 cow heads are managed across Vinamilk's farm system, and a herd of over 101,500 cows as a result of collaboration between Vinamilk, Moc Chau Milk Company and local farmers.

The total volume of
raw milk supplied for
production reached

408,000
tons per year

Vinamilk's farm system
produces nearly

168,000
tons of
raw milk per year

The volume of raw milk
from cooperative farmers in
collaboration with Vinamilk
and Moc Chau Milk reached

240,000
tons per year

Operational strategies of Vinamilk's farm system

With a steadfast commitment to sustainable agricultural practices, Vinamilk system boasts that 100% of its farms are compliant to GlobalG.A.P, with Vinamilk Green Farm – Ecological dairy farm system and EU-certified Organic Farms taking the limelight.

These farms emphasize circular agriculture, environmental consciousness, and animal welfare to ensure consistent production and supply of high-quality green forages for dairy cows, which plays a crucial role in enhancing the flavor of Green Farm Fresh Milk. Such an approach demonstrates our core production and business philosophy and reaffirms our dedication to consumers.

Vinamilk's farm system has a total of over 2,100 hectares of cultivated land, of which over 790 hectares are managed by 11 farms owned by Vietnam Dairy Cow One-Member Company Limited, over 170 hectares by Thong Nhat Thanh Hoa Dairy Cow One-Member Company Limited, and 1,200 hectares developed by the Lao-Jargo farm complex in Laos. This vast area of land serves the green forage production.

The main crops grown in Vinamilk's farm system are corn, Mombasa grass, rice, oats, and more. Through strategic alignment with natural conditions and soil characteristics of each region, the implementation of integrated farming techniques, thoughtful crop season rotations, and the practice of intercropping, Vinamilk ensures that these crops adapt effectively to local weather and climate conditions,

especially during the complex period of climate change.

Vinamilk's farm system produces nearly 168,000 tons of raw fresh milk per year. This high production is due to Vinamilk's priority of animal welfare and utilization of cutting-edge technologies to give cows exceptional care.

100%
Farms meeting
GlobalG.A.P standards

The total dairy cows managed
and operated by Vinamilk and
Moc Chau Milk has reached

140,000
COWS

Vinamilk's farm system
has a total of

2,100+_{ha}
of cultivated land

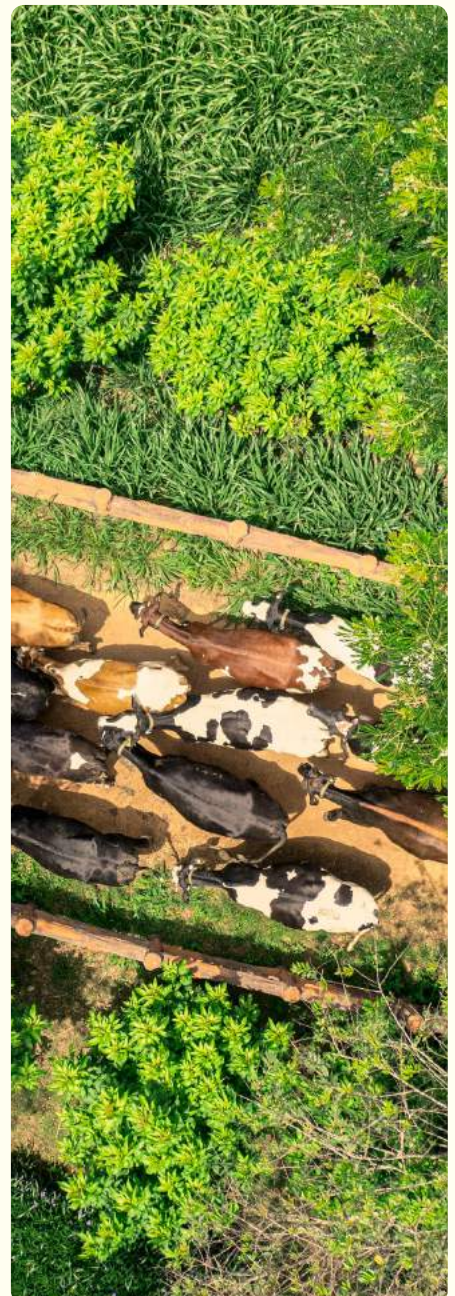
Vinamilk manages

75 milk collection
stations

Apart from modern farm systems, Vinamilk actively collaborates with dairy farmers across the country by entering into off-take contracts for raw fresh milk. These agreements aim to foster mutual benefits, enhance yield and quality, reduce costs, and bolster the competitiveness of Vinamilk's products against imported milk. This strong link between Vinamilk and farmers is further enhanced by the network of dairy collection stations, which strictly adhere to food hygiene and safety requirements. At present, Vinamilk manages 75 milk collection stations, overseeing approximately 76,500 cooperative farm cows, while Moc Chau Milk manages 25,000 cows. This brings the total number of cooperative farm cows in Vinamilk to over 101,500, contributing to an annual raw fresh milk production of around 240,000 tons nationwide. Beyond the primary function of dairy purchase, these stations are involved in

distributing dairy cow feed, providing consultation, transferring farming technologies, controlling diseases for dairy cows, and serving as a reliable hub for the development of dairy cows within the community.

Vinamilk currently employs a system to monitor the temperature of milk tankers during transportation using data logger devices from the Lao-Jargo farm to the Nghe An dairy factory. This allows for data traceability of milk temperature throughout the transportation, ensuring a stable temperature of <4°C, even during long-distance, hazardous, mountainous routes. By establishing such rigorous quality control processes for raw fresh milk from farm to factory, Vinamilk demonstrates the brand's resilience to difficulties and unwavering commitment to continuous development, both in terms of quantity and quality.





Embryo Transfer Center (“ETC”)

ETC is tasked with the crucial activities of harvesting and transplanting embryos. It collaborates closely with member farms to improve the embryo transfer success rate, which has reached an impressive 40%, to create a generation of genetically superior cows and calves. Additionally, the ETC implements training programs to regularly update and enhance specialized knowledge and expertise for the research teams both at the center and on farms. Training contents focus on genetic source selection, and the techniques involved in embryo harvesting and transplantation for genetic improvement in cows and calves.



Key projects and strategic directions for the five years 2022-2026

Vinabeef Tam Dao Livestock Farming and Beef Processing Project

Vinamilk and Vilico have entered into a partnership with the Japan-based Sojitz Group to construct a state-of-the-art, closed-loop livestock farming and beef processing facility, which is anticipated to have a total investment value of up to USD 500 million. This facility, located in Tam Dao, Vinh Phuc province, spans across 75.6 hectares. It is divided into two key areas: a beef cattle farm with a capacity of 10,000 heads and a chilled beef processing plant with a capacity of 30,000 heads, equivalent to 10,000 tons of products, per year. The first phase, which requires an investment of nearly VND 3,000 billion, is scheduled to be operational in 2024.



Moc Chau Milk Paradise Complex Project

Vinamilk, in collaboration with Moc Chau Milk, has undertaken a project with a total investment of up to VND 3,150 billion. The project links a high-tech dairy farm boasting a capacity of 4,000 cows with eco-tourism and a high-tech Moc Chau milk processing plant. It officially commenced in 2022, and is expected to be operational by 2024.

Lao-Jargo Dairy Farm Complex Project

Vinamilk has operated Farm No.1 with a herd of 8,000 cows since 2022 and is focusing on subsequent phases to strengthen the supply of fresh milk for the domestic and export markets.

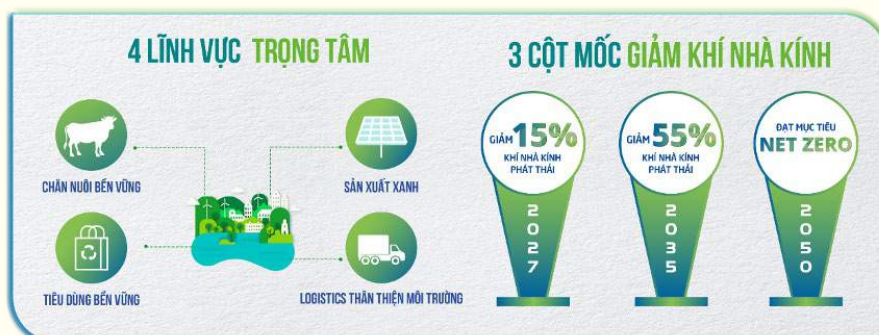
Greenhouse Gas Measurement Program for the Vinamilk's farm system to aim Net Zero by 2050

In 2023, the Dairy Farm Development Division implemented the Greenhouse Gas Measurement program for the farm system following the Net Zero target set by Vinamilk. The roadmap outlines a 15% and 55% reduction in GHG emissions by 2027 and 2035 respectively towards the Net Zero commitment by 2050. A notable achievement in this endeavor is the Nghe An Dairy Farm and Nghe An Dairy Factory becoming the first farm and factory in Vietnam to be certified as Carbon Neutral by Bureau Veritas (BV) and by British Standards Institution (BSI), respectively.



**VINAMILK
PATHWAYS TO DAIRY
NET ZERO 2050**

LỘ TRÌNH TIẾN ĐẾN NET ZERO 2050 CỦA VINAMILK



Vinamilk's recognition in awards for sustainable development and social contributions, including the Human Act Prize in 2023, which honored Vinamilk's Pathways to Dairy Net Zero 2050 program in the most important category, highlights another significant achievement. These underscore Vinamilk's determination and commitment to sustainable, environmentally friendly production practices for the benefit of the community.

Care to change

Vinamilk has consistently invested in research and development to find solutions that may effectively minimize environmental impact and optimize the use of resources and energy in production activities.

Research and application of new technologies in production

In response to the complexity of climate change, Vinamilk has been proactively invested in researching new production methods, including exploring and testing new crop varieties (such as corn, rice, oat, etc.) suitable for high-quality green forage production to increase yield and output, and reduce input costs.

Applying new technologies in production (such as drone inspection and automatic center pivot systems), as well as identifying appropriate cultivation methods (via the use of seeders, row seeders, etc.) for each raw material region are priority strategies at Vinamilk. This aims to replace traditional cultivation methods, leading to increased production efficiency, labor savings, and minimized environmental impact.



Additionally, Vinamilk is testing, step by step, with soilless cultivation methods. One example is the adoption of the Automated Seedling Production System, which is scheduled for deployment following the successful on-farm tests and feasibility evaluation in 2022. This continuously operating system can provide a maximum yield of 1,000 kg seedlings per day after only 6-7 days of planting, ensuring a consistent supply of high-quality, nutrient-rich green forage for cows and calves. Vinamilk is also studying a hydroponic system for growing Azolla as a substitute for green forage, with the goal of producing an equivalent yield of 1,000 tons/ha/year.

If these projects prove successful and are implemented in practical production, they will substitute a portion of traditional green forage production. Expected benefits include reducing production risks and losses in crop yield due to unfavorable weather conditions; reducing the frequency of land use and the cultivation area in line with the goal of **“Let the land rest, let the water self-purify”**; providing time for implementing plans for land improvement and nutrient supplementation; and ensuring cultivation activities align with Vinamilk’s vision for sustainable development and land and water conservation.

Vinamilk Pathways to Dairy Net Zero 2050



In 2023, guided by the brand's efforts to pioneer environmental protection, Vinamilk became the first organization to proactively commit to the Vinamilk Pathways to Dairy Net Zero 2050 program. This commitment is evidenced by the initial steps taken, such as systematically conducting the Greenhouse Gas Accounting (GHG) for the farms and dairy factories according to international standards, and implementing a Net Zero program based on PAS 2060:2014 standards. Recognizing sustainable development as one of the four strategic pillars for the 2022-2026 period, Vinamilk also actively supports the Government of Vietnam in achieving the Net Zero 2050 commitment and the "National Strategy for Climate Change until 2050." Vinamilk plans to expand GHG Accounting and Net Zero for other farms within Vinamilk's farm system following the Net Zero pathways to 2050 in the coming years.

In addition to reducing greenhouse gas emissions from production and farming activities, Vinamilk has

consistently maintained green tree funds to absorb greenhouse gases over the years. For example, the "1 Million Trees for Vietnam" fund, which began in 2012, passed its target and planted 1.121 million trees in Vietnam by the end of 2020. In 2023, Vinamilk collaborated with the Ministry of Natural Resources and Environment to launch the Net Zero Tree Planting project between 2023 and 2027. With various other tree planting projects aimed at establishing Vinamilk's green forests being underway, Vinamilk has been making the brand's contribution to the commitments made by the Government of Vietnam at the 2021 United Nations Climate Change Conference (COP26).

To complement forest planting and conservation projects, Vinamilk has made substantial investments in transitioning to green energy. For example, at the Vinamilk Green Farm – Ecological dairy farm system, Vinamilk has implemented renewable energy systems, modern solid-liquid separation systems, and biogas

storage that helps significantly reduce emissions of CO₂, N₂O, CH₄, etc. Vinamilk has even taken further steps by converting the solid-liquid materials into organic fertilizers for crop cultivation and soil improvement, and leveraging the biogas for milk pasteurization and hay drying system operation.

Vinamilk is the
**FIRST COMPANY
IN VIETNAM TO
PROACTIVELY**

commit to participating in the
Vinamilk Pathways to Dairy Net
Zero 2050 program





Throughout the journey of development, Vinamilk has consistently demonstrated a commitment to sustainable development and innovation. Today, sustainable development has become one of the four strategic pillars of Vinamilk, evident in key events such as the brand's repositioning with the message **"Be determined, be bold, and be yourself"**. This message reflects the inheritance of the corporate cultural heritage over the past 47 years, and the incorporation of new, youthful energy.

In 2023, Vinamilk achieved the following results for sustainable development goals:

100%

of farms maintained GlobalG.A.P, ISO 9001-2015 standards; 02 Organic Farms were recertified with European Organic Certification.



The index of greenhouse gas emission per ton of product (*)

578

kg GHG/ton of product

represents a

7.8%

decrease in GHG emissions over the plan

(*) in the scope of Vietnam Dairy Cow One-member Company Limited.



THE JOURNEY OF DEVELOPING VINAMILK'S FARM SYSTEM AND RAW MATERIAL AREAS

2007

Tuyen Quang farm –
2,000 cows

2008

Binh Dinh farm –
2,000 cows

2009

Nghe An farm –
2,600 cows

2010

Thanh Hoa farm –
1,600 cows

2012

Vinamilk Dalat Farm –
1,600 cows

2013

Tay Ninh Farm – 8,000 cows

In 2019, Vinamilk
inaugurated the
Green Farm Resort and
completed the entire farm,

2016

Nhu Thanh Farm – 2,000 cows
Ha Tinh Farm – 2,000 cows

2017

Organic Farm Dalat –
700 cows

2019

Vinamilk Organic Di Linh
Dairy Farm – 300 cows

Thong Nhat Thanh Hoa
Dairy Farm Phase 2 –
4,000 cows

2022

Upgrading of Moc Chau
farm – 2,000 cows

2018

Thong Nhat Thanh Hoa
Dairy Farm Phase 1 –
4,000 cows



2020

Quang Ngai Dairy Farm –
4,000 cows

2023

Put into operation the
dairy farm cluster Phase
1 in Xiangkhouang, Laos,
given designed capacity of
8,000 heads



2023 BUSINESS PERFORMANCE



Mr. Nguyen Quoc Khanh

Executive Director –
Research and Development

RESEARCH AND DEVELOPMENT

“

Enhancing technological capabilities in Research and Development.

Playing a key role in enhancing technological capabilities in production, bolstering Vinamilk's business position in the competitive market, boosting exports, and facilitating the company's sustainable growth, in 2023, the Research and Development Division conducted extensive research on new and improved products, including those for export, to comply with local and global regulations. Its support extended beyond the Vinamilk brand to include both domestic and international subsidiaries, such as Moc Chau and Angkormilk (Cambodia).

Building on the success of 2022, Vinamilk continued being recognized at international awards, including Clean Label Project and Purity Award (50 products), Monde Selection (4 products), and Superior Taste Award (8 products). Notably, Vinamilk Green Farm UHT Fresh Milk won two Monde Selection and the Superior Taste Award, making it the first milk brand to achieve all three prestigious accolades - Clean Label Project, Superior Taste Award, and Monde Selection.

CLEAN LABEL PROJECT & PURITY AWARD

50 products

SUPERIOR TASTE AWARD

8 products

MONDE SELECTION

4 products

Vinamilk Green Farm
fresh milk product is the
FIRST BRAND of Vinamilk
to achieve all 3 prestigious
awards

CLEAN LABEL PROJECT

SUPERIOR TASTE AWARD

MONDE SELECTION



Vinamilk's efforts to align with the world's highest standards and maintain the commitment to a non-compromising approach to quality stay unchangeable. For example, Vinamilk continuously updates and applies standards for materials and products in accordance with Vietnamese and international laws.

As a member of standard organizations at home and abroad (such as the Vietnam Codex Technical Committee on Food Labeling and on Nutrition for Special Dietary Use), Vinamilk participates in crafting international standards. At the national level, Vinamilk provides inputs in perfecting the advanced quality management system and collaborates with government agencies (such as AOAC SEA, Vietnam Quality Association of Ho Chi Minh City, Food and Foodstuff Association of Ho Chi Minh City, Vietnam Standards and Quality Association) to find solutions to help businesses overcome challenges. Keeping up with the brand's commitment, in 2023, the R&D Division contributed opinions on draft decrees, circulars, and laws related to food safety and hygiene, such as the draft circular on nutrition labelling by the Ministry of Health and various draft product standards.



As part of the project towards Net Zero by 2050, the R&D Division sent representatives to the Net Zero Circular Economy Workshop jointly organized by the Ministry of Industry and Trade, VTV, and Fulbright University Vietnam. The R&D Division also intensified its international presence by participating in the 43rd International Codex Alimentarius Commission Meeting on Nutrition and Foods for Special Dietary Uses.

To promote Vinamilk's modern image and commitment to quality, in 2022 and 2023, the R&D Division arranged five sessions to introduce Vinamilk's Quality Management System and offer tours of Vietnam's dairy factories to food safety stakeholders nationwide.

2023 BUSINESS PERFORMANCE



Mr. Le Hoang Minh

Executive Director –
Production

PRODUCTION

66

Fulfilled the 2023 plan with standardizing processes to ensure uniformity and the highest product quality.

In line with the message from the CEO – 2023 shall be a year of **ACTION and TRANSFORMATION**, requiring coherent execution throughout the organization, from the Board of Directors, Board of Management, Managers to every Employee, from Headquarters to all Factories – the Production Division worked hard to ensure that the compliance with International standards in manufacturing industry and Quality management systems such as ISO 9001, FSSC 22000, Integrated Management System PAS 99 (including ISO 14001, ISO 45001, and ISO 50001), ISO 17025, Halal, Organic EU, SMETA, and BRC, was consistently and effectively maintained across operational stages, factories, and management levels.

Additionally, the Production Division continued to standardize technological processes for products like Eating Yogurt, Nutritious Drinking Milk, and UHT Fresh Milk, thereby ensuring consistent quality across all factories. For example, in the case of Fresh Milk, standardization involved controlling the time and temperature for raw milk cooling. The division also invested in microbial rapid detection equipment (TPC, Somatic cell) to monitor the quality of raw fresh milk throughout the entire process. Alongside infrastructure standardization, the Production Division developed a Good Manufacturing Practice (GMP) manual and created documentation for a comprehensive production management model.



Standardize infrastructure, construction machinery and equipment, complete Good Manufacturing Practices (GMP) handbook; Implementing the Total Productive Maintenance program ("TPM"), in December 2023, Vietnam Dairy Factory was evaluated by Experts and won the "Award for TPM Excellence, Category B" award by the organization JiPM Japan. Applying TPM helps improve operational efficiency, identify backlogs to devise appropriate maintenance improvement strategies, save operating costs, typically maintaining and improving operational productivity of machinery and equipment. ("OEE"), over 96% of lines achieved target OEE, over 85% of lines had OEE over 80%-90%.

In the results of 2023, the Production Division successfully met both quality and progress targets, and conducted new technologies trials, in collaboration with the Departments of Research and Development, and Strategic Planning, to drive innovations and diversify product formulations. An example of this is the application of the "Milking Vacuum Pump" in the production of Green Farm UHT Fresh Milk, resulting in a premium offering with a smooth and creamy texture. Other examples include Sweetened Coconut Cream, Condensed Milk with Strawberry, Chocolate, and Coffee Flavors for middle-aged consumers, and Coconut Caramel Popsicles for children. All existing and newly introduced products undergo rigorous quality control to ensure food safety for consumers.

In 2023, production costs were efficiently controlled despite the challenges posed by increased costs

of raw materials, fuel, and materials, as well as the introduction of numerous new products and increased small-batch production. It could be attributed to Factories' efforts in controlling material consumption norms, resulting in actual production costs being lower than the budgeted costs, and estimated savings amounting to VND 110 billion. Additionally, scheduled investments were made in projects aimed at expanding production capacity. These projects include the High-capacity Sweetened Condensed Milk Production Line at the Binh Dinh factory, which commenced commercial production in August 2023; the 30-ton/hour Fresh Milk reception system at the Lam Son factory, which was completed in August 2023; and the Probi 130ml production capacity increase to 10,000 bottles/hour in Da Nang City, which concluded in September 2023. Parallel to the implementation and completion



economy model in production activities.

In 2024, the Production Division plans to continue implementing the key goal of completing the output plan both ensuring high quality and progress, implementing the TPM program, investing in applying digital transformation to control factory operations, ensuring best control of quality, productivity, costs and production planning.



of these projects as described above, the Production Division also actively implements ongoing projects for existing factories, and collaborates with the Project Management Board to monitor the implementation of projects in the Moc Chau and Vilico factories.

The Production Division actively pursues sustainable development goals, recognizing them as not only a corporate responsibility but also a growing consumer trend. In line with this commitment, Factories seek solutions to implement action plans for minimizing greenhouse gas emissions, including implementing greenhouse gas accounting according to ISO 14064, maximizing renewable energy use, transitioning from diesel oil/gas-powered vehicles to electric alternatives, and embracing circular

Identifying products with high growth rates reaching the capacity threshold, the Production Division proactively considers investment and implements 2024 investment projects for new products, increasing production capacity, optimal production and resource management to implement Moc Chau and Vilico factory projects and sustainable development projects, to proactively and flexibly meet consumer needs, affirming Vinamilk's stature and position.

The total estimated savings in raw material allocation reached

VND

110

billion

2023 BUSINESS PERFORMANCE



Ms. Mai Kieu Lien

CEO

SUPPLY CHAIN

66

Prompt and drastic actions fueled by a pioneering and proactive spirit.

In 2023, the Supply Chain Division underwent a transformative shift, spanning all aspects such as strategic planning, objectives, methods, practices, inspection, monitoring, performance measurement, etc. Accordingly, comprehensive and drastic actions were taken to address challenges as well as seize opportunities in an in-flux business landscape.

01

Transformation and action

02

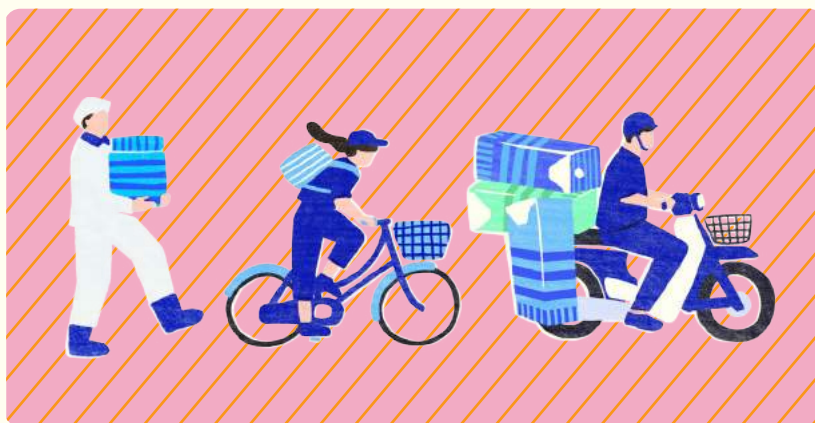
Organizational restructuring

03

Promotion and adoption of new practices

04

KPI improvement



Consequently, the Supply Chain Division carried out such activities as follows:

- Regarding **transportation and delivery**, key metrics were successfully maintained and improved, including freight rates per ton as the lowest in the industry which aids cost saving and profit growth; enhanced delivery accuracy to boost customer satisfaction and trust; and increased damage-free rate, either at warehouse or during transportation, to ensure product quality and safety. In addition, solutions for multichannel and multimodal transportation across multiple geographical areas were developed to meet the ever-evolving demand of customers.

- Regarding **the supply of goods and products**, accuracy was achieved to better serve the market. This was owing to Vinamilk's effective coordination and robust, sustainable network of manufacturers, distributors, and other partners built upon strengthened cooperation. Advanced technologies were also adopted to increase the efficiency of monitoring and demand forecasting, as well as to control and manage inventory. Risk management was under strict control to mitigate negative impacts from external factors such as natural disasters, pandemics, or price fluctuations.



- Regarding **procurement**, the Supply Chain Division restructured, supplemented, and perfected the operational process towards specialization to be aligned with industry standards. Changes in approach and practices in the management of inventory, suppliers, and capacity, procurement strategy, and other activities were implemented across all Procurement Department and relevant units. In 2023, the Procurement Department continued to add value to the Company, by way of improved quality, costs, efficiency, and competitiveness.
- In 2023, a new function was established for **optimization and digital transformation**, showing the Division's determination to transform and act promptly while setting the first steps toward operational optimization. Specifically, a portfolio of **"buy better - spend better"** initiatives was completed to streamline procurement, thus increasing benefits and reducing risks for the supply chain. Furthermore, a system was set up to help integrate demand planning with procurement between Vinamilk and its subsidiaries, fostering deeper linkage and consistency within the corporation.



Overall, thanks to prompt and drastic actions fueled by **a pioneering and proactive spirit**, the Supply Chain Division concluded the year 2023 with significant improvements and readiness to embrace upcoming challenges. The plan for 2024 is to build upon what has been achieved, as well as set out new goals and actions to take operational efficiency to the next level. With the unwavering effort and creativity of its team, the Supply Chain Division has great confidence to play a bigger role in the Company's sustainability.

2023 BUSINESS PERFORMANCE



Mr. Nguyen Quang Tri

Executive Director –
Marketing

MARKETING

66

Newly launched and innovative products resonated positively with consumers.

Despite numerous challenges, the Sales and Marketing team of Vinamilk achieved noteworthy success in 2023 through monitored market performances, insightful comprehension of customer needs and sentiment, and successful implementation of customer sales promotion programs. These achievements included putting Vinamilk on the pedestal of market-leaders in crucial categories such as Liquid Milk, Eating Yogurt, Drinking Yogurt, Condensed Milk (both in terms of volume and value), and Infant Formula (in terms of volume), and driving considerable sales growth in various important categories like Eating Yogurt, Probiotic Drinking Yogurt, Condensed Milk, Nut Milk, and Green Farm Fresh Milk.

The team's effort also led to the successful launch of Vinamilk's new and improved products, which resonated positively with consumers. In terms of improvements, Vinamilk introduced new Fino packaging for existing products, in addition to Vinamilk 100% Fresh Milk, Green Farm Fresh Milk, and Nutritious Milk, to align with Vinamilk's Masterbrand direction. As for new products, noteworthy additions include collagen-enriched less-sugar Aloe Vera & Pomegranate Eating Yogurt, Probi Pedia+ Probiotic Drinking Yogurt with added Lysine tailored for selective eaters, Probi Happi Probiotic Drinking Yogurt with added Tryptophan – a precursor to the "happiness hormone" serotonin – for healthy gut and relaxed mind, Susu lid-seal Jelly Drinking Yogurt, and Condensed Milk with Chocolate and Strawberry flavors for dessert toppings.



Taking a global perspective, the team significantly strengthened Vinamilk's international reputation and standing. In April 2023, in collaboration with relevant departments, the Marketing team successfully held a signing ceremony of the strategic partnership agreement between Vinamilk and six leading global nutrition corporations. This agreement, aimed at providing the highest-quality baby formulas that closely resemble breast milk, gained widespread attention. Moving to June 2023, the team worked with the External Affairs Department to present an inspiring narrative of **"Vinamilk Nurtures Sustainable Growth for a Nation of 100 Million People"** at the Global Dairy Congress 2023 in the UK, where Vinamilk stood as the sole representative from Southeast Asia.

For the first time in years, Vinamilk once again joined forces with Vietnam Television (VTV, the national television broadcaster of Vietnam) to create long-running programs focusing on promoting a healthier and happier generation of Vietnamese. A well-known example is the mobilization of all Vinamilk brands to support the daily “Healthy Vietnam” series, which delves into topics related to nutrition and a wholesome lifestyle. Additionally, Vinamilk entrusted the Sure Prevent Gold brand to contribute to the “A Date with Your Younger Self” series, inspiring the elderly to lead joyful and healthy lives.



Vinamilk’s dedication to overcoming challenges was acknowledged through numerous prestigious awards and certifications, solidifying our position as the top-ranking brand in Vietnam.

For the 11th consecutive year, Vinamilk was
THE MOST CHOSEN BRAND
in the dairy and dairy substitutes sector

AMONG THE TOP THREE
most chosen FMCG manufacturers.

According to Kantar’s 2023 Brand Footprint report

Vinamilk also earned prestigious awards and positive evaluations from third-party independent market intelligence for our outstanding marketing campaigns.

The
“CHILDHOOD MUSEUM”
campaign for Ông Thọ brand is the most successful

Best Social Media Advertising Campaign of 2023 by the Ministry of Culture, Sports, and Tourism

Top 3 Best Advertising Campaigns in Vietnam on YouTube

Best Use of Content Creativity of 2023 by BSI



Various other campaigns secured positions on BSI’s top lists for social media campaigns.

“SuSu Hero Energy Boost - Keep the Earth Green”

“Join Fun Multiverse Journey with Truc Nhan singer” for Susu

“Golden Choice for Afternoon Snack” for Susu Eating Yogurt

“Cooking Savory Dishes with Ông Thọ Condensed Milk”

“Launching Flavorful Ông Thọ Condensed Milk”

“Filial Piety Festival” for Sure Prevent Gold brand

“Purity Award” for Optimum Gold brand

2023 BUSINESS PERFORMANCE



Ms. Bui Thi Huong

Executive Director –
Human Resources, Administration
and Public Relations

HUMAN RESOURCES

66

Vinamilk is certified Great Place To Work voted by its employees given the international criterion.

Vinamilk's Talent Acquisition & Retention Strategy

Great Place To Work award voted by Vinamilk's people

Having met over 25 evaluation criteria for work environment quality, Vinamilk has achieved the **"Great Place To Work"** certification from the global authority on workplace culture, "Great Place To Work". Aligned with the global standard for evaluating work experience, Vinamilk has been recognized by its employees and the international organization as a fair, trusting, and empowering workplace that emphasizes capacity building and team bonding. Additionally, in 2023, Vinamilk outperformed other applicants and was named one of the Best Companies to Work for in Asia in 2023 (HR Asia Award 2023) with scores that were significantly higher than the market average.

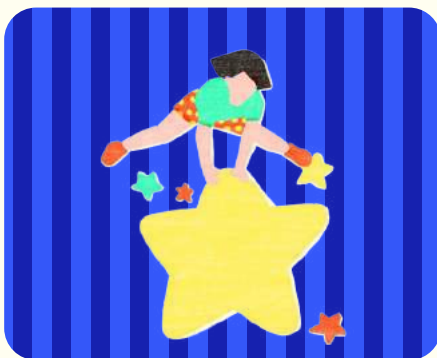


Be determined, be bold, and be authentic

Vinamilk introduced the new spirit, and benefit packages, has helped which represents Vietnamese the company retain its brainpower. youth and hunger, at the 2023 rebranding event. After 47 years Gen Y-Z accounts for 63.7% of of continuous improvement and the present young workforce, innovation, Vinamilk is ready with 18.4% of middle- to upper- to rethink everything known, level managers aged 25-35, as embrace an open mindset, and Vinamilk ensures equal opportunity encourage candid debate and new development for all. As a result, idea sharing among employees. employees are empowered with Vinamilk's positive work culture, authenticity, ownership, and combined with competitive wage professional growth.

Welfare and happiness

In 2023, although the economy struggled, Vinamilk continually sought to align compensation and benefits with employee requirements, allowing every member to focus on career path. Vinamilk, with the assistance of Mercer (Vietnam's premier HR consulting business), has improved its salary structure across the company, guaranteeing income is in line with actual performance and capacity, and bonuses for special occasions are dispersed fairly throughout the year.



Improving the internal communications

Vinamilk engages its members with the two-way communication channel "Life at Vinamilk" via email, Teams, Zalo, and Facebook. This channel keeps Vinamilk employees at offices, factories, farms, and stores up to date on company activities and allows them to provide feedback on work experience or new ideas. In 2023, Vinamilk received numerous practical commercial, manufacturing, and operations suggestions through the internal portal. One of the most noteworthy suggestions, made by an electromechanical engineer at the Tien Son factory, is to remove the shrink wrapping from Probi packets, which fails to directly benefit customers and incurs significant production expenses. After extensive surveying and study, this idea was placed into trial production in Q4 2023. It is predicted that if implemented, Vinamilk may save approximately VND 40 billion in production expenses and reduce 202 tons of plastic waste every year.



Upgrading the employer brand

Vinamilk has attracted talent through communication initiatives, including collaborations with prominent universities such as HCMC University of Technology, National Economics University in Hanoi, Fulbright University, etc. Through company visits, Vinamilk introduces its work culture to the public and prospective candidates, including overseas graduates and Vietnamese who want to return and contribute

to their native country. LinkedIn was Vietnam's most vibrant recruitment channel in 2023, growing by more than 20%. The competitiveness ratio for the most coveted positions at Vinamilk is 1:150 (such as Marketing and Strategic Planning position), which is higher than that of top domestic universities. This demonstrates the continuous development of an employer brand that is attractive to top talent.



Fostering teamwork spirit



At Vinamilk, teamwork is a core element. Teamwork spirit is displayed not only at work but also afterwork hours through sporting events.

For the first time, the Vinamilk teamwork demonstrated true companionship as 2,000 employees from offices, farms, and factories teamed up with salespeople. Vinamilk employees in Da Nang, Hanoi, Can Tho, and other

cities across the country actively assisted sales efforts and cheered on colleagues at various distribution channels such as GT (distributors, grocery stores, traditional markets) and MT (supermarkets, convenience stores). Through sales kickoffs, the members have gained a deeper understanding of each other's roles and a stronger sense of pride in Vinamilk's business.

For Vinamilk employees, it is "work hard, play harder". Over 1,000 employees gave it their all in the North South Sports Festival, competing in football, tug-of-war, badminton, table tennis, sack racing, and marathon. Particularly, in an app-measured group marathon, Vinamilk employees ran a distance of 80,000 kilometers, twice the Earth's equator.

Investing in talent pool

In 2023, Vinamilk conducted 300,000 training hours, which is equivalent to reading 75,000 200-page books. Organizing 584 courses with over 28 thousand participants, Vinamilk offered its members opportunities to enhance their capacities and knowledge in quality management, policies, compliance, skills, thinking, etc. Furthermore, training programs and workshops were led by top experts from prestigious institutions such as the HCMC University of Technology, KPMG, Bureau Veritas, Tetra Pak, TikTok, Beneo, PLC/Ron Kaufman, and the world's leading creative studios and agencies.

A solid career path is enhanced by international scholarships. In 2023, Vinamilk employees were awarded 10 scholarships in 4 training programs, including the full-tuition scholarship for the Enlightened Leadership Program (IPL Scholarship – PACE Business School), the MBA Talent 2024 Master of Business Administration Scholarship valued at \$7,200, The Advanced Management Scholarship for 8 weeks funded by the German Government, and The Leadership Development Scholarship by FMIT Institute.

Through these training programs, Vinamilk members have honed their expertise, fostered creativity, and been inspired to grow forward together.

2023 Vinamilk embarks on the new journey

Vinamilk's new adventure began in 2023 with a rebranding event, followed by a series of innovative reforms in the workplace, including improved welfare policies, recruitment procedures, and internal communications. Vinamilk evolves every day in pursuit of the ethos of **"for the better and better"**, propelling collective progress to conquer new challenges.

2023 BUSINESS PERFORMANCE



Mr. Le Thanh Liem

Executive Director -
Finance

FINANCE

66

Completed key digital transformation projects.

In 2023, Vinamilk achieved positive outcomes in accounting, tax, and financial management. This was highlighted by the Finance Division's crucial proposals and recommendations from its in-depth analysis, in addition to great performance in forecasting and financial reporting. Moreover, the Division also supported and collaborated with relevant units to implement strategic projects, ranging from product launches to trade promotion programs. As a result, Vinamilk flexibly leveraged favorable offerings from banks to optimize cash flow and generate incremental income through deposits and loans.

Amid exchange rate fluctuations, the Finance Division opted for the use of derivatives for foreign exchange hedging, yielding significant benefits through settled foreign currency loan agreements.

Additionally, the completion of several key digital transformation projects, including the HPM system, e-invoice upgrade, automated payment solutions, and Power BI, helped Vinamilk enhance efficiency in internal and customer management.

Before tax profit in 2023

VND

10,968
billion

+4.5% YOY



Net margin in 2023

14.9%

+63 BPS
YOY

Regarding investor relations, the Finance Division successfully organized online AGMs for both the parent company and its subsidiaries. At the same time, shareholder engagement was also enhanced in the post-COVID period via the Company's quarterly investor meetings, conducted in a hybrid format, and numerous investment events at home and abroad.

In addition, the Company also took an active approach to environmental, social, and governance (ESG) practices. This included data submission to CDP – the global standard of environmental reporting and solution development to reduce greenhouse gas emissions and promote packaging recycling.

Vinamilk was also among the top-ranked winners of the Listed Companies in Vietnam 2023 Award, honored in the Top 20 Enterprises with Best Annual Reports in the Non-Financial Sector, and clinched the top spot for Enterprises Going Beyond Compliance Standards in Corporate Governance Award, which was the testament to the Company's compliance with Securities and Financial Market regulations.



Satisfaction rate
on communication
effectiveness and
transparency related to
financial results

95.8%

Satisfaction rate on
investor relations
and supporting
documents

100%

**This survey was conducted by Vinamilk in January 2024 with 24 respondents representing investment funds and securities companies.*



2023 AWARDS AND HONORS

GOLDEN BRAND OF HO CHI MINH CITY 2022

3rd consecutive year



- Vinamilk's fresh milk products are the first fresh milk products in the world to receive Clean Label Project certification (the U.S).
- Vinamilk is the first and only Asian infant formula brand to receive the Purity Award.

HIGH-QUALITY VIETNAMESE GOODS AWARD

for 27th consecutive year



TOP INDUSTRY 4.0 VIETNAM

(VUSTA)



SUPERIOR TASTE AWARD

(by International Taste Institute)

Vinamilk Green Farm Fresh Milk, Vinamilk Organic, Vfresh Pomegranate Apple Juice, Vfresh Sugar-Free Artichoke Drink, and Southern Star Condensed Milk.

Notably, 2 products with a 3-star rating: Ông Thọ Condensed Milk and Vinamilk Super Nut (9 Kinds of Nuts).



MONDE SELECTION AWARDS (Belgium)

Gold Award for Vinamilk Super Nut (9 Kinds of Nuts), and UHT Fresh Milk.

THE WORLD DAIRY INNOVATION AWARDS 2023

Vinamilk Super Nut (9 Kinds of Nuts) is the winner in Dairy alternative category.



TOP 50 MOST INNOVATIVE COMPANIES

(Vietnam Investment Review)

TOP 50 SUSTAINABLE DEVELOPMENT ENTERPRISES 2023

(Nhịp Cầu Đầu Tư Magazine)

TOP 50 BEST LISTED COMPANIES 2023

(Forbes Vietnam Magazine)

TOP 50 BEST PERFORMING COMPANIES IN VIETNAM

(by Nhịp Cầu Đầu Tư Magazine) (12th consecutive year)

Great
Place
To
Work®

Certified

JAN 2024-JAN 2025

VIETNAM™



GREAT PLACE
TO WORK

Kantar World Panel Vietnam's ranking

- Vinamilk – Top 3 most chosen FMCG manufacturers by Vietnamese consumers for the 11th consecutive year.
- Vinamilk – The most chosen dairy and dairy substitutes brand by Vietnamese consumers for the 11th consecutive year.
- Ông Thọ and Southern Star – The most chosen dairy and dairy substitutes brands by Vietnamese consumers.



IR AWARD

for enterprises that
meet information
disclosure standards



- HR Asia Award - Best Companies to Work for in Asia.
- 1st position in the Top 100 Employer of Choice in 2022 (Career Builder).
- Most Valuable Food Brand in Vietnam by Brand Finance.
- 6th Most Valuable Dairy Brand globally by Brand Finance.



- Most Valuable Food Brand in ASEAN by Brand Finance.
- Top 5 Most Sustainable Dairy Brands globally by Brand Finance.



TOP 10 VIETNAMESE EXCELLENT BRANDS 2022–2023



(VnEconomy)

CEO of Vinamilk, Ms. Mai Kieu Lien, received the commendation from the Vietnam Association of the Elderly.

“ELDERLY WITH EXCELLENT ECONOMIC CONTRIBUTION”



TOP 20 ENTERPRISES MEETING VIETNAMESE BUSINESS CULTURE STANDARDS IN 2023



Vietnam Cultural Development Association

HUMAN ACT PRIZE 2023

- Vinamilk Pathways to Dairy Net Zero program was awarded the “Human Act Prize 2023” – the most important award of the Human Act Prize 2023.
- Vinamilk’s “Stand Tall Vietnam” Milk Fund was honored in the “Sustainable Project” award of the Human Act Prize 2023.





CSI 2023

- **Top 5** Pioneers in Embracing Circular Economy and Reducing Carbon Footprint by CSI 2023.
- **Top 10** Sustainable Enterprises Operating in the Manufacturing Sector by CSI 2023.

VIETNAM LISTED COMPANY AWARDS 2023

- First prize for Sustainable Development Report.
- Awards for Enterprises with Excellent Greenhouse Gas Management.
- Second place in the top 10 Large-cap Companies with Good Corporate Governance.
- Awards for Enterprises Going Beyond Compliance Standards in Corporate Governance.



Top
20

Enterprises with Best Annual Reports in the Non-Financial Sector



Vinamilk's Ông Thọ Condensed Milk received the award for

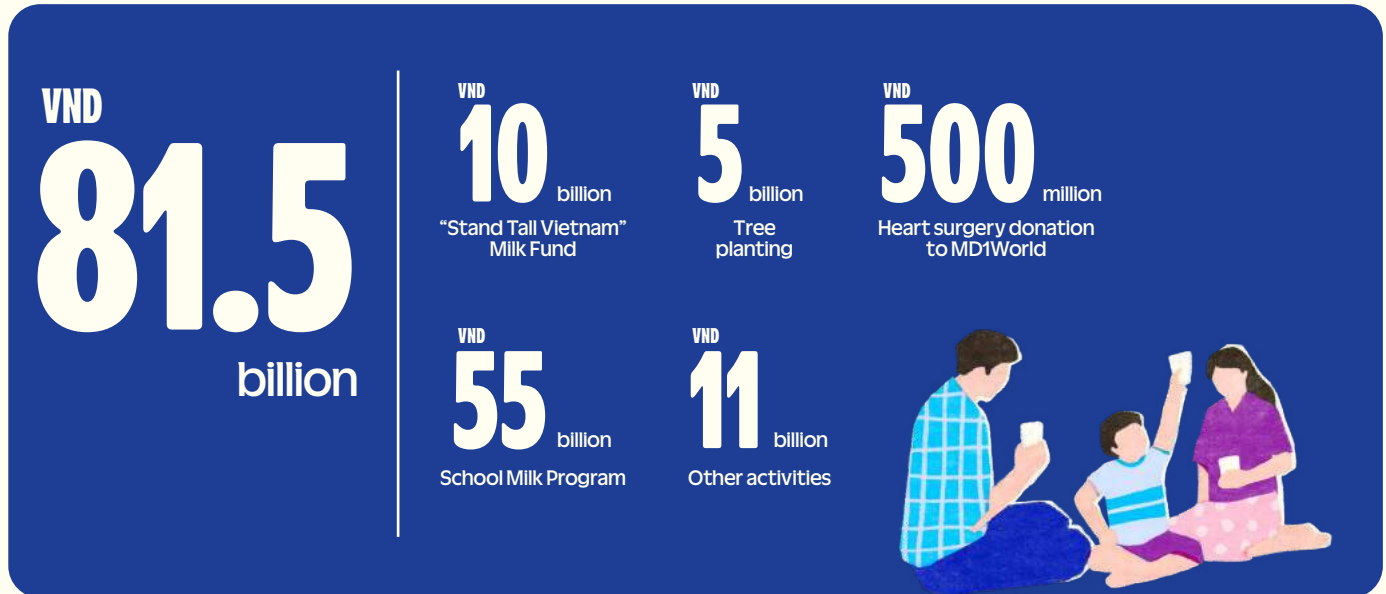
The Best Social Media Campaign

(Vietnam Creative Advertisements Awards by the Ministry of Culture, Sports, and Tourism).



COMMUNITY ACTIVITIES IN 2023

Total value has been provided to the community through programs and initiatives for humanitarian support, community development and environmental protection. Specifically:



16-Year journey of "Stand Tall Vietnam" milk fund



In 2023, the "Stand Tall Vietnam" Milk Fund solidified its position as the largest and most established child nutrition program. In addition to delivering substantial health benefits through nutrition, the program seeks to develop societal awareness of the importance of nutrition in children's development, and subsequently promote a healthy lifestyle among children, which enables them to pursue their dreams and be well-prepared for the future.

With the mission **"For every child to drink milk every day"**, the Milk Fund has been a consistent provider of nutritious milk to disadvantaged children in mountainous areas and distant islands, as well as those with special circumstances in shelters and care facilities across the country.



Vinamilk develops “Net Zero forests” across Vietnam towards Net Zero 2050

In early 2023, Vinamilk launched a project to plant more than 1,000 trees in support of the **“Planting Trees for Net Zero”** initiative by the Ministry of Natural Resources and Environment. This marks the beginning of a 5-year collaboration (2023-2027) with a budget of VND 15 billion. Vinamilk’s direction in the near future is to establish more **“Vinamilk Net Zero Forests”** across Vietnam, an important component in achieving the broader goal of Net Zero by 2050.

In August 2023, with a budget of nearly VND 4 billion, Vinamilk partnered with Gaia Nature Conservation and Mui Ca Mau National Park to launch a 25-ha mangrove reforestation program at Mui Ca Mau National Park. Additionally, Vinamilk gave five patrol boats and more than 4,200 nutritional goods to Mui Ca Mau National Park patrols and employees.



Supporting impoverished patients to receive heart surgeries

In 2023, Vinamilk continued the sponsorship of **VND 500 million** for a program run by MD1 World (USA) in association with Children’s Hospital in Ho Chi Minh City, which aims to provide heart surgeries for children and facilitate knowledge transfer between Vietnamese doctors and pediatric heart surgeons from the U.S. and Canada. Vinamilk started this activity in 2019, and has since contributed over **VND 1.2 billion** to help more than 34 children have access to a healthy life.

Vinamilk also partnered with the Association for Sponsoring Poor Patients in Ho Chi Minh City to provide underprivileged children with free congenital heart operations. Since becoming involved in this endeavor in 1995, Vinamilk has helped nearly **1,300 economically challenged patients** receive heart and eye procedures. Many of these patients are children with congenital heart abnormalities who now have the opportunity to live healthily.



Taking care of tens of thousands of elderly across Vietnam

Physical and mental health activities for the elderly continued to be one of the key focuses of Vinamilk in 2023. A noteworthy initiative was the series of events titled “Eat Well, Sleep Well, Live Well,” held from September to December 2023, organized by Vinamilk in collaboration with the Association of the Elderly across 10 provinces and cities. In this program, tens of thousands of elderly individuals received free health check-ups and consultations on nutrition, medical care, and preventive measures against common age-related ailments such as osteoporosis, cardiovascular issues, and diabetes.



In October 2023, Vinamilk worked with the Hanoi Department of Culture and Sports and the Hanoi Association of Outdoor Health for the Middle-aged and Elderly to organize the Senior Health and Fitness Day. As an annual event supported by Vinamilk since 2018, it provides a platform for seniors to perform physical exercises and share information about exercises that are helpful to them. With the participation of over 2,000 seniors in 2023, the goal is also to encourage everyone to be more active.

Of special note was the collaboration between Vinamilk and VTV on the reality TV show “A Date with Youth.” As VTV’s first program targeting a senior audience, it not only provides a fresh reality show for the elderly but also incorporates meaningful messages for all generations about maintaining a positive lifestyle. The program quickly became a sensation on VTV, and then across social media platforms.

Supporting Vietnam chief nursing club’s activities

In the 4th year of collaboration with the Vietnam Chief Nursing Club, Vinamilk continued to raise awareness about the importance of nutritional care for over 1,000 healthcare professionals nationwide, contributing to improving treatment efficiency for millions of people. This collaboration, initiated in 2020, focuses on two main activities:

- Updating and reprinting Health Communication Education on Nutrition Care for Patients guideline;
- Organizing training on nutritional care for patients for club members across Vietnam.

Through insights shared by leading experts from nutrition departments or nursing units of top hospitals such as Cho Ray, National Children’s Hospital, Military Hospital 175, and Ho Chi Minh City Medicine and Pharmacy University, nurses and healthcare staff have been updated with in-depth knowledge of nutritional care and treatment for specific patient groups such as inpatient malnourished children, children with diarrhea, cardiovascular patients, chronic kidney disease patients, and cancer patients. This has improved their professional skills and confidence in performing practical nursing duties and providing nutritional advice for patients.



School milk program

The program is implemented in collaboration with 04 provinces including Bac Ninh province, Lang Son province, Hau Giang province, Ca Mau province and 01 partner is Ha Quang company.

Other community activities

In 2023, Vinamilk expanded the program to various meaningful community activities, including:

- Giving Mid-Autumn Festival gifts to underprivileged children and Khmer children in Dong Nai and Vinh Long provinces.
- Sponsoring the RMIT's volleyball tournament of 16 Southern universities.
- Caring for the Heroic Vietnamese Mothers in Ben Tre and Quang Nam provinces. On special occasions such as the Commemoration of War Invalids and Martyrs Day (July 27) and Tet Holiday, Vinamilk's union representatives always pay a visit to mothers and their families to express gratitude for their contributions to the country.
- Visiting and gifting children at 2 orphanages in Go Vap and Binh Thanh districts.



Brand value makes sustainable impact, helping Vinamilk keep up with global giants

According to the 2023 ranking of the top 100 most valuable brands in Vietnam by Brand Finance (the world's leading independent brand valuation consultancy based in the UK), Vinamilk led the Top 10 Highly Sustainable Brands, which helped push the brand value to over **USD 3 billion** (from over USD 2.8 billion in 2022).

Vinamilk's contributions to sustainable development are also highly regarded on the international landscape. In the Brand Finance Food & Drink 2023, Vinamilk was the sole representative from Southeast Asia to enter the top **5 Most Sustainable Dairy Brands globally**.



Specifically, Vinamilk **ranked fifth in the top 10** with a sustainability perceptions value of USD 253 million. As for the sustainability perceptions score (which is based on a 10-point scale), Vinamilk **topped the chart** with 5.75 points, outperforming many brands from nations with developed dairy sectors, like China, France, Japan, and others. Taking into account Vietnam's relatively new dairy sector, particularly in terms of sustainable development, this result is exceedingly favorable.

Vinamilk safeguarded the 6th position in the **top 10 Most Valuable Dairy Brands globally and the 2nd position in the Top 10 Strongest Dairy Brands**. It is evident that, alongside value and strength, the "sustainable development" factor of the brand is a highlight in this year's report, as this trend is gaining momentum internationally.

DEVELOPMENT STRATEGY IN 2022-2026

Develop superior products and experiences for consumers

- Restructure the product portfolio based on the brand structure for the long term;
- Review product quality and optimize the process of launching new products;
- Improve the price structure, packaging specifications by each channel and each region to optimize the product structure based on market demand and future growth potential;
- Build a new product portfolio prepares for portfolio expansion over the next 5-year period.



Create new business opportunities

- Optimize operational capacity and expanding multi-channel distribution services directly to consumers;
- Build strategic cooperation with potential partners for opportunities to expand the product portfolio;
- Enhance trade promotion activities to find new export customers;
- Promote customer support to overcome difficult periods, maintain import and sales of Vinamilk's products;
- Exploit opportunities in potential markets through joint venture investment, M&A;
- Seek opportunities to expand production and business activities in markets that already have a presence such as the US, Cambodia, Philippines.

Promote the application of technology in sustainable agriculture

- Restructure the business model, focusing on adjusting functional requirements, capacity and evaluating the performance of the sales team;
- Restructure the distribution organization, focusing on adjusting the role and activities of distributors in Vinamilk's supply chain;
- Build a foundation of technology mastery, preparing for projects to optimize business operations with automation and data analysis; Get started with digital sales & marketing.

Become a talent destination

- Build brand value and preparing the foundation for organizational restructuring, including re-evaluating the competency requirements of management positions, developing business planning mechanisms and evaluating performance.

CORPORATE GOVERNANCE

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CORPORATE GOVERNANCE REPORT

The Vinamilk BOD is pleased to share highlights of corporate governance in 2023 and our plans for 2024 with our esteemed shareholders, customers, suppliers, business partners, and other stakeholders as follows:

Vietnam Listed Company Awards (“VLCA” 2023)



Awards from the Vietnam Institute of Directors (“VIOD”)



These are the achievements that the BOD was recognized for in 2023. We take pride in these accomplishments and recognize our responsibility to continue operating as effectively as possible, seeking continuous improvement and changes, and adhering to the best practices outlined in the ASEAN Corporate Governance Scorecard.

In 2024, the Strategic Committee of the BOD will be in charge of the NetZero project in particular and Vinamilk’s ESG strategy in general.

Vinamilk continues to utilize corporate governance documents as presented in the 2022 corporate governance report. Please refer to the detailed report attached at <https://www.vinamilk.com.vn/en/annual-reports/> or scan the QR code.



A. THE RESPONSIBILITY OF THE BOARD OF DIRECTORS

PRINCIPLE 1: Establishing clear roles, responsibilities, and commitments of the BOD



At Vinamilk, the BOD always acts on an informed basis and in the best long-term interests of the company with good faith, care, and diligence, for the benefit of all shareholders, while having regard to relevant stakeholders.

1.1.1 The roles and responsibilities of the BOD at Vinamilk are delineated in the Company's Charter and Internal Regulations on Corporate Governance, which have been issued and published on the Company's website at: <https://www.vinamilk.com.vn/en/corporate-governance/> or scan the QR code:



The key information published on the Company's website includes:

- Organizational Chart;
- Company's Charter;
- Internal Regulations on Corporate Governance;
- Regulations on Operation of the BOD
- Code of Conduct

1.1.2 The BOD reviews and approves the Company's strategic direction, risk management policies, annual business plans, major investments valued at VND 300 billion or above, and all external investment projects resulting in the formation of joint ventures, associations, or subsidiaries of Vinamilk (including M&A activities). The BOD also oversees these investment activities by issuing regulations on post-investment review and divesting from these external investments if required.

1.1.3 The BOD has effectively performed its oversight role by monitoring the effectiveness of the Company's corporate governance and compliance with current laws. Additionally, the BOD is particularly concerned about the Company's sustainable development policies, environmental protection activities, and social responsibilities. All of these matters are reported to the BOD by the BOM. Indeed, the Company has been preparing sustainable development reports since 2012 and has been officially audited by an independent external consulting firm since 2016 to enhance the accuracy, independence, objectivity, and reliability of the reports for readers. Please refer to the Company's latest sustainable development reports at: <https://www.vinamilk.com.vn/en/sustainable-development/> or scan the QR code:



1.1.4 All BOD members have actively participated in overseeing the Company's activities, engaging in discussions at quarterly regular meetings or through written opinions. The BOD is encouraged to propose recommendations whenever deemed necessary for the Company, with no limitations on space, time, or discussion content. Meeting documents must be sent to the BOD members at least 7 days before the meeting date.

1.1.5 BOD members are required to attend all of the Company's BOD meetings throughout the year. If a member is unable to attend a meeting, they must notify the BOD, stating the reasons for their absence. Meeting minutes are distributed to all BOD members to review the meeting content. In 2023, the BOD held four formal meetings as follows:

In 2023, the BOD issued Resolution No. 15/NQ-CTS.HĐQT/2023 dated August 14, 2023, approving adjustments to the Company's Organizational and Management Structure. Consequently, the Department of Foreign Subsidiary Management, formerly under the International Business Division, was transformed into a reporting functional department under the CEO and renamed as the "Department for Subsidiaries Management" to better align with the Company's current management requirements. The adjusted Organizational and Management Structure has been publicly disclosed on the Company's website.

No.	BOD member	Position	Date of joining/leaving the BOD term 2022-2026	Number of meetings attended	Attendance rate	Notes
1	Mr. Nguyen Hanh Phuc	Head	Joined on April 26, 2022	4/4	100%	
2	Ms. Mai Kieu Lien	Member	April 26, 2022	4/4	100%	
3	Mr. Alain Xavier Cany	Member	April 26, 2022	4/4	100%	
4	Ms. Dang Thi Thu Ha	Member	April 26, 2022	4/4	100%	
5	Mr. Do Le Hung	Member	April 26, 2022	4/4	100%	
6	Mr. Michael Chye Hin Fah	Member	April 26, 2022	3/4	75%	(*)
7	Mr. Le Thanh Liem	Member	April 26, 2022	4/4	100%	
8	Mr. Lee Meng Tat	Member	April 26, 2022	4/4	100%	
9	Mr. Hoang Ngoc Thach	Member	April 26, 2022	4/4	100%	
10	Ms. Tieu Yen Trinh	Member	April 26, 2022	4/4	100%	

(*): Mr. Michael Chye Hin Fah was absent with an excuse and delegated Mr. Lee Meng Tat to attend on his behalf.

The BOD is always prepared to convene extraordinary meetings to address emerging issues upon request from the BOM and the Company. In addition to the four regular meetings, in 2023, the BOD discussed, reviewed, and voted in writing on 10 proposals from the BOM. Consequently, the BOD held a total of 14 meetings to address crucial Company matters in 2023.

1.4 Succession planning program:

The Company has been implementing the succession planning program for many years, with assistance from a US-based world-class human resources consulting organization, to ensure preparedness for future development. On January 13, 2023, the BOD issued Resolution No. 02/NQ-CTS.HDQT/2023, outlining the development of human resources and the succession planning program for key positions within the Company. As per the resolution, the plan includes a minimum of 2 potential succession candidates for each key position.



The BOD is dedicated to overseeing and implementing the Company's policies, which involve identifying, training, and developing succession candidates for directors and other key management positions in a serious, objective, and transparent manner.

The BOM has selected a list of potential succession candidates for the nine Executive Director positions, which has been submitted to the Nomination Committee for review. The Committee's review results will be reported to the BOD for decision-making throughout 2024.

PRINCIPLE 2: Establishing a competent and professional BOD

Vinamilk has maintained a professional, objective, and well-functioning BOD given its role in ensuring the Company's profitability and sustainability for the best interest of the Company and its all shareholders.

The BOD for the 2022-2026 term was elected by the AGM on April 26, 2022. It consists of 10 members as listed below. There were no changes to the BOD members in 2022 and 2023. The current BOD comprises the following members:

No.	BOD member	Position
1	Mr. Nguyen Hanh Phuc	Chairman, Independent member <i>First appointment: April 2022</i>
2	Ms. Mai Kieu Lien	Executive member <i>First appointment: November 2003</i>
3	Mr. Alain Xavier Cany	Non-executive member <i>First appointment: March 2018</i>
4	Ms. Dang Thi Thu Ha	Non-executive member <i>First appointment: April 2017</i>
5	Mr. Do Le Hung	Thành viên độc lập <i>First appointment: April 2017</i>
6	Mr. Michael Chye Hin Fah	Non-executive member <i>First appointment: April 2017</i>
7	Mr. Le Thanh Liem	Executive member <i>First appointment: April 2017</i>
8	Mr. Lee Meng Tat	Non-executive member <i>First appointment: September 2016</i>
9	Mr. Hoang Ngoc Thach	Non-executive member <i>First appointment: April 2021</i>
10	Ms. Tieu Yen Trinh	Independent member <i>First appointment: April 2021</i>

According to the Charter, Vinamilk's BOD shall have 11 members. However, currently, Vinamilk has only 10 BOD members, indicating the need for an additional member. Vinamilk will continue to seek candidates who meet criteria aligned with the Company's future development strategy.

PRINCIPLE 2.1: The company's BOD collectively possesses a diversified and broad range of views, expertise, skills, and competencies, sufficient to provide effective stewardship and oversight of the company. The introduction of each BOD member can be found from page 23 to page 28 in this report.

2.1.1 According to the Company's assessment, Vinamilk's BOD meets all conditions regarding competency and professionalism, including diversity in knowledge, management experience, and corporate governance experience, aligned with the Company's requirements.

2.1.2 The list of candidates for additional or new BOD members undergoes careful review by the Nomination Committee, following the established candidate selection process. Once reviewed, it is presented to the BOD for approval and inclusion in the company's AGM's election program, in line with the procedures published and currently applied by the company.

The Company Secretariat consists of:



2.1.3 Vinamilk's current BOD consists of 03 female members, accounting for 30% of the total incumbent BOD members. This reflects gender diversity within the BOD.

PRINCIPLE 2.2: Vinamilk's BOD currently comprises 2 executive members and 8 non-executive members. Non-executive members possess the necessary qualifications to effectively participate and help secure objective, independent judgment on corporate affairs and to substantiate proper checks and balances.

PRINCIPLE 2.3: The BOD issued Resolution No. 09/NQ-CTS. HDQT/2022 on July 22, 2022, concerning the appointment of the Company Secretariat, which consists of three individuals. The Company Secretariat is accountable directly to the BOD on all matters to do with the proper functioning of the BOD. One of its roles is to act as a bridge between the BOM, shareholders, investors, and the BOD.

PRINCIPLE 2.4: All BOD members participate in domestic or regional Corporate Governance training courses. Please refer to Section D of this report for further details.

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

Mr. Tran Chi Son was also appointed by the BOD to be in charge of corporate governance as of August 1, 2022.

Introduction of Company Secretariat can be found from page 32 to page 33. The rights and obligations of the Company Secretariat are carried out in accordance with Clause 5, Article 156 of the applicable Law on Enterprises. The rights and obligations of the person in charge of corporate governance are stipulated in Clause 3, Article 281 of Decree 155/2020/ND-CP dated December 31, 2020.

At Vinamilk, the Company Secretariat not only fulfills duties mandated by current law but also incorporates functions and duties outlined in advanced governance practices, such as those defined in the Corporate Secretary Handbook issued by the International Finance Corporation (IFC) in 2016 at <https://www.ifc.org/content/dam/ifc/doc/mgmt/cg-cosec-june-2016.pdf> and the ASEAN Corporate Governance Scorecard at https://www.sec.gov.ph/wp-content/uploads/2023/12/2023_ASEAN-Corporate-Governance-Scorecard-Revised-2023-2.pdf. This approach aims to assist the BOD in establishing an optimal corporate governance framework that goes beyond mere compliance.

PRINCIPLE 3: Ensuring effective BOD leadership and independence

PRINCIPLE 3.1: Vinamilk's BOD consists of 03 independent members, ensuring compliance with the current requirement for independent members. The independent members include Mr. Nguyen Hanh Phuc, Ms. Tieu Yen Trinh, and Mr. Do Le Hung. Vinamilk's independent BOD members have the capacity to promote independent judgment by all BOD members and the integrity of the governance system at Vinamilk.

PRINCIPLE 3.2: Mr. Hung has served as an independent BOD member at Vinamilk since April 2017. Ms. Tieu Yen Trinh was appointed as an independent member by the AGM on April 26, 2021, and Mr. Nguyen Hanh Phuc was appointed as an independent member on April 26, 2022. Each of the three independent BOD members chairs a specific committee under the BOD, as presented in Principle 4 below.

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

PRINCIPLE 4: Establishing BOD committees

At Vinamilk, the BOD has established 04 specialized BOD committees, specifically:

**STRATEGY
COMMITTEE**

**AUDIT
COMMITTEE**

**NOMINATION
COMMITTEE**

**REMUNERATION
COMMITTEE**

These committees are established to assist the BOD in fulfilling specific responsibilities and effectively carrying out the oversight duties. Committees must adhere to the budgetary limits established and approved by the BOD for their operations, investments, and procurement of goods and services. They have delegated the authority to review and approve transactions within these specified limits as a means to optimize their operational

efficiency. In addition to matters that expressly require BOD approval, the BOD is in charge of reviewing and approving annual budgets, financial plans, financial reports, business strategies, and major transactions such as mergers and acquisitions, divestments, proposed sponsorships, and investments. The BOD is also responsible for reviewing and approving transactions that surpass specific thresholds.

To address and manage conflicts of interest that may arise concerning the interests of BOD members and the Company, BOD members must not vote on any matter in which they have a vested interest or conflict.



Strategy Committee

The BOD established the Strategy Committee through Resolutions No. 05/NQ-CTS.HĐQT/2021 dated April 26, 2021, and No. 05/NQ-CTS.HĐQT/2022 dated April 26, 2022. The Strategy Committee consists of 05 members as follows:

No.	Position	BOD Member
1	Head of Committee, Executive member	Ms. Mai Kieu Lien
2	Non-executive member	Mr. Lee Meng Tat
3	Executive member	Mr. Le Thanh Liem
4	Non-executive member	Mr. Alain Xavier Cany
5	Non-executive Member	Ms. Dang Thi Thu Ha

The Strategy Committee's primary responsibilities include drafting and presenting the company's business strategy to the BOD. This involves:

- (1) Approving the Company's vision, mission, and long-term strategic objectives;**
- (2) Supervising the development, implementation, and execution of the strategy;**
- (3) Guiding sustainable and responsible development practices;**
- (4) Supervising integrated reporting efforts;**
- (5) Managing stakeholder relations.**

Audit Committee

The BOD established the Audit Committee and defined the members' capabilities, authority, and responsibilities in the Regulation on Operation of Audit Committee. The Audit Committee consists of four BOD members, with no changes from the preceding reporting period. Specifically:

No.	Position	BOD Member
1	Head of 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 Xavier Cany

The Audit Committee is primarily responsible for reviewing critical financial reporting issues and judgments to ensure the integrity of the financial statements, internal control system and internal audit. This includes compliance with relevant laws and regulations governing the Company's business activities, related-party transactions, interested-

person transactions, and conflict of interest transactions. Additionally, the committee reviews the scope and results of the independent audit and participates in the selection of an independent audit firm for the Company and its subsidiaries.

The Audit Committee oversees the risk management and the effectiveness

of the internal control system for the entire Company and reports to the BOD quarterly.

Please refer to the Audit Committee's report on its duties and responsibilities for the financial year ended December 31, 2023, on page 40 of this report.

Nomination Committee

The BOD established the Nomination Committee chaired by Mr. Nguyen Hanh Phuc, an independent BOD member, with Ms. Mai Kieu Lien, Mr. Lee Meng Tat, and Ms. Dang Thi Thu Ha as committee members.

The Nomination Committee is primarily responsible for:

- Identifying candidates qualified to become BOD members and key management personnel.

- Developing procedures and guidelines for such identification to maintain transparency.
- Performing its tasks in accordance with the laws, the regulations on operation, and any amendments made thereunder, as well as the orders of competent authorities within the scope of authority, tasks, and responsibilities of the Nomination Committee.

- Additionally, it reviews the nomination for re-appointment of BOD members and assists the BOD in evaluating the independence of independent BOD members at least once a year.

The Nomination Committee is responsible for monitoring the implementation of the succession planning program under Principle 1.4 on Corporate Governance as previously presented.

No.	Position	Since April 26, 2022
1	Head of Committee, Independent member	Mr. Nguyen Hanh Phuc
2	Non-executive member	Ms. Mai Kieu Lien
3	Independent member	Mr. Lee Meng Tat
4	Non-executive member	Ms. Dang Thi Thu Ha

Remuneration Committee

The Remuneration Committee, established by the BOD, consists of four members and underwent changes in its composition during the year as per Resolution No. 05/NQ-CTS.HĐQT/2022 dated April 26, 2022:

No.	Position	Since April 26, 2022
1	Head of Committee, Independent member	Ms. Tieu Yen Trinh
2	Non-executive member	Mr. Michael Chye Hin Fah
3	Independent member	Mr. Nguyen Hanh Phuc
4	Non-executive member	Mr. Hoang Ngoc Thach

The Remuneration Committee is mainly responsible for:

- Developing policies and guidelines for determining salaries, bonuses, and remuneration for members of BOD and BOM, as well as reviewing, amending, adjusting, or withdrawing procedures and regulations on BOD remunerations for approval at the AGM.

- Reviewing and recommending to BOD the salaries, bonuses, and remuneration for members of BOD and BOM.
- Recommending to the BOD a framework and standards for salaries, bonuses, and remuneration for members of BOD and BOM.

- Recommending specific salaries, bonuses, and remuneration for each BOD member and Executive Director.

PRINCIPLE 5: Ensuring effective performance for BOD

At Vinamilk, the best measure of the BOD's effectiveness is through the BOD assessment process. Each BOD member undergoes evaluation at least once a year to appraise their performance as a governing body and the overall effectiveness of the BOD's operations to facilitate appropriate adjustments.

PRINCIPLE 5.1: Each year, the BOD conducts a self-assessment of each committee's performance. Subsequently, formal meetings are convened by the BOD to evaluate the collective performance of each committee and the BOD as a whole throughout the year. The assessment of individual member performance will be carefully considered and applied by the BOD at an appropriate time in the future.

PRINCIPLE 5.2: BOD member performance assessments are conducted through established

procedures with clearly defined and meticulously reviewed assessment criteria. This ensures an accurate, comprehensive, and objective assessment of the effectiveness and contributions of BOD members and BOD committees.

PRINCIPLE 5.3: The remuneration for the BOD in 2023, approved by the Company's AGM, was set at VND 25 billion for a total of 11 members. Remuneration for the BOD will be calculated and disbursed based on the actual number of members. Proposed remuneration for each

member will be subject to approval by the Remuneration Committee, in consideration of their role, duties, individual performance, and the Company's performance during the year, aiming to incentivize the BOD to lead the Company towards achieving short-term and long-term goals. Besides the remuneration detailed below, BOD and BOM members are enrolled in 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 2023 is as follows:

No.	Full name	Remuneration (VND million)	Notes
1	Mr. Nguyen Hanh Phuc	2,809	BOD Chairman, Head of Nomination Committee
2	Ms. Mai Kieu Lien (*)	1,280	BOD member, Head of Strategy Committee, CEO
3	Mr. Alain Xavier Cany	2,268	BOD member
4	Mr. Michael Chye Hin Fah	2,000	BOD member
5	Ms. Dang Thi Thu Ha	2,281	BOD member
6	Mr. Do Le Hung	2,052	BOD member, Head of Audit Committee
7	Mr. Le Thanh Liem (*)	563	BOD member, Executive Director of Finance
8	Mr. Lee Meng Tat	1,820	BOD member
9	Ms. Tieu Yen Trinh	1,623	BOD member, Head of the Remuneration Committee
10	Mr. Hoang Ngoc Thach	2,517	BOD member
Total		19,213	

(*): Executive BOD member

Currently, the Company does not have a bonus policy for non-executive BOD members.

Regarding the BOM's remuneration, as Executive Directors make a pivotal team of the Company in a highly competitive human resource market, and given the sensitive nature of remuneration and income policies for each individual, to balance those various influential factors and stakeholders, the Company discloses the actual income ranges received by each individual in the fiscal year

2023 as shown below. Income tied to business performance includes bonuses. Bonus policies for the Executive Directors will be based on i) the overall business performance of the Company and ii) the achievement of key performance indicators (KPIs) of each individual, which are set annually. The Remuneration Committee will collaborate with the CEO to review and propose specific bonuses for

each individual for the BOD's annual decision-making process.

Regarding allowances: in accordance with the Company's general policy, which includes allowances such as transportation for work, fuel, phone charges, meal allowances, and health insurance for individuals and their families.

No.	Full name	Remuneration group	Salary	Income based on business performance	Allowance	Other benefits
1	Ms. Mai Kieu Lien	C	35%	63%	2%	0%
2	Mr. Trinh Quoc Dung (*)	B	55%	44%	1%	0%
3	Ms. Bui Thi Huong	B	57%	35%	7%	1%
4	Mr. Doan Quoc Khanh (*)	A	80%	0%	20%	0%
5	Mr. Nguyen Quoc Khanh	B	62%	33%	5%	0%
6	Mr. Le Thanh Liem	B	60%	32%	8%	0%
7	Mr. Le Hoang Minh	B	64%	30%	5%	1%
8	Mr. Nguyen Quang Tri	B	65%	30%	4%	1%

Remuneration ranges:

"A": Total remuneration ranging from VND 1 billion to VND 4 billion.

"B": Total remuneration ranging from VND 4 billion to VND 10 billion.

"C": Total remuneration ranging from VND 10 billion to VND 16 billion.

Notes (*):

- Mr. Trinh Quoc Dung ceased to hold the position as of August 01, 2023.
- Mr. Doan Quoc Khanh was appointed on September 01, 2023.

PRINCIPLE 6: Establishing and maintaining an ethical corporate culture



Vinamilk issued the Code of Conduct in January 2010, which applied to all members of the BOD, the BOM, and all employees of the Company. In the future, the Code of Conduct will continue to be amended and supplemented alongside the implementation of the Project to update Vinamilk's cultural principles, aiming to integrate, unify, and complement the Company's cultural principles. In this report, the Company presents the contents according to the current Code of Conduct.

PRINCIPLE 6.1: The Nomination Committee oversees the application of the Code of Conduct to establish a business culture with high standards throughout the Company. This Code of Conduct sets standards for professional and ethical behaviors, as well as articulates acceptable and unacceptable conduct and practices in internal and external dealings. The Code of Conduct has been properly disseminated to the BOD, the BOM, and employees (including Vinamilk's subsidiaries), as well as disclosed and made available to the public through

the Company's website at: <https://www.vinamilk.com.vn/en/corporate-governance/> or scan the QR code:



PRINCIPLE 6.2: The BOD ensures the proper and efficient implementation and monitoring of compliance with this Code of Conduct throughout the Company's operations. The application of this Code of Conduct is encouraged at all subsidiaries and associations of Vinamilk.

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

B. CONTROL ENVIRONMENT

PRINCIPLE 7: Establishing a sound risk management and control environment



The BOD has in place an effective internal control system and sound risk management policies. The BOD has the ultimate responsibility for the Company's risk management policies and oversees the functioning of the internal control system in the Company. The BOD has set up the Audit Committee, Internal Audit Department, and Internal Control and Risk Management Department to establish a robust control environment for 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. The BOM and BOD must consider all of the Company's production and business activities in terms of risk concerns.

Please refer to the Risk Management Report on page 99 to 102 of this report.

PRINCIPLE 7.2: The BOD has established an internal audit function to provide objective assurance and independent consulting to add value and improve the Company's operations through the Internal Audit Department.

- In particular, the Audit Committee monitors the Internal Audit function in terms of expertise, ensuring that Internal Audit has sufficient standing, authority, and resources to maintain its independence, objectivity, and professionalism.

- The Company has established the Internal Audit Department as an independent unit to support the BOD through the Audit Committee by evaluating and improving the effectiveness of risk management, internal control, and governance processes.

- In the fiscal year ended December 31, 2023, Internal Audit conducted the audit according to the internal audit plan approved by the Audit Committee. Please refer to the Audit Committee's report for further details.

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

- The BOD acknowledges its responsibility to ensure the

effectiveness of the risk management and internal control system, aimed at safeguarding shareholder investments and company assets. To fulfill this responsibility, the Audit Committee, with each member overseeing different areas, is tasked with ensuring the adequacy and effectiveness of financial, operational, compliance, and information technology controls. This includes systematic risk management, which involves identifying structural, strategic, and risk owners and monitoring risk management outcomes.

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



PRINCIPLE 7.4: Understanding the importance of information technology in the Company's business operations, the BOD has developed cybersecurity management policies as an integral component of the company-wide risk management system, and consistently monitored their effective operation over the years.

PRINCIPLE 7.5: The BOD has established the selection criteria for an independent auditor, evaluation of the quality of work of the independent auditor, and procedures for follow-up on the independent auditor's recommendations

- When selecting the Company's independent auditor, the Audit Committee carefully assesses their capacity, professional

qualifications, past achievements, and independence, ensuring they have no affiliation with or interest in the Company and refrain from providing any non-audit services. The bidding process for selecting an audit firm is conducted with high professionalism, openness, and transparency.

- For the fiscal year 2023, the AGM and BOD approved the selection of KPMG Vietnam Company Limited (KPMG) as the independent auditor. According to the assessment and report of the Audit Committee to the BOD, KPMG's quality and progress in providing quarterly and annual financial report audit services to the Company during the year met the Company's requirements satisfactorily.

- The Audit Committee meets with the independent auditor every quarter before publishing the quarterly financial statements. During these meetings, the Audit Committee reviews all content related to the financial statements and recommendations of the independent auditor (if any).
- Total non-audit service costs incurred in 2023 accounted for 32% of the total service costs (63% in 2022). Non-audit consulting services mainly provided regular tax consulting services, compliance support services for transfer pricing, and consulting services for IFRS-compliant financial reports.



Total non-audit service costs incurred in 2023 accounted for

32%

of the total service costs (63% in 2022).



C. Disclosure and transparency

PRINCIPLE 8: Strengthening company disclosure practices



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

PRINCIPLE 8.1: The Company is committed to consistently complying with transparency and fairness when disclosing information to all shareholders and other stakeholders.

- The CEO is the person disclosing information about the Company, and the Company did not violate the law on information disclosure in 2023.
- All information disclosed externally is also disseminated internally to all BOD members, the department responsible for corporate governance, and other relevant functional departments to ensure effective oversight of disclosure.

PRINCIPLE 8.2: To promote effective cost-efficient access to relevant information, Vinamilk ensures easy and non-discriminatory access to disclosed information using diverse tools of communication. Additionally, the investor relations division of Vinamilk is consistently prepared to receive shareholders and investors, as detailed below.

- Vinamilk is committed to publishing information in both Vietnamese and English to ensure that shareholders and foreign investors can easily and promptly access updates.

- Vinamilk maintains various forms of information disclosure channels:

- Website: <https://www.vinamilk.com.vn/en/announcements/> or scan the QR code:



- HOSE's website: <https://www.hsx.vn/Modules/Listed/Web/SymbolView/128> or scan the QR code:



- Mass media

- Vinamilk's Investor Relations Department as follows:

- 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: <https://www.vinamilk.com.vn/en/ir-contact> or scan the QR code:



- Vinamilk proactively participates in investor meeting seminars held domestically and internationally. Additionally, the Company welcomes shareholders and investors to visit its facilities, including factories and dairy farms, to provide firsthand insights into its operations.
- Vinamilk issues press releases and conducts regular meetings between the CEO, BOM members, shareholders, and investors to provide updates on the Company's status and business results.

PRINCIPLE 8.3: The BOD is committed to ensuring the optimal disclosure of non-financial information, including environmental and social reporting. Please refer to Principle 1.1.3 of this report for further details.

D. Shareholder rights

PRINCIPLE 9: Establishing a framework for the effective exercise of shareholder rights



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

PRINCIPLE 9.1:

Shareholder rights:

- The Company recognizes and values the rights of owners of the Company and shareholders, including minority and foreign shareholders.
- The Company ensures fair and appropriate treatment for each shareholder by providing accurate, transparent, and timely information. The Company focuses on the completeness of information to enable informed decision-making by shareholders during meetings, including voting, expressing opinions on significant changes, and electing BOD members.
- Shareholders' rights are comprehensively regulated by the Company's Charter, safeguarded by the laws, and overseen by the BOD. Detailed information on shareholders' rights, as outlined in the Company's Charter, is accessible on the Company's website at: <https://www.vinamilk.com.vn/en/corporate-governance/> or scan the QR code:



PRINCIPLE 9.2: The BOD holds an effective AGM every year.

- AGM are organized in strict accordance with the agenda outlined in the invitation to shareholders. The Company ensures that invitations are sent with sufficient and relevant information related to the meeting, which is also posted on the websites of HOSE and Vinamilk. This allows shareholders sufficient time to carefully study the information provided. At least 21 days before the AGM, the notice of the shareholders' meeting along with the complete set of meeting documents are published on Vinamilk's website, ensuring proper preparation by shareholders as required by relevant laws and regulations.
- Chairman of the BOD, Head of the BOD Committees (including Audit Committee, Remuneration Committee, Strategy Committee, and Nomination Committee), and executive BOD members are often present at the meetings and willing to answer shareholders' questions. The Company's independent auditor, KPMG, is also present to address the concerns regarding the conduct of the audit, and the drafting and content of the independent audit report. During the meeting, the Chairman of the BOD allows shareholders to ask questions, voice their opinions, and submit recommendations openly and fairly.

- In the 2023 AGM, the Company invited representatives of the Internal Audit Department, Internal Control and Risk Management Department to be members of the Vote Counting Committee, and invited a representative of shareholders or a representative of the independent audit unit to be the unbiased supervisor.
- The Chairman of the BOD and the BOM answered questions raised and provided information requested by shareholders. Minutes of the AGM were recorded in an accurate, complete, and timely manner, as required by applicable laws. These minutes, along with the resolutions of the AGM, were promptly disclosed to HOSE and SSC. Additionally, they were posted on Vinamilk's website within 24 hours after the conclusion of the AGM.
- To facilitate remote shareholder participation, the Company organized the 2023 AGM in an online format, adhering to current legal regulations. All documents related to the AGM, including minutes and resolutions, from both 2023 and previous years, are maintained on Vinamilk's website in both Vietnamese and English for shareholders' easy access <https://www.vinamilk.com.vn/en/annual-general-meetings> or scan the QR code:



PRINCIPLE 9.3: Implement a fair and consistent dividend policy.

- Vinamilk's dividend policy each year is approved by the AGM based on the Company's business performance during the year.
- Dividend plan approved by the 2023 specifies that the cash dividend must be a minimum of 50% of the consolidated after-tax profit allocated to the Company's owners. Throughout the year, the BOD provided advanced dividends to shareholders in the following installments:
 - ❖ 1st installment: VND 1,500/share, paid on October 5, 2023.
 - ❖ 2nd installment: VND 500/share, paid on February 28, 2024.

❖ 3rd installment: VND 900/share, scheduled to be paid on April 26, 2024.

The total value of the above-mentioned advance dividend is VND 6,061 billion (equivalent to 68.3% of the consolidated after-tax profit allocated to the Company's owners). The remaining dividends for the year 2023 will be deliberated upon by the BOD and presented to the 2024 AGM scheduled for April 25, 2024.

- Dividend for fiscal year 2022: The dividend for the fiscal year 2022, as approved by the 2023 AGM, amounts to VND 3,850 per share. The total dividend payment made is VND 8,064 billion, equivalent to 94.7% of consolidated after-tax profits allocated to the Company's owners.

PRINCIPLE 9.4: Related-party transactions should be approved and conducted in a manner that ensures proper management of conflict of interest and protects the interest of the Company and its shareholders.

- The company has implemented a policy for risk management and conflict of interest prevention. As per this policy, all levels of management are required to declare necessary information for transaction control, aiming to prevent conflicts of interest among internal persons and related persons.
- In the fiscal year ended December 31, 2023, business transactions between Vinamilk and internal persons and related persons can be found on page 168 of the attached financial statement.

Share transactions by internal persons

No.	Internal person	Position at Vinamilk	Shares owned at the beginning of the year		Shares owned at the end of the year	
			Shares	%	Shares	%
1	Mai Kieu Lien	BOD member, cum CEO	6,400,444	0.31%	6,400,444	0.31%
2	Trinh Quoc Dung	Executive Director (*)	241,950	0.01%	241,950	0.01%
3	Bui Thi Huong	Executive Director	134,176	0.01%	134,176	0.01%
4	Doan Quoc Khanh	Executive Director (**)	6	0.00%	6	0.00%
5	Le Thanh Liem	BOD member, cum Executive Director - Finance	493,381	0.02%	493,381	0.02%
6	Nguyen Quoc Khanh	Executive Director	29,755	0.00%	29,755	0.00%
7	Nguyen Quang Tri	Executive Director	7,651	0.00%	7,651	0.00%
8	Le Quang Thanh Truc	Company Secretary	222,037	0.01%	222,037	0.01%

(*): Mr. Trinh Quoc Dung retired from August 1, 2023.

(**): Mr. Doan Quoc Khanh has been appointed since September 1, 2023.

Share transactions by related persons

No.	Related person	Relationship with internal persons	Shares owned at the beginning of the year		Shares owned at the end of the year	
			Shares	%	Shares	%
1	The State Capital Investment Corporation	Dang Thi Thu Ha, Le Thanh Liem, Hoang Ngoc Thach	752,476,602	36.00	752,476,602	36.00
2	SCIC Investment One Member Company Limited (SIC)	Dang Thi Thu Ha, Le Thanh Liem, Hoang Ngoc Thach	1,050,000	0.05	300,000	0.02
3	F&N Dairy Investments Pte Ltd	Michael Chye Hin Fah và Lee Meng Tat	369,752,859	17.69	369,752,859	17.69
4	F&Nbev Manufacturing Pte. Ltd.	Michael Chye Hin Fah và Lee Meng Tat	56,432,376	2.70	56,432,376	2.70
5	Platinum Victory Pte. Ltd.	Alain Xavier Cany	221,856,553	10.62	221,856,553	10.62
6	Mai Quang Liem	Younger brother of Ms. Mai Kieu Lien	36,094	0.00	5,786	0.00
7	Le Thi Ngoc Thuy	Sister-in-law of Ms. Mai Kieu Lien	619,303	0.03	619,303	0.03

E. Stakeholder relations

PRINCIPLE 10: Building effective stakeholder engagement

The BOD is committed to considering and respecting the interests of all stakeholders and parties who are affected by the Company's operations.

Vinamilk has effectively implemented the Company's Code of Conduct in its stakeholder engagements. This Code of Conduct is available on the Company's website at: <https://www.vinamilk.com.vn/en/corporate-governance/> or scan the QR code:



Additionally, the Company has established policies to effectively manage related-party transactions. Throughout 2023, the Company did not identify any transactions that posed conflicts of interest. Anti-corruption and anti-bribery policies are also strictly enforced by the Company.

F. Corporate governance according to the ASEAN corporate governance scorecard

(Vinamilk follows the recommendations of the ASEAN Corporate Governance Scorecard)

Point A.9.1: Disclosure of related-party transaction policy

Vinamilk has long implemented a policy to control transactions with related parties and interested persons (hereinafter referred to as "RPT & IPT Policy"). This policy, initially proposed by the Internal Control & Risk Management Department and subsequently issued by the CEO, underwent its most recent revision on December 14, 2023, marking its fourth revision. A summary of the policy's key contents is as follows:

PURPOSE

1. To ensure that RPT and IPT transactions are identified, controlled, summarized and explained.
2. To identify entities engaged in joint ventures or associations.
3. To ensure presentation and disclosure in accordance with applicable laws and accounting standards, thereby safeguarding the rights and interests of the Company and its shareholders.



SUBJECTS AND SCOPE OF APPLICATION

1. Subsidiaries, joint ventures/associations.
2. Shareholders owning more than 10% of the Company's shares, BOD members, Members' Council, Audit Committee, Supervisory Board, CEO, BOM, Chief Accountant, Unit Directors, the other management levels from Head of Department and above.
3. Organizations whose capital contributions or shares are owned by subjects under paragraph (2), excluding shareholders owning more than 10% of the Company's shares.
4. Wife, husband, biological father, biological mother, adoptive father, adoptive mother, father-in-law, mother-in-law, biological child, adopted child, son-in-law, daughter-in-law, biological brother, biological sister, brother-in-law, sister-in-law of the subjects under paragraph (2).
5. Related persons of shareholders and authorized representatives

(in case shareholders are organizations) owning more than 10% of the Company's shares.

6. Organizations whose decision-making is influenced by subjects under paragraph (4) (owning more than 10% of charter capital).
7. Authorized representatives of the aforementioned subjects.
8. Shareholders owning 51% or more of the total voting shares or related persons of these shareholders (considering only contracts, borrow/loan transactions, asset sales).
9. Related parties specified in the policy.

MAIN PRINCIPLES

1. Control principle:
 - The mandatory application of the law and the will of governance is uniformly applied to all controls of RPT & IPT without any exceptions.
 - Subjects of application are obligated to annually declare information according to the

specified form, as mandated by the Company.

- Transactions exceeding a value of VND 2 billion per transaction (excluding VAT) must adhere to all control principles.
- It is advisable to report all transactions below VND 2 billion per transaction (excluding VAT). The Company may review the cumulative value of transactions.
- Transactions falling below the control threshold or not directly covered by this document but of a similar nature will be assessed based on the Company's Code of Conduct and Regulations on Conflicts of Interest.
- The CEO may issue additional internal documents to implement the policy.



- Principles for determining transaction price: Transaction price must comply with market principles as outlined in Policy No. “CS-VNM-18: Policy on Determining Market Price in Related-party transactions” issued by the CEO.
- Principles for protecting and processing personal data: Compliance with Decree 13/2023/ND-CP dated April 17, 2023 (“Personal Data Protection Decree”) and current legal documents relating to the protection and processing of personal data.
- Authority to approve transactions: Approval authority rests with the CEO or the BOD in accordance with the Company’s current management hierarchy, ensuring independence, objectivity, and transparency in all transactions.
- Disclosure of transaction information: Compliance with the Company’s Information Disclosure Regulations posted at: <https://www.vinamilk.com.vn/en/corporate-governance/> or scan the QR code:



Point C.4.6: Policy to protect creditors' interests

In Vietnam, the policy of protecting creditors' rights is governed by various laws, including but not limited to the Civil Code, Labor Code, Law on Enterprises, Law on Securities, Law on Bankruptcy, Law on Accounting, and Law on Auditing. Vinamilk, being headquartered in Vietnam, is obligated to adhere to the regulations stipulated in these laws.

Furthermore, the Company, guided by its Code of Conduct, upholds the interests of creditors in accordance with principles such as compliance with the law, fairness, honesty, objectivity, harmony of interests, and ethical business practices. Please refer to the Company's Code of Conduct at: <https://www.vinamilk.com.vn/en/corporate-governance/> or scan the QR code:



Point E.3.10: Disclosure of the process for appointing new BOD members



The process of appointing, nominating, standing as a candidate, electing, resigning, and removing BOD members is detailed in Article 9 of Vinamilk's Internal Regulations on Corporate Governance which the AGM approved on April 26, 2022. These regulations can be found on Vinamilk's website at: <https://www.vinamilk.com.vn/en/corporate-governance/> or scan the QR code:



Point E.5.1: Disclosure of orientation programs for new BOD members

According to the Company's general policy, newly elected BOD members, upon acceptance of their roles at the Company, will be evaluated by the BOD and assigned to participate in BOD Committees based on their professional expertise and experience. An orientation program, facilitated by the BOD and the Secretariat, will be conducted for new members, encompassing essential content from internal documents such as the Company's Charter, Internal Regulations on Corporate Governance, Regulations on Operation of the BOD, and Regulations on Operation of Committee relevant to the new members' roles. Additionally, the Company organizes introductions to its operations and conducts visits to operating facilities (branches, factories, dairy farms, etc.) to provide new members with a comprehensive understanding of the Company in a timely manner.

The costs associated with these orientation programs will be incorporated into the Company's annual operating budget.

No new BOD member joined the Company in 2023.

Point E.5.2: Disclosure of training policies and hands-on programs for the BOD and Company Secretary

Annually, the BOD and the Company Secretary will collaborate to select and recommend suitable training courses on corporate governance and other areas of expertise to assist the BOD members in fulfilling their duties effectively at the Company. Hands-on programs tailored for the BOD, such as visits and exchanges, combined with BOD meetings, will also be evaluated by the BOD for potential participation based on each program's situation.

The costs associated with training and hands-on programs for the BOD will be incorporated into the operating budget allocated for the BOD for the respective year. Additionally, the membership fee in professional organizations will be covered by the remuneration of the BOD. Here is a summary of the training courses, hands-on programs, and membership in professional organizations for BOD members:



- Courses on corporate governance and membership in professional organizations:

(Please refer to the introduction of the BOD for further details)

No.	Personnel	Training course, membership of professional organization
BOD		
1	Mr. Nguyen Hanh Phuc	Director Certification Program ("DCP"), VIOD. Individual Membership Program ("IMP"), VIOD.
2	Ms. Dang Thi Thu Ha	Director Certification Program ("DCP"), VIOD.
3	Mr. Do Le Hung	Director Certification Program ("DCP"), VIOD.
4	Mr. Le Thanh Liem	Director Certification Program ("DCP"), VIOD. Individual Membership Program ("IMP"), VIOD.
5	Mr. Lee Meng Tat	Individual Membership, SID International Directors Program, INSEAD.
6	Ms. Tieu Yen Trinh	Director Certification Program ("DCP"), VIOD. Individual Membership Program ("IMP"), VIOD. Individual Membership, SID.
7	Mr. Michael Chye hin Fah	Individual Membership Program, Institute of Singapore Chartered Accountants. Individual Membership Program, Chartered Secretaries Institute of Singapore. Individual Membership Program, Singapore Association of the Institute of Chartered Secretaries and Administrators. Individual Membership, SID
Company Secretary		
1	Mr. Tran Chi Son (cum Person in charge of CG)	Director Certification Program ("DCP"), VIOD. Individual Membership Program ("IMP"), VIOD. Certificate of Corporate Governance issued by the State Securities Commission.
2	Ms. Le Quang Thanh Truc	Director Certification Program ("DCP"), VIOD. Individual Membership Program ("IMP"), VIOD. Certificate of Corporate Governance issued by the State Securities Commission.
3	Mr. Dong Quang Trung	Corporate Secretary Master Program Certificate ("CSMP"), VIOD.

- In August 2023, the BOD convened its regular meeting for the second quarter of 2023 in Bangkok, Thailand. This meeting took place abroad and was organized in conjunction with a visit intended for learning and exchanging insights with leaders of ThaiBev Group, a significant shareholder of the Company.

RISK MANAGEMENT REPORT 2023



66

The interconnected nature of risks has given way to pressing short-term and long-term concerns. This underscores the importance of managing risks from a portfolio, enterprise-wide perspective.

The global landscape in 2023 was in significant flux, characterized by rapid, intricate, and often unpredictable dynamics across the economic, political, social, and security spheres. In particular, economic growth across most nations fell short of projections, while inflationary pressures, though exhibiting signs of moderation, remained elevated. Many major economies continued their tightened monetary policies accompanied by high interest rates, further constricting global trade, consumption, and investment. Additionally, concerns surrounding geopolitical instability, food security, natural disasters, and climate change, etc. continued to intensify. Together, this exerted profound impacts on the global business environment.



Vietnam, as a highly integrated economy, was also significantly susceptible to the volatile global economic landscape of 2023. This was exemplified by the declining Purchasing Managers' Index (PMI), indicating a weakening manufacturing sector attributed to both domestic and international demand contraction. Despite such obstacles, the Government's close guidance and drastic policies effectively mitigated hardships, fostered economic growth, and preserved macroeconomic stability along with key economic balances. This, consequently, helped the Vietnamese economy end 2023 on a positive note.

As 2024 begins, potential risks emanating from the global economic climate, including inflation, global growth, and geopolitical instability, etc. continue to present unpredictable challenges to the anticipated economic recovery. Notably, the interconnected nature of risks has given way to pressing short-term and long-term concerns. This underscores the importance of managing risks from a portfolio, enterprise-wide perspective. To effectively navigate the rapids of uncertainty, businesses must develop a sound corporate governance culture with robust internal control and risk management systems. This plays a key role in anticipating changes, hence turning potential threats into opportunities by leveraging and strengthening the competitive advantages, which ultimately paves the way to sustainable growth.



VINAMILK'S CURRENT RISK MANAGEMENT SYSTEM

The Company's Risk Management Structure is maintained with four levels, including

ESTABLISHMENT

MANAGEMENT

EXECUTION

ASSURANCE

The levels are well-designed and aligned with defined roles and responsibilities.

ESTABLISHMENT

THE BOARD OF DIRECTORS

AUDIT COMMITTEE

Take the ultimate accountability toward shareholders for the Company's risk management approach. The Audit Committee assists the BOD in ensuring effective internal control and risk management systems.

MANAGEMENT

RISK MANAGEMENT COUNCIL

**DEPARTMENT OF INTERNAL CONTROL
AND RISK MANAGEMENT**

Develop the risk management process and monitor its implementation, risks, and internal controls to make recommendations to the Board of Directors and the Audit Committee.

EXECUTION

RISK OWNER

SUBJECT-MATTER EXPERT

Take ownership of risks, directly perform the processes of identifying, assessing, responding, monitoring, and reporting risks within their respective areas of responsibility.

ASSURANCE

INTERNAL AUDIT

Evaluate the effectiveness of risk management and internal control systems, providing reasonable assurance to the Board of Directors and the Audit Committee over the achievement of the Company's objectives.

The Risk Management Framework is designed in line with international standards and best practices on enterprise risk management to ensure its effective establishment, operation, integration, and continuous improvement.

Vinamilk's current Risk Management Process employs an iterative, six-stage process (as depicted below) that is integrated into the Company's operations.

Risk management activities in 2023

2023 marks the second year of the Company's implementation of the 5-year strategic plan for 2022-2026, highlighted by key projects such as Vinamilk's rebranding initiative, Pathways to Dairy Net Zero 2050, among others. The achievement of these strategic goals is thanks to the success in risk management, particularly by integrating comprehensive risk management into critical operations. This approach enhances the effectiveness of controls and fosters sustainable growth. Key activities include:



01

Review and continuous improvement of the Risk Management System

Vinamilk's Risk Management System was maintained, thoroughly reviewed, and continuously improved to manage company risks, mainly through the following activities:

1. Continuously monitoring the internal and external business landscape to identify, analyze, and assess emerging risks with the potential to impact Vinamilk's execution and achievement of strategic goals, thereby developing and implementing corresponding action plans for prompt response.
2. Evaluating the maturity level of the Risk Management System to identify opportunities for improvement, then establishing a risk management enhancement roadmap within the next 1-3 years.

02

Enhancement of risk management awareness and culture for the entire employees

3. Reviewing and updating essential documentation of the Risk Management System, including the Risk Management Policy, Risk Management Procedures, and related implementation templates. Building a Risk and Control Self-Assessment (RCSA) process based on the new approach to provide regulations and guidance for process owners in self-assessing the completeness and effectiveness of their processes, which serves as a crucial foundation for risk assessments at corporate level.

It is imperative for Vinamilk to cultivate and promote a risk management culture among all employees as set out in the Company's objectives, via the issuance of periodic and ad-hoc newsletters. The goal is to update employees on the current risk landscape and risk incidents of other companies, as well as share valuable lessons learned in risk management

03

Maintaining regular and effective operation of the Risk Management System

practices. This, hence, helps to elevate individual risk awareness, strengthen the Company's risk management culture, and empower individuals and departments to proactively identify and assess potential risks within their respective business operations.



Vinamilk's risk management activities have been deployed consistently and effectively at all levels, from the Board of Directors to all managements and employees. The aim is to manage risks in the portfolio following the process of identification - assessment - monitoring - reporting, with a focus on integrating comprehensive risk management into critical operations to increase the effectiveness of controls:

1. Maintaining quarterly risk assessments and reports for risks identified in the Company's risk portfolio, or ad-hoc reports in the advent of emerging risks to continuously monitor and assess risk levels, forecast risks, and propose appropriate and timely control measures to ensure that risks are managed within the enterprise's risk appetite.
2. Tracking Key Risk Indicators (KRIs) to monitor risks and timely implement appropriate action plans in response to risk trends.
3. The Risk Management Council submits quarterly or ad hoc reports, detailing the results of the risk assessment as well as the implementation of response plans, to the BOD's Audit Committee.



Risk management priorities for 2024

Given the anticipated economic, political, and social complexity in 2024, which leaves ample room for risks, Vinamilk's implementation of the 5-year strategic plan could be in for a rough ride. To overcome these challenges, critical tasks for risk management have been identified to provide optimal support. While maintaining the current risk management practices, the Risk Management System for 2024 will center around:

01

Reviewing and updating the Company's risk portfolio in line with Vinamilk's strategic goals in 2024.

02

Continuing to deploy digital transformation projects to enhance both the timeliness and efficacy of risk management processes, promoting risk-informed decision-making.

03

Adopting a new RCSA approach to support process owners in identifying risks and assessing the completeness and effectiveness of associated controls.

04

Adhering to the established risk management enhancement roadmap.

05

Strengthening and elevating the risk management culture to achieve individual adoption via diversified communications approaches.

The goal of these priorities is to level up the maturity of the Risk Management System by elevating Vinamilk's adaptability and agility to the uncertainty of the current business world, and more importantly, to affirm its strategic role in the Company's withstanding of the ever-evolving risk landscape.



SUSTAINABLE DEVELOPMENT

Sustainable development activities in
line with United Nations' sustainable
development goals

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SUSTAINABLE DEVELOPMENT ACTIVITIES IN LINE WITH UNITED NATIONS' SUSTAINABLE DEVELOPMENT GOALS



01 | NO POVERTY

- Employment for more than 9,243 workers.
- In 2023, Vinamilk continued to sponsor VND 500 million for the heart surgery program conducted by MD1 World Organization (US) and City Children's Hospital. Since 2019, Vinamilk has sponsored over VND 1.2 billion for the program that gives over 34 children the opportunity to live healthily.
- Local economic development: 239,254 tons of purchased raw milk/year from farming households.
- Distribution of gifts to the poor and victims of Agent Orange.



02 | ZERO HUNGER

- Over 250 SKUs in Vinamilk's portfolio covering all 63/63 provinces.
- 42 million glasses of milk worth VND 200 billion brought to more than 500,000 children over the course of 16 years under the "Stand Tall Vietnam" Milk Fund, and in 2023, more than 1.5 million glasses of milk brought to over 16,300 disadvantaged children in 14 provinces/cities.



03 | GOOD HEALTH AND WELL-BEING

- 16 years of running the School milk program with a contribution of VND 55 billion.
- In 2023, Vinamilk maintained its extra care for the elderly by hosting well-being activities for this group. Notably, the series of events "Eat Well, Sleep Well, Live Well" from September to December 2023 was organized by Vinamilk in collaboration with the Vietnam Association of The Elderly in 10 provinces and cities nationwide.
- In the 4th year of collaboration with the Vietnam Chief Nursing Club, Vinamilk continued to raise awareness about the importance of nutritional care for over 1,000 healthcare professionals nationwide, contributing to improving treatment efficiency for millions of people.



04 | QUALITY EDUCATION

- 523 training courses with the participation of 30,221 attendees.
- Vinamilk donated VND 200 million to the scholarship fund of Nguyen Thi Be Middle School.
- Training courses for skills and professional development for farmers.



05 | GENDER EQUALITY

- No discrimination.
- Females accounted for 27.6% of the management levels.



06 | CLEAN WATER AND SANITATION

- 100% compliance from member units regarding the permitted water consumption.
- 100% of water used meeting standards.
- 100% of wastewater treated through a standardized process.
- 125,108 m³ of water in production activities is fully recovered, recycled, and reused.



07 | AFFORDABLE AND CLEAN ENERGY

- 14,421,569 kWh of solar energy used, accounting for 8.49% of the total power consumption (for production).
- Solar power installed at the Headquarters, 11 Factories, and 13 Farms.
- Biomass-fired steam systems used at 10 Factories.



12 | RESPONSIBLE CONSUMPTION AND PRODUCTION

- 50% reduction of the shrink wrapping for product pallets, saving 29,499 kg of plastic.
- All “Giac mo sua Viet” stores of Vinamilk say no to plastic bags.
- Vinamilk’s paper packaging is produced with Tetra Brik Aseptic technology. The packaging is fully recyclable and FSC-certified – guaranteeing environmental, economic, and social benefits.
- Factory system certified to FSSC 22000, ISO 14001, ISO 50001, Organic EU.
- Farm system certified to GlobalG.A.P, Organic EU.
- Compliance with social responsibilities according to SMETA Sedex 4 Pillars standards.
- Transparency of information to stakeholders
- Good customer services.
- Top 10 Sustainable Enterprises Operating in the Manufacturing Sector by CSI 2023.
- Top 5 Pioneers in Embracing Circular Economy and Reducing Carbon Footprint by CSI 2023.



08 | DECENT WORK AND ECONOMIC GROWTH

- Providing high-income jobs for 9,243 employees
- Prioritizing local labor hire, and supporting capacity and knowledge building.
- Exporting products to 60 countries and territories.
- Building an occupational safety and health management system according to ISO 45001.
- The most chosen dairy and dairy substitutes brand by Vietnamese consumers for the 11th consecutive year (Kantar Worldpanel).
- Top 3 most chosen FMCG manufacturers by consumers (Kantar Worldpanel).
- Top 1 Employer of Choice in 2022 - Fast Moving Consumer Goods Industry (surveyed by Career Builder).
- Top 50 Best Performing Companies in Vietnam by Nhip Cau Dau Tu Magazine (12th consecutive year).
- Top 10 Vietnamese Excellent Brands 2022 – 2023 by VnEconomy.



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.



13 | CLIMATE ACTION

- In early 2023, Vinamilk launched a project to plant more than 1,000 trees in support of the “Net Zero Tree Planting” initiative by the Ministry of Natural Resources and Environment. This marks the beginning of a 5-year collaboration (2023-2027) with a budget of VND 15 billion.
- In August 2023, Vinamilk partnered with Gaia Nature Conservation and Mui Ca Mau National Park to launch a 25-ha mangrove reforestation program at Mui Ca Mau National Park with a budget of nearly VND 4 billion.
- Application of renewable energy and circular economy.
- First prize for Sustainable Development Report and Awards for Enterprises with Excellent Greenhouse Gas Management.
- Vinamilk Pathways to Dairy Net Zero program was awarded the most important category of the Human Act Prize 2023.



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 the application of technology in sustainable agriculture.
- Establishing strategic partnerships with potential partners to seek opportunities for product portfolio expansion.
- Enhancing trade promotion activities to seek new export customers.
- Applying DSF framework and principles to the company's production and business practice.



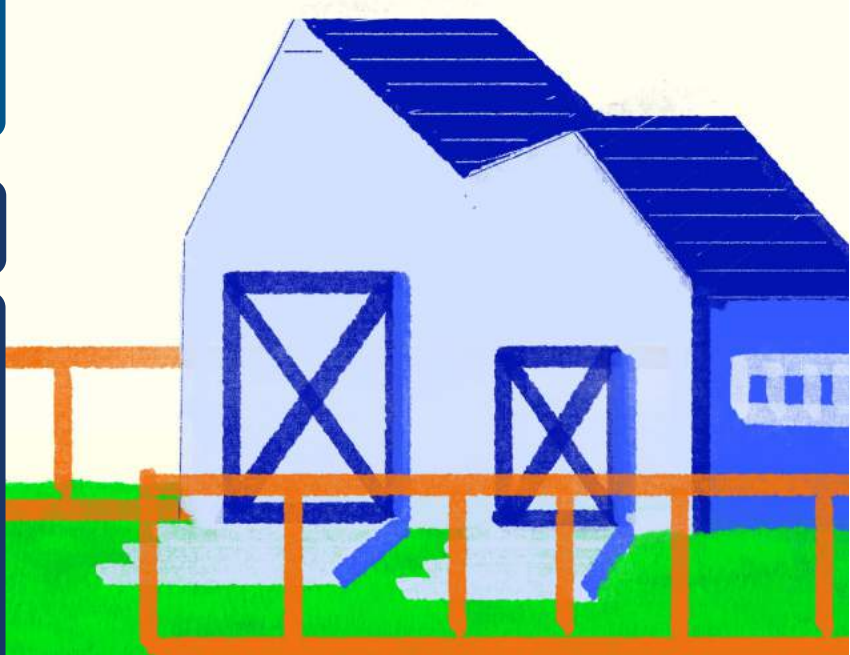
14 | LIFE BELOW WATER

- Environmental commitment of over 65,000 students through the series of events “Promotion and education for primary students on waste sorting for environmental protection” coordinated by Vinamilk and the Departments of Education.
- Production wastewater properly treated before discharge.



15 | LIFE ON LAND

- 13 Farms and 01 Center for Dairy Technology and Embryo Transfer certified to GlobalG.A.P.
- 02 farms certified to Organic EU.
- No field burning in cultivation.
- No hunting of wild animals.
- Using organic fertilizers instead of inorganic and chemical fertilizers on farms with arable land
- Organizing the series of events “Promotion and education for primary students on waste sorting for environmental protection”, themed with Susu and Hero brands, in 10 provinces and cities, which attracted over 65,000 students. This helped to raise environmental protection awareness for future generations.



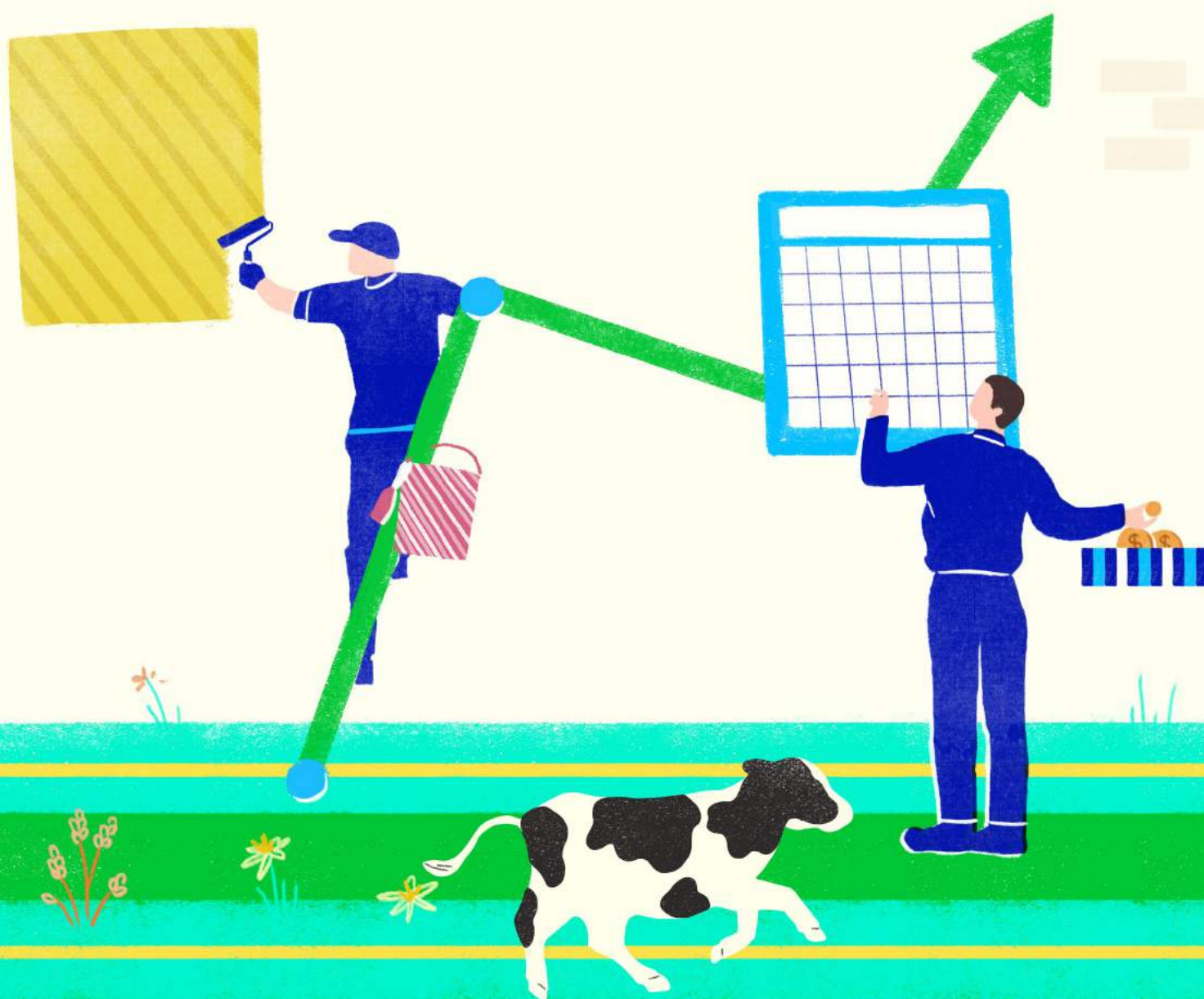
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CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

PREPARED IN ACCORDANCE WITH VIETNAMESE ACCOUNTING STANDARDS (VAS)

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

Corporate Information

Business Registration Certificate No.

4103001932

20 November 2003

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
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. 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. Doan Quoc Khanh	<i>Acting Executive Director – Raw Materials Development (from 1 September 2023)</i>
Mr. Trinh Quoc Dung	<i>Executive Director – Raw Materials Development (until 1 August 2023)</i>

Registered Office

10 Tan Trao, Tan Phu Ward, District 7, Ho Chi Minh City, Vietnam

Auditor

KPMG Limited Vietnam

Statement of the Board of Management

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 2023 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 111 to 170 which give a true and fair view, in all material respects, of the consolidated financial position of the Group as at 31 December 2023, 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



A red circular stamp of Công ty Cổ phần Sữa Việt Nam (Vinamilk) is visible. The stamp contains the text: "M.S.D.N: 0300588569", "CÔNG TY CỔ PHẦN SỮA VIỆT NAM", and "QUẬN 7 - TP. HỒ CHÍ MINH". A blue ink signature is written over the stamp.

Mai Kieu Lien
Chief Executive Officer

Ho Chi Minh City, 27 February 2024



KPMG Limited Branch
10th Floor, Sun Wah Tower
115 Nguyen Hue Street, Ben Nghe Ward
District 1, Ho Chi Minh City, Vietnam
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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 2023, 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 27 February 2024, as set out on pages 111 to 170.

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 2023 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. 22-01-00293-23-6



Nelson Rodríguez Casan
Practicing Auditor Registration
Certificate No. 2225-2023-007-1
Deputy General Director
Ho Chi Minh City, 27 February 2024

Ha Vu Dinh
Practicing Auditor Registration
Certificate No. 2225-2023-007-1

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION**AS AT 31 DECEMBER 2023****Form B 01 – DN/HN***(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	31/12/2023 VND	1/1/2023 VND
ASSETS				
Current assets				
(100 = 110 + 120 + 130 + 140 + 150)	100		35,935,879,621,477	31,560,382,174,201
Cash and cash equivalents	110	V.1	2,912,027,359,925	2,299,943,527,624
Cash	111		1,025,487,470,250	1,327,429,518,437
Cash equivalents	112		1,886,539,889,675	972,514,009,187
Short-term financial investments	120		20,137,243,800,460	17,414,055,328,683
Trading securities	121	V.4(a)	1,193,065,962	1,159,355,253
Allowance for diminution in the value of trading securities	122	V.4(a)	(822,663,402)	(689,745,197)
Held-to-maturity investments	123	V.4(b)	20,136,873,397,900	17,413,585,718,627
Accounts receivable – short-term	130		6,529,705,184,034	6,100,402,870,854
Accounts receivable from customers	131		4,808,183,557,645	4,633,942,510,271
Prepayments to suppliers	132		655,619,313,409	589,439,884,812
Other short-term receivables	136	V.3(a)	1,080,803,411,003	890,466,200,571
Allowance for doubtful debts	137	V.2	(14,901,098,023)	(13,445,724,800)
Inventories	140	V.5	6,128,081,805,088	5,537,563,396,117
Inventories	141	V.5	6,165,935,294,543	5,560,169,453,504
Allowance for inventories	149	V.5	(37,853,489,455)	(22,606,057,387)
Other current assets	150		228,821,471,970	208,417,050,923
Short-term prepaid expenses	151	V.11(a)	82,860,441,483	97,570,693,043
Deductible value added tax	152		99,428,954,456	89,204,099,539
Taxes receivable from State Treasury	153		46,532,076,031	21,642,258,341

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 2023 (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	31/12/2023 VND	1/1/2023 VND
Long-term assets				
(200 = 210 + 220 + 230 + 240 + 250 + 260)	200		16,737,491,482,983	16,922,282,062,019
Accounts receivable – long-term	210		16,131,990,975	38,422,722,715
Other long-term receivables	216	V.3(b)	16,131,990,975	38,422,722,715
Fixed assets	220		12,689,652,377,511	11,903,207,642,940
Tangible fixed assets	221	V.6	11,688,520,305,045	10,860,366,507,422
Cost	222		31,109,174,369,693	28,502,157,270,867
Accumulated depreciation	223		(19,420,654,064,648)	(17,641,790,763,445)
Intangible fixed	227	V.7	1,001,132,072,466	1,042,841,135,518
Cost	228		1,366,405,903,459	1,353,423,614,905
Accumulated amortisation	229		(365,273,830,993)	(310,582,479,387)
Investment property	230	V.8	55,594,154,394	57,593,807,783
Cost	231		98,822,678,885	98,822,678,885
Accumulated depreciation	232		(43,228,524,491)	(41,228,871,102)
Long-term work in progress	240		936,923,649,898	1,805,129,940,386
Long-term work in progress	241	V.9	381,979,710,802	334,547,387,349
Construction in progress	242	V.10	554,943,939,096	1,470,582,553,037
Long-term financial investments	250		831,227,597,345	742,670,306,431
Investments in associates, joint venture	252	V.4(c)	602,591,028,932	664,302,778,018
Equity investments in other entities	253	V.4(c)	101,975,059,081	101,950,219,081
Allowance for diminution in the value of long-term financial investments	254	V.4(c)	(23,582,690,668)	(23,582,690,668)
Held-to-maturity investments	255	V.4(b)	150,244,200,000	-
Other non-current assets	260		2,207,961,712,860	2,375,257,641,764
Long-term prepaid expenses	261	V.11(b)	871,585,543,337	772,804,663,141
Deferred tax assets	262	V.12(a)	14,448,509,586	34,985,203,461
Goodwill	269	V.13	1,321,927,659,937	1,567,467,775,162
TOTAL ASSETS (270 = 100 + 200)	270		52,673,371,104,460	48,482,664,236,220

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

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION**AS AT 31 DECEMBER 2023 (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	31/12/2023 VND	1/1/2023 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		17,647,627,338,990	15,666,145,881,135
Current liabilities	310		17,138,689,974,862	15,308,423,081,524
Accounts payable to suppliers	311	V.14	3,805,885,429,198	4,284,158,390,163
Advances from customers	312		164,712,782,108	161,708,567,120
Taxes payable to State Treasury	313	V.16	967,878,916,785	598,135,128,295
Payables to employees	314		289,224,237,367	287,914,221,269
Accrued expenses	315	V.17	1,910,204,625,860	1,620,874,538,443
Short-term unearned revenue	318		263,912,729	4,161,405,120
Other short-term payables	319	V.18	1,193,900,858,465	3,055,541,590,234
Short-term borrowings	320	V.15(a)	8,217,757,172,267	4,867,129,839,103
Provision	321	V.19	16,770,514,285	26,635,759,312
Bonus and welfare fund	322	V.20	572,091,525,798	402,163,642,465
Long-term liabilities	330		508,937,364,128	357,722,799,611
Other long-term payables	337	V.18	1,063,378,252	3,711,780,002
Long-term borrowings	338	V.15(b)	238,476,074,100	66,028,725,000
Deferred tax liabilities	341	V.12(b)	269,397,911,776	287,982,294,609
EQUITY (400 = 410)	400		35,025,743,765,470	32,816,518,355,085
Owners' equity	410	V.21	35,025,743,765,470	32,816,518,355,085
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
Other capital	414		499,080,803,215	202,658,418,215
Foreign exchange differences	417		174,100,152,253	92,498,048,227

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 2023 (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	31/12/2023 VND	1/1/2023 VND
Investment and development fund	418		6,163,736,586,996	5,266,761,584,973
Retained profits	421		3,926,232,003,987	3,353,468,092,666
- Retained profits brought forward	421a		1,068,453,760,015	2,682,865,082,625
- Profit for the current year	421b		2,857,778,243,972	670,603,010,041
Non-controlling interest	429		3,328,929,059,319	2,967,467,051,304
TOTAL RESOURCES (440 = 300 + 400)	440		52,673,371,104,460	48,482,664,236,220

27 February 2024

Prepared by

Le Thanh LiemExecutive Director – Finance
cum Chief Accountant**Approved by:****Mai Kieu Lien**

Chief Executive Officer

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

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF INCOME**FOR THE YEAR ENDED 31 DECEMBER 2023****Form B 02 – DN/HN***(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	2023 VND	2022 VND
Revenue from sales of goods and provision of services	01	VI.1	60,478,912,566,740	60,074,730,223,299
Revenue deductions	02	VI.1	109,997,055,235	118,483,025,881
Net revenue (10 = 01 - 02)	10	VI.1	60,368,915,511,505	59,956,247,197,418
Cost of sales	11	VI.2	35,824,183,896,095	36,059,015,690,711
Gross profit (20 = 10 - 11)	20		24,544,731,615,410	23,897,231,506,707
Financial income	21	VI.3	1,716,367,576,333	1,379,904,407,740
Financial expenses	22	VI.4	503,122,771,214	617,537,182,995
<i>In which: Interest expense</i>	23		354,094,837,255	166,039,091,744
Share of loss in associates and joint venture	24	V.4(c)	(80,631,298,646)	(24,475,976,403)
Selling expenses	25	VI.5	13,018,093,111,879	12,548,212,246,871
General and administration expenses	26	VI.6	1,755,619,128,197	1,595,845,681,078
Net operating profit {30 = 20 + (21 - 22) + 24 - (25 + 26)}	30		10,903,632,881,807	10,491,064,827,100
Other income	31	VI.7	353,408,891,551	289,021,799,127
Other expenses	32	VI.8	289,142,381,872	284,551,949,482
Results of other activities (40 = 31 - 32)	40		64,266,509,679	4,469,849,645
Profit before tax (50 = 30 + 40)	50		10,967,899,391,486	10,495,534,676,745
Income tax expense – current	51	VI.10	1,948,363,404,628	1,956,248,296,285
Income tax expense/(benefit) – deferred	52	VI.10	181,821,807	(38,288,939,248)
Net profit after tax (60 = 50 - 51 - 52) (carried forward to next page)	60		9,019,354,165,051	8,577,575,319,708

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

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF INCOME**FOR THE YEAR ENDED 31 DECEMBER 2023****Form B 02 – DN/HN***(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	2023 VND	2022 VND
Net profit after tax (60 = 50 - 51 - 52) (brought forward from previous page)	60		9,019,354,165,051	8,577,575,319,708
Attributable to:				
Equity holders of the Company	61		8,873,812,416,864	8,516,023,694,342
Non-controlling interest	62		145,541,748,187	61,551,625,366
Basic earnings per share	70	VI.11	3,796	3,632

27 February 2024

Prepared by

Le Thanh LiemExecutive Director – Finance
cum Chief Accountant**Approved by****Mai Kieu Lien**

Chief Executive Officer

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 2023****(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	2023 VND	2022 VND
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	01		10,967,899,391,486	10,495,534,676,745
Adjustments for				
Depreciation and amortisation	02		2,054,586,864,472	2,095,449,858,677
Amortisation of goodwill	02	V.13	245,540,115,225	245,540,115,225
Allowances and provisions	03		26,862,358,183	(4,572,925,078)
Exchange losses arising from revaluation of monetary items denominated in foreign currencies	04		7,448,121,735	3,222,766,873
Losses on disposals/written off of fixed assets and construction in progress	05		65,791,983,817	88,472,438,579
Dividends, interest income and other gain from investment activities	05		(1,543,397,439,960)	(1,210,689,718,561)
Share of loss in associates and joint venture	05		80,631,298,646	24,475,976,403
Interest expense	06	VI.4	354,094,837,255	166,039,091,744
Operating profit before changes in working capital	08		12,259,457,530,859	11,903,472,280,607
Change in receivables	09		(244,987,138,316)	(288,077,307,677)
Change in inventories	10		(1,021,313,389,573)	851,263,069,739
Change in payables and other liabilities	11		(443,378,131,758)	(386,032,574,554)
Change in prepaid expenses	12		7,868,182,212	(73,120,062,114)
Interest paid	14		(302,707,839,570)	(141,304,083,849)
Income tax paid	15	V.16	(1,564,073,949,237)	(1,975,289,763,439)
Other payments for operating activities	17		(803,441,702,254)	(1,063,638,382,197)
Net cash flows from operating activities	20		7,887,423,562,363	8,827,273,176,516

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 2023****(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	2023 VND	2022 VND
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets and other long-term assets	21		(1,579,637,140,762)	(1,456,914,052,616)
Receipts from disposals of fixed assets and construction in progress	22		104,880,785,286	137,125,557,857
Payments for term deposits	23		(2,856,303,791,352)	-
Receipts from term deposits	24		-	3,634,715,046,607
Payments for investments in other entities	25		(35,769,832,735)	(43,175,000,000)
Collections from investments in other entities	26		10,570,000,000	-
Receipts of interest and dividends	27		1,367,711,469,062	1,201,019,963,250
Net cash flows from investing activities	30		(2,988,548,510,501)	3,472,771,515,098
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from capital contribution by non-controlling interest to a subsidiary	31		489,787,009,008	338,100,000,000
Capital refunded to a non-controlling interest of a dissolved subsidiary	32		(142,548,827,636)	-
Proceeds from borrowings	33		11,788,416,965,803	6,257,530,054,586
Payments to settle loan principals	34		(8,276,832,556,495)	(10,789,019,801,789)
Payments of dividends	36		(8,046,328,463,250)	(8,046,328,463,250)
Payments of dividends of subsidiaries to non-controlling interest	36		(105,267,788,700)	(120,571,155,470)
Net cash flows from financing activities	40		(4,292,773,661,270)	(12,360,289,365,923)

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 2023****(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	2023 VND	2022 VND
Net cash flows during the year (50 = 20 + 30 + 40)	50		606,101,390,592	(60,244,674,309)
Cash and cash equivalents at the beginning of the year	60		2,299,943,527,624	2,348,551,874,348
Effect of exchange rate fluctuations on cash and cash equivalents	61		(673,070,965)	(1,729,154,879)
Currency translation differences	62		6,655,512,674	13,365,482,464
Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61 + 62)	70	V.1	2,912,027,359,925	2,299,943,527,624

27 February 2024

Prepared by


Le Thanh LiemExecutive Director – Finance
cum Chief Accountant

Approved by

**Mai Kieu Lien**

Chief Executive Officer

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

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31 DECEMBER 2023****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.
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.
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.
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.

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)****Form B 09 – DN/HN***(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

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%.
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%.
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.
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	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 Ograniczoną Odpowiedzialnością. In November 2021, the Company collected VND42,195 million from the dissolution. The dissolution was completed in 2022.

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

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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 Xiangkhouang Co., Ltd.
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-Jagro Development Xiangkhouang Co., Ltd.
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.
30 November 2022	The Company's Board of Directors approved the resolution to dissolve Vibev Food and Beverage Joint Venture Company Limited. During the second quarter of 2023, the dissolution was completed.
22 December 2022	Vietnam Livestock Corporation – Joint Stock Company contributed additional capital amounting to VND351,900 million to Japan Vietnam Livestock Company Limited.
21 March 2023	The Company contributed additional capital amounting to VND11,875 million (equivalent to USD500,000) to Del Monte – Vinamilk Dairy Philippines, Inc.
18 May 2023	The Company contributed additional capital amounting to VND59.6 million (equivalent to USD2,521) to Angkor Dairy Products Co., Ltd.
28 June 2023	Vietnam Livestock Corporation – Joint Stock Company contributed additional capital amounting to VND351,900 million to Japan Vietnam Livestock Company Limited.
22 August 2023	The Company contributed additional capital amounting to VND23,895 million (equivalent to USD999,993) to Del Monte – Vinamilk Dairy Philippines, Inc.
28 August 2023	The Company purchased 29,296,875 additional shares in total of 40,145,438 shares issued by Vietnam Livestock Corporation – Joint Stock Company for a consideration of VND410,156 million. As the result, the Company's ownership in Vietnam Livestock Corporation – Joint Stock Company, Moc Chau Dairy Cattle Breeding Joint Stock Company, and Japan Vietnam Livestock Company Limited has increased.

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

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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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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4. Group structure

As at 31 December 2023, the Group had 9 subsidiaries and 8 associates, 1 joint venture and dependent units (1/1/2023:10 subsidiaries, 8 associates, 1 joint venture and dependent units) as follows:

(a) Subsidiaries

Name	Location	Principal activities	Economic interest	
			31/12/2023	1/1/2023
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%
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%	87.32%
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	68.94%	68.00%
Vietnam Livestock Corporation – Joint Stock Company (**)	10 Tan Trao, Tan Phu Ward, District 7, Ho Chi Minh City	Producing ice cream and beverages	-	51.00%
Indirectly owned subsidiaries through Vietnam Livestock Corporation – Joint Stock Company				
Moc Chau Dairy Cattle Breeding Joint Stock Company (**)	Km194 Moc Chau Farm Town, Phieng Luong, Moc Chau District, Son La Province	Processing of milk and dairy products	49.73%	49.17%
Japan Vietnam Livestock Company Limited (**)	519 Minh Khai, Vinh Tuy Ward, Hai Ba Trung District, Ha Noi City	Importing, processing and trading beef products	35.16%	34.68%

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

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(*) On 30 November 2022, the Company's Board of Directors approved the resolution to dissolve this subsidiary. During the second quarter of 2023, the dissolution was completed.

(**) On 28 August 2023, The Company purchased 29,296,875 additional shares in total of 40,145,438 shares issued by Vietnam Livestock Corporation – Joint Stock Company for a consideration of VND410,156 million. As the result, the Company's ownership in Vietnam Livestock Corporation – Joint Stock Company, Moc Chau Dairy Cattle Breeding Joint Stock Company, and Japan Vietnam Livestock Company Limited has increased.

(b) Associates, joint venture

Name	Location	Principal activities	Economic interest	
			31/12/2023	1/1/2023
Directly owned associates, joint venture				
Miraka Holdings Limited (*)	108 Tuwharetoa, Taupo, New Zealand	Milk production	13.55%	16.96%
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 Philippines, Inc.	JV Campos Centre, 9th Avenue corner, 30th Street, Bonifacio Global City, Taguig City, Philippines	Importing and trading milk and dairy products	50.00%	50.00%

(*) In 2023, Miraka Holdings Limited has increased its capital. Other investors have contributed additional capital to this entity; however, the Company did not contribute additional capital accordingly. As a result, the Company's ownership in this entity has decreased from 16.96% to 13.55%. 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.

Indirectly owned associates through Vietnam Livestock Corporation – Joint Stock Company

As at 31 December 2023 and 1 January 2023, there were 5 associates indirectly owned through Vietnam Livestock Corporation – Joint Stock Company.

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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.

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1. An Khang Clinic – 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 2023, the Group had 9,877 employees (1/1/2023: 9,506 employees).

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.

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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.

(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

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.

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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.

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.

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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.

(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.

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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.

6. Inventories

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.

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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 – 50 years
- machinery and equipment 2 – 20 years
- motor vehicles 4 – 10 years
- office equipment 2 – 12 years
- livestock 6 years
- others 3 – 20 years

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.

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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) 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.

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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.

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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.

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 entrustees (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.

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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.

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.

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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.

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.

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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.

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.

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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.

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.

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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.

V. SUPPLEMENTARY INFORMATION TO ITEMS DISCLOSED IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

1. Cash and cash equivalents

	31/12/2023 VND	1/1/2023 VND
Cash on hand	1,545,332,918	1,715,151,072
Cash in bank	1,023,942,137,332	1,325,714,367,365
Cash equivalents	1,886,539,889,675	972,514,009,187
	2,912,027,359,925	2,299,943,527,624

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

	2023 VND	2022 VND
Opening balance	(13,445,724,800)	(12,257,493,261)
Increase in allowance during the year	(1,341,171,676)	(1,656,841,857)
Allowance utilised during the year	-	527,606,281
Allowance written back during the year	10,157,000	42,363,959
Currency translation differences	(124,358,547)	(101,359,922)
Closing balance	(14,901,098,023)	(13,445,724,800)

3. Other receivables**(a) Other short-term receivables**

	31/12/2023 VND	1/1/2023 VND
Interest income and dividends	648,530,799,521	457,294,545,422
Receivables from employees	2,394,598,623	1,169,913,026
Short-term deposits	831,361,730	905,426,334
Import tax refundable	2,932,592,308	2,555,575,760
Rebate income receivable from suppliers	260,752,709,014	214,341,684,142
Others	165,361,349,807	214,199,055,887
	1,080,803,411,003	890,466,200,571

(b) Other long-term receivables

	31/12/2023 VND	1/1/2023 VND
Collateral, deposits	14,431,990,975	35,422,722,715
Others	1,700,000,000	3,000,000,000
	16,131,990,975	38,422,722,715

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	31/12/2023			1/1/2023		
	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	1,193,065,962	370,411,840	(822,663,402)	1,159,355,253	469,610,056	(689,745,197)

(b) Held-to-maturity investments

	31/12/2023 VND	1/1/2023 VND
Held-to-maturity investments – short-term		
• term deposits	20,136,873,397,900	17,413,585,718,627
Held-to-maturity investments – long-term		
• term deposits	150,244,200,000	-

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	31/12/2023				1/1/2023			
	% 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	13.55%	219,850,964,979	(*)	-	16.96%	287,362,154,997	(*)	-
APIS Corporation	20.00%	46,117,513,009	(*)	-	20.00%	39,499,496,146	(*)	-
Asia Coconut Processing Joint Stock Company	24.96%	163,183,742,194	(*)	-	24.96%	150,355,490,875	(*)	-
Del Monte - Vinamilk Dairy Philippines, Inc.	50.00%	317,355,090	(*)	-	50.00%	593,854,138	(*)	-
Indirectly owned associates through Vietnam Livestock Corporation –Joint Stock Company		173,121,453,660	(*)	-		186,491,781,862	(*)	-
		602,591,028,932		-		664,302,778,018		-
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		32,413,451,927	(*)	(23,582,690,668)		32,388,611,927	(*)	(23,582,690,668)
		101,975,059,081		(23,582,690,668)		101,950,219,081		(23,582,690,668)
		704,566,088,013		(23,582,690,668)		766,252,997,099		(23,582,690,668)

(*) 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 carrying amounts.

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

	2023 VND	2022 VND
Opening balance	664,302,778,018	661,023,754,422
Investments	35,769,832,735	43,175,000,000
Dividends received	(16,850,283,175)	(15,420,000,001)
Share of loss in associates and joint venture	(80,631,298,646)	(24,475,976,403)
Closing balance	602,591,028,932	664,302,778,018

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

	2023 VND	2022 VND
Opening balance	(689,745,197)	(666,201,430)
Increase in allowance during the year	(111,064,553)	-
Currency translation differences	(21,853,652)	(23,543,767)
Closing balance	(822,663,402)	(689,745,197)

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

	2023 VND	2022 VND
Opening balance	(23,582,690,668)	(19,082,789,672)
Increase in allowance during the year	-	(4,499,900,996)
Closing balance	(23,582,690,668)	(23,582,690,668)

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	31/12/2023		1/1/2023	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Goods in transit	578,543,057,199	-	812,950,683,637	-
Raw materials	3,861,882,734,602	(33,506,836,040)	3,365,992,574,670	(20,772,142,150)
Tools and supplies	91,789,869,431	(293,843,525)	93,825,867,140	(374,613,608)
Work in progress	318,473,606,136	-	199,435,483,074	-
Finished goods	1,126,529,387,840	(4,052,809,890)	1,024,111,382,368	(1,459,301,629)
Merchandise inventories	143,368,330,354	-	37,037,692,091	-
Goods on consignment	45,348,308,981	-	26,815,770,524	-
	6,165,935,294,543	(37,853,489,455)	5,560,169,453,504	(22,606,057,387)

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

	2023 VND	2022 VND
Opening balance	(22,606,057,387)	(47,414,757,653)
Increase in allowance during the year	(25,317,858,957)	(13,343,747,910)
Allowance written back during the year	5,955,466,553	35,616,693,471
Allowance utilised during the year	4,114,960,336	3,403,318,819
Currency translation differences	-	(867,564,114)
Closing balance	(37,853,489,455)	(22,606,057,387)

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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	5,881,016,519,630	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
Additions	18,596,108,995	147,829,404,772	14,993,421,110	27,773,093,813	409,550,000	-	209,601,578,690
Transfer from construction in progress	974,878,011,908	1,357,435,907,645	16,430,863,910	16,572,434,035	-	6,588,055,679	2,371,905,273,177
Transfer from inventories	-	-	-	-	416,186,659,149	-	416,186,659,149
Disposals/write off	(10,684,285,402)	(51,697,319,778)	(10,759,517,242)	(3,709,052,418)	(294,991,923,230)	-	(371,842,098,070)
Reclassification	3,879,675,585	11,827,294,003	695,000,000	(213,954,386)	-	(16,188,015,202)	-
Other decreases	-	-	-	(105,315,998)	(79,329,636,722)	-	(79,434,952,720)
Currency translation differences	17,567,148,642	36,451,491,787	2,803,123,756	807,480,203	2,959,670,852	11,723,360	60,600,638,600
Closing balance	6,885,253,179,358	20,649,169,172,434	1,376,539,141,817	767,611,184,915	1,430,186,558,214	415,132,955	31,109,174,369,693
Accumulated depreciation							
Opening 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
Charge for the year	316,567,038,523	1,305,672,484,634	92,088,160,866	49,669,070,177	234,252,916,255	658,437,805	1,998,908,108,260
Disposals/write off	(7,148,644,988)	(49,647,927,103)	(9,540,020,008)	(3,648,342,074)	(137,671,998,878)	-	(207,656,933,051)
Reclassification	3,458,747,906	3,490,668,899	266,416,574	(14,135,723)	(1,229)	(7,201,696,427)	-
Other decreases	-	-	-	(40,956,221)	(39,070,772,386)	-	(39,111,728,607)
Currency translation differences	3,223,852,780	20,552,979,113	2,035,303,544	668,240,118	237,379,436	6,099,610	26,723,854,601
Closing balance	2,962,982,489,716	14,331,347,884,981	1,025,436,739,101	625,104,683,511	475,551,590,899	230,676,440	19,420,654,064,648
Net book value							
Opening 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
Closing balance	3,922,270,689,642	6,317,821,287,453	351,102,402,716	142,506,501,404	954,634,967,315	184,456,515	11,688,520,305,045

Included in the cost of tangible fixed assets were assets costing VND10,297,816 million which were fully depreciated as at 31 December 2023 (1/1/2023: VND6,688,784 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	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
Additions	-	-	-	543,775,644	524,680,003	1,068,455,647
Transfer from construction in progress	-	-	-	4,167,497,814	-	4,167,497,814
Other decreases	-	-	-	(307,150,000)	-	(307,150,000)
Currency translation differences	6,358,151,991	-	-	198,033,123	1,497,299,979	8,053,485,093
Closing balance	724,803,485,185	276,413,594,392	164,964,058,635	146,708,685,977	53,516,079,270	1,366,405,903,459
Accumulated amortisation						
Opening 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
Charge for the year	16,641,051,184	16,259,623,199	10,997,603,909	9,748,147,088	32,677,443	53,679,102,823
Other decreases	-	-	-	(132,622,221)	-	(132,622,221)
Currency translation differences	-	-	-	130,571,010	1,014,299,994	1,144,871,004
Closing balance	84,168,207,750	65,038,492,797	43,990,415,636	136,146,637,384	35,930,077,426	365,273,830,993
Net book value						
Opening 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
Closing balance	640,635,277,435	211,375,101,595	120,973,642,999	10,562,048,593	17,586,001,844	1,001,132,072,466

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

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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	8,073,602,099	982,364,064	32,172,904,939	41,228,871,102
Charge for the year	865,672,679	-	1,133,980,710	1,999,653,389
Closing balance	8,939,274,778	982,364,064	33,306,885,649	43,228,524,491
Net book value				
Opening balance	31,748,191,276	-	25,845,616,507	57,593,807,783
Closing balance	30,882,518,597	-	24,711,635,797	55,594,154,394

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 VND17,887 million which were fully depreciated as at 31 December 2023 (1/1/2023: VND17,421 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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	2023 VND	2022 VND
Opening balance	1,470,582,553,037	834,818,937,515
Additions	1,487,548,286,549	1,306,831,083,954
Transfer to tangible fixed assets	(2,371,905,273,177)	(631,395,331,094)
Transfer to intangible fixed assets	(4,167,497,814)	(1,209,641,917)
Transfer to inventories	(4,575,021,837)	(36,472,947,276)
Transfer to short-term prepaid expenses	(2,552,422,365)	(3,782,041,938)
Transfer to long-term prepaid expenses	(85,247,510,077)	(9,167,551,229)
Disposals	(7,080,258,629)	-
Other increases/(decreases)	61,113,706,898	(6,645,721,227)
Currency translation differences	11,227,376,511	17,605,766,249
Closing balance	554,943,939,096	1,470,582,553,037

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

	31/12/2023 VND	1/1/2023 VND
Vietnam Livestock Corporation – Joint Stock Company	228,445,553,623	95,736,189,738
Vietnam Dairy Products Joint Stock Company	130,281,080,219	431,377,363,957
Lao-Jagro Development Xiengkhouang Co., Ltd.	77,258,335,440	723,078,016,500
Driftwood Dairy Holding Corporation	61,418,839,680	51,400,010,550
Others	57,540,130,134	168,990,972,292
	554,943,939,096	1,470,582,553,037

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	31/12/2023 VND	1/1/2023 VND
Software deployment and networks maintenance	22,041,172,498	8,657,427,608
Advertising	3,363,522,669	173,480,476
Operating lease	5,518,303,363	3,473,362,556
Tools and supplies	16,531,463,632	12,657,028,624
Renovation and repair	3,008,408,082	1,997,822,909
Cows isolated for testing and bovine semen used for insemination	2,999,754,749	1,492,271,346
Other short-term prepaid expenses	29,397,816,490	69,119,299,524
	82,860,441,483	97,570,693,043

(b) Long-term prepaid expenses

	Prepaid land costs VND	Tools and instruments VND	Others VND	Total VND
Opening balance	408,918,954,639	303,805,593,530	60,080,114,972	772,804,663,141
Additions	53,144,371,595	148,411,200,729	67,176,504,062	268,732,076,386
Transfer from construction in progress	70,705,669,904	9,095,164,050	5,446,676,123	85,247,510,077
Amortisation for the year	(15,958,262,615)	(180,128,442,891)	(44,555,480,407)	(240,642,185,913)
Other decreases	(5,721,900,586)	(635,045,091)	(13,225,688,929)	(19,582,634,606)
Reclassification	251,748,756	-	(251,748,756)	-
Currency translation differences	4,300,487,104	17,570,719	708,056,429	5,026,114,252
Closing balance	515,641,068,797	280,566,041,046	75,378,433,494	871,585,543,337

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	31/12/2023 VND	1/1/2023 VND
Deferred tax assets		
Foreign exchange differences	(78,070,334)	1,170,509,495
Accrued expenses and provisions and fixed assets	14,526,579,920	33,814,693,966
	14,448,509,586	34,985,203,461

(b) Deferred tax liabilities – net

	31/12/2023 VND	1/1/2023 VND
Deferred tax assets		
Tax losses carry forwards	40,600,398,960	48,654,734,310
Accrued expenses	6,894,864,900	7,671,837,810
Accounts receivable	1,066,909,800	839,069,070
Others	4,312,401,060	3,596,732,370
Total deferred tax assets	52,874,574,720	60,762,373,560
Deferred tax liabilities		
Fixed assets	(286,678,468,838)	(293,266,548,176)
Others	(35,594,017,658)	(55,478,119,993)
Total deferred tax liabilities	(322,272,486,496)	(348,744,668,169)
Net deferred tax liabilities	(269,397,911,776)	(287,982,294,609)

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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	2023 VND	2022 VND
Opening balance	1,567,467,775,162	1,813,007,890,387
Charge for the year	(245,540,115,225)	(245,540,115,225)
Closing balance	1,321,927,659,937	1,567,467,775,162

14. Accounts payable to suppliers

Accounts payable to related parties

	31/12/2023 VND	1/1/2023 VND
Associates		
APIS Corporation	55,564,491,035	84,876,556,696
Asia Coconut Processing Joint Stock Company	3,329,504,399	2,503,728,482
Miraka Holdings Limited	-	133,471,803,087

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	1/1/2023 VND	Incurred VND	Paid VND	Reclassification VND	Currency translation differences VND	31/12/2023 VND
Short-term borrowings	4,848,264,489,103	17,757,986,246,045	(14,520,711,699,741)	(18,109,929,817)	(9,332,701,623)	8,058,096,403,967
Current portion of long-term borrowings	18,865,350,000	-	(21,116,856,754)	159,129,653,319	2,782,621,735	159,660,768,300
	4,867,129,839,103	17,757,986,246,045	(14,541,828,556,495)	141,019,723,502	(6,550,079,888)	8,217,757,172,267

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

Lenders	Note	Currency	31/12/2023 VND	1/1/2023 VND
Joint Stock Commercial Bank for Foreign Trade of Vietnam, Ho Chi Minh City Branch	(i)	VND	4,899,840,000,000	2,260,267,036,000
Sumitomo Mitsui Banking Corporation, Ho Chi Minh City Branch	(i)	USD	1,716,480,000,000	1,150,000,000,000
Vietnam Joint Stock Commercial Bank For Industry And Trade	(i)	VND	750,000,000,000	-
DBS Bank, Singapore	(i)	USD	476,800,000,000	1,137,500,000,000
HSBC Bank (Vietnam) Limited, Ho Chi Minh City Branch	(i)	VND	98,279,506,500	126,080,577,000
Lao-Viet Bank Co., Ltd, Xiengkhouang Branch	(i)	USD	12,210,000,000	-
ANZ Bank Laos	(i)	USD	-	17,883,094,110
HSBC Bank USA	(ii)	USD	104,486,897,467	156,533,781,993
			8,058,096,403,967	4,848,264,489,103

(i) *These borrowings were unsecured.*(ii) *This borrowing was secured by assets with carrying amount of VND798,112 million as at 31 December 2023 (1/1/2023: VND896,805 million).*

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	1/1/2023 VND	Addition VND	Paid VND	Reclassification VND	Currency translation differences VND	31/12/2023 VND
Long-term borrowings	84,894,075,000	308,830,719,757	-	(3,006,926,937)	7,418,974,580	398,136,842,400
Current portion of long-term borrowings	(18,865,350,000)	-	21,116,856,754	(159,129,653,319)	(2,782,621,735)	(159,660,768,300)
	66,028,725,000	308,830,719,757	21,116,856,754	(162,136,580,256)	4,636,352,845	238,476,074,100

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

Lenders	Note	Currency	Year of maturity	31/12/2023 VND	1/1/2023 VND
ANZ Bank Laos	(i)	USD	2026	299,176,892,520	-
Saigon Thuong Tin Lao Bank Limited, Lane Xang Branch	(i)	USD	2030	31,011,299,880	-
HSBC Bank USA	(ii)	USD	2027	67,948,650,000	84,894,075,000
				398,136,842,400	84,894,075,000

(i) *This borrowing was unsecured.*(ii) *This borrowing was secured by the same pledge assets of the borrowing in note 15(a)(ii).*

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	1/1/2023 VND	Incurred VND	Paid VND	Currency translation differences VND	31/12/2023 VND
Value added tax	165,355,742,040	2,171,093,386,508	(2,184,051,394,802)	80,158,653	152,477,892,399
Corporate income tax	418,101,152,888	1,948,363,404,628	(1,564,073,949,237)	914,807,614	803,305,415,893
Personal income tax	6,551,877,381	189,538,233,025	(187,470,005,234)	18,255,971	8,638,361,143
Import tax	7,577,932,115	69,493,983,354	(74,779,512,432)	66,249,595	2,358,652,632
Other taxes	548,423,871	94,240,390,383	(93,672,627,629)	(17,591,907)	1,098,594,718
	598,135,128,295	4,472,729,397,898	(4,104,047,489,334)	1,061,879,926	967,878,916,785

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	31/12/2023 VND	1/1/2023 VND
Sale incentives, promotion	1,016,334,580,951	886,202,042,098
Advertising expenses	408,562,094,734	339,732,444,471
Transportation expenses	77,820,389,375	80,876,367,744
Expenses for outsourced employees	56,467,494,627	46,939,692,451
Interest expenses	111,297,320,193	59,910,322,507
Repair and maintenance expenses	20,595,436,109	15,984,085,729
Rental fees	15,573,513,957	18,623,204,640
Fuel expenses	8,167,978,703	7,712,203,638
Others	195,385,817,211	164,894,175,165
	1,910,204,625,860	1,620,874,538,443

18. Other payables

	31/12/2023 VND	1/1/2023 VND
Insurance and trade union fees	2,278,679,336	3,656,536,904
Dividend payables	1,045,146,142,230	2,926,103,293,830
Others	147,539,415,151	129,493,539,502
	1,194,964,236,717	3,059,253,370,236
Of which:		
Short-term	1,193,900,858,465	3,055,541,590,234
Long-term	1,063,378,252	3,711,780,002

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	31/12/2023 VND	1/1/2023 VND
Provision for severance allowance (*)	9,078,184,525	8,096,601,309
Others	7,692,329,760	18,539,158,003
	16,770,514,285	26,635,759,312

(*) Movements of provision for severance allowance during the year as follows:

	2023 VND	2022 VND
Opening balance	8,096,601,309	6,438,083,860
Increase in provision during the year	6,184,981,104	11,600,758,238
Provision utilised during the year	(5,076,303,334)	(9,927,124,140)
Provision written back during the year	(127,094,554)	(15,116,649)
Closing balance	9,078,184,525	8,096,601,309

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:

	2023 VND	2022 VND
Opening balance	402,163,642,465	507,365,624,913
Appropriation (Note V.21)	968,335,437,517	948,573,877,583
Other increases	3,300,000	11,920,000
Utilisation	(798,410,854,184)	(1,053,787,780,031)
Closing balance	572,091,525,798	402,163,642,465

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	Share capital VND	Share premium VND	Other capital 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
Contributed capital to subsidiaries	-	-	-	-	-	-	338,100,000,000	338,100,000,000
Net profit for the year	-	-	-	-	-	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	-	-	-	-	-	(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 1 January 2023	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

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	Share capital VND	Share premium VND	Other capital VND	Foreign exchange differences VND	Investment and development fund VND	Retained profit VND	Non-controlling interest VND	Total VND
As at 1 January 2023	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
Capital contributed by non-controlling interest to a subsidiary	-	-	-	-	-	(2,244,994,800)	492,032,003,810	489,787,009,010
A subsidiary converting retained profits to capital contribution	-	-	296,422,385,000	-	-	(296,422,385,000)	-	-
Capital refunded to a non-controlling interest of a dissolved subsidiary	-	-	-	-	-	-	(142,548,827,636)	(142,548,827,636)
Net profit for the year	-	-	-	-	-	8,873,812,416,864	145,541,748,187	9,019,354,165,051
Appropriation to equity funds	-	-	-	-	896,975,002,023	(896,975,002,023)	-	-
Appropriation to bonus and welfare fund (Note V.20)	-	-	-	-	-	(940,037,560,976)	(28,297,876,541)	(968,335,437,517)
Dividends	-	-	-	-	-	(6,165,368,562,744)	-	(6,165,368,562,744)
Dividends of a subsidiary to non-controlling interest	-	-	-	-	-	-	(105,265,039,805)	(105,265,039,805)
Currency translation differences	-	-	-	81,602,104,026	-	-	-	81,602,104,026
As at 31 December 2023	20,899,554,450,000	34,110,709,700	499,080,803,215	174,100,152,253	6,163,736,586,996	3,926,232,003,987	3,328,929,059,319	35,025,743,765,470

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The Company's authorised and issued share capital are:

	31/12/2023 and 1/1/2023	
	Number of shares	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:

	31/12/2023 and 1/1/2023	
	VND	%
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

For the year ended 31 December 2023: Annual General Meeting of the Company resolved to distribute dividends in cash amounting to at least 50% of consolidated net profit after tax attributable to equity shareholders of the Company. Total dividends distributed from retained profits for the fiscal year 2023 were VND4,179,911 million (VND1,500 per share for the first advance distribution for the fiscal year 2023 and VND500 per share for the second advance distribution for the fiscal year 2023), remaining dividends distributed from 2023 retained profits will be announced in 2024 after approved by the Annual General Meeting.

For the year ended 31 December 2022: Annual General Meeting of the Company resolved to distribute dividends in cash amounting to VND3,850/share (38.5%). Total dividends distributed from retained profits for the fiscal year 2022 were VND8,046,328 million (VND1,500/share for the first advance distribution for the fiscal year 2022, VND1,400 per share for the second advance distribution for the fiscal year 2022 and VND950 per share for the remaining distribution for the fiscal year 2022).

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The future minimum lease payments under non-cancellable operating leases were:

	31/12/2023 VND	1/1/2023 VND
Within one year	83,065,632,575	70,716,169,179
Within two to five years	218,760,285,511	219,329,158,109
More than five years	928,708,804,943	788,339,947,001
	1,230,534,723,029	1,078,385,274,289

(b) Foreign currencies

	31/12/2023 VND		1/1/2023 VND	
	Original currency	Equivalent VND	Original currency	Equivalent VND
▪ USD	6,488,710	156,248,127,650	1,949,585	45,639,789,532
▪ EUR	4,402	116,076,654	33,756	829,950,721
		156,364,204,304		46,469,740,253

(c) Capital commitments

At the reporting date, the Group had following outstanding capital commitments approved but not provided for in the balance sheet:

	31/12/2023 VND	1/1/2023 VND
Approved and contracted	2,481,883,242,541	2,542,718,016,426

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Total revenue represented the gross value of goods sold and services rendered exclusive of value added tax.

Net revenue comprised:

	2023 VND	2022 VND
Total revenue		
• Sales of finished goods	56,958,465,910,163	56,583,366,266,697
• Sales of merchandise goods	3,257,277,347,350	3,218,309,235,889
• Services rendered	50,208,997,764	39,602,107,343
• Rental income from investment property	7,939,153,750	7,706,976,033
• Others	205,021,157,713	225,745,637,337
	60,478,912,566,740	60,074,730,223,299
Less revenue deductions		
• Sale discounts	21,886,839,948	68,389,179,115
• Sale returns	88,110,215,287	50,093,846,766
	109,997,055,235	118,483,025,881
Net revenue	60,368,915,511,505	59,956,247,197,418

In which revenue from sales to related parties were as follows:

	2023 VND	2022 VND
Associates and joint venture		
Del Monte – Vinamilk Dairy Philippines, Inc.	49,872,454,133	74,571,387,027
APIS Corporation	21,913,383,080	567,188,980
Asia Coconut Processing Joint Stock Company	299,107,953	-

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31 DECEMBER 2023 (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**

	2023 VND	2022 VND
Total cost of sales		
• Finished goods sold	31,878,227,167,382	32,305,714,096,438
• Merchandise goods sold	3,157,232,797,730	3,061,626,272,799
• Cost of promotional goods	591,024,042,719	581,247,707,149
• Operating costs of investment property	600,352,722	1,643,358,171
• Services rendered	3,702,842,022	1,033,584,784
• Allowance for inventories	19,362,392,404	(22,272,945,561)
• Other cost of sales	174,034,301,116	130,023,616,931
	35,824,183,896,095	36,059,015,690,711

3. Financial income

	2023 VND	2022 VND
Interest income from deposits	1,539,726,844,807	1,198,974,626,506
Foreign exchange gains	121,381,710,729	117,613,345,537
Dividend income	6,319,678,399	11,715,092,058
Others	48,939,342,398	51,601,343,639
	1,716,367,576,333	1,379,904,407,740

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31 DECEMBER 2023 (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**

	2023 VND	2022 VND
Interest expense on borrowings	354,094,837,255	166,039,091,744
Interest expense on deposits received	726,308,496	841,917,041
Foreign exchange losses	111,371,755,094	279,985,584,683
Allowance for diminution in value of financial investments	111,064,553	4,499,900,996
Payment discounts for customers	22,001,462,878	17,601,776,691
Others	14,817,342,938	148,568,911,840
	503,122,771,214	617,537,182,995

5. Selling expenses

	2023 VND	2022 VND
Promotion, product display expenses, support and commission expenses for distributors	9,005,381,916,807	8,687,031,912,675
Advertising and market research expenses	1,329,025,364,599	1,222,454,841,064
Staff costs	777,084,993,899	742,460,039,515
Transportation expenses	722,193,280,346	883,656,485,446
Outside service expenses	816,827,999,117	680,085,111,139
Tools and supplies expenses	148,065,816,520	132,514,400,886
Materials expenses	75,985,132,066	83,709,353,015
Depreciation expenses	54,713,406,500	52,720,135,277
Warranty expenses	88,815,202,025	63,579,967,854
	13,018,093,111,879	12,548,212,246,871

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31 DECEMBER 2023 (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**

	2023 VND	2022 VND
Staff costs	659,676,401,612	556,391,771,664
Outside service expenses	377,778,489,701	348,107,136,538
Depreciation expenses	82,056,476,612	83,005,211,618
Per-diem allowances	52,930,561,888	41,199,620,502
Materials expenses	48,077,797,836	54,565,711,147
Transportation expenses	56,168,322,985	46,648,088,480
Loading expenses	28,123,310,636	18,149,433,658
Office supplies	22,927,334,344	22,520,219,758
Taxes, fees and duties	51,505,132,433	62,163,438,673
Bank charges	13,435,942,836	11,980,489,731
Provision expenses	7,388,901,226	13,200,119,487
Goodwill amortisation	245,540,115,225	245,540,115,225
Others	110,010,340,863	92,374,324,597
	1,755,619,128,197	1,595,845,681,078

7. Other income

	2023 VND	2022 VND
Rebate income from suppliers	124,916,695,382	117,059,705,435
Proceeds from disposals of fixed assets and construction in progress	105,622,930,546	137,273,416,582
Compensations received from other parties	8,982,254,515	10,250,458,524
Others	113,887,011,108	24,438,218,586
	353,408,891,551	289,021,799,127

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31 DECEMBER 2023 (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**

	2023 VND	2022 VND
Net book value of fixed assets and construction in progress disposed/written off	171,265,423,648	225,597,996,436
Others	117,876,958,224	58,953,953,046
	289,142,381,872	284,551,949,482

9. Production and business costs by element

	2023 VND	2022 VND
Raw material costs included in production costs	27,814,583,335,708	28,249,917,380,052
Labour costs and staff costs	2,859,550,156,264	2,584,010,369,890
Depreciation and amortisation	2,042,424,361,116	2,081,613,738,006
Outside services	3,254,256,874,931	3,251,372,183,016
Other expenses	11,986,221,166,984	11,445,742,902,357

10. Income tax**(a) Recognised in the consolidated statement of income**

	2023 VND	2022 VND
Current tax expense	1,948,363,404,628	1,956,248,296,285
<i>In which: current tax (income)/expense relating to taxable income of prior years</i>	<i>(28,127,282,701)</i>	<i>17,586,208,221</i>
Deferred tax expense/(benefit)		
Origination and reversal of temporary differences	181,821,807	(38,288,939,248)
Income tax expense	1,948,545,226,435	1,917,959,357,037

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31 DECEMBER 2023 (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**

	2023 VND	2022 VND
Accounting profit before tax	10,967,899,391,486	10,495,534,676,745
Tax at the Company's tax rate	2,193,579,878,298	2,099,106,935,349
Tax rate differential applied to Company's subsidiaries, branches and factories	(76,642,661,751)	(97,579,560,790)
Tax exempt income	(1,263,935,680)	(2,343,018,412)
Non-deductible expenses	14,305,648,993	10,833,816,918
Tax incentives	(262,068,460,614)	(181,818,411,414)
Changes in deferred tax assets not recognised	108,762,039,890	72,173,387,165
Current tax (income)/expense relating to taxable income of prior years	(28,127,282,701)	17,586,208,221
Income tax expense	1,948,545,226,435	1,917,959,357,037

(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.

(d) Global minimum top-up tax

On 29 November 2023, the National Assembly of Vietnam passed a resolution to introduce Income Inclusion Rule ("IIR") and Qualified Domestic Minimum Top-up Tax ("QDMTT"), which broadly align with Pillar Two of the Global Anti-Base Erosion Model Rules of the OECD with effect from 1 January 2024. The resolution requires large multi-national enterprises to pay a global minimum corporate income tax of 15% on profit in each jurisdiction in which they operate.

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)****Form B 09 – DN/HN***(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***11. Basic earnings per share**

The calculation of earnings per share for the year ended 31 December 2023 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

	2023 VND	2022 VND
Net profit for the year – attributable to ordinary shareholders before appropriation to bonus and welfare fund	8,873,812,416,864	8,516,023,694,342
Appropriation to bonus and welfare fund – attributable to ordinary shareholders	(940,037,560,976)	(924,627,242,747)
Net profit for the year attributable to ordinary shareholders after appropriation to bonus and welfare fund	7,933,774,855,888	7,591,396,451,595

(b) Weighted average number of ordinary shares

	31/12/2023	1/1/2023
	Number of shares	Number of shares
Issued ordinary shares at the beginning of the year and weighted average number of ordinary shares during the year	2,089,955,445	2,089,955,445

As at 31 December 2023, 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	2023 VND	2022 VND
Miraka Holdings Limited	Associate	Purchases of goods	229,220,379,225	231,425,301,017
		Sales of goods	-	103,180,923
APIS Corporation	Associate	Purchases of goods	285,921,912,107	471,997,298,179
		Other income	120,834,000	-
		Dividends received	1,300,000,000	-

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)****Form B 09 – DN/HN***(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

Related party	Relationship	Nature of transaction	2023 VND	2022 VND
Asia Coconut Processing Joint Stock Company	Associate	Purchases of goods	33,001,762,718	37,370,417,796
		Purchase of shares	-	30,900,000,000
		Dividends received	9,270,000,000	12,360,000,000
Del Monte - Vinamilk Dairy Philippines, Inc.	Joint venture	Capital contribution	35,769,832,735	12,275,000,000
		Other income	210,511,364	-
The State Capital Investment Corporation	Shareholder	Dividends	2,219,805,975,900	2,897,034,917,700

Key management personnel compensation

	2023 VND million	2022 VND million
Board of Directors members		
Total fees		
Mr. Nguyen Hanh Phuc – Chairman	3,123	1,720
Mdm. Le Thi Bang Tam – Chairwoman	262	1,837
Mdm. Mai Kieu Lien – Member (i)	1,969	2,067
Mr. Lee Meng Tat – Member	2,283	2,398
Ms. Dang Thi Thu Ha – Member	2,283	2,398
Mr. Le Thanh Liem – Member (ii)	867	931
Mr. Michael Chye Hin Fah – Member	2,500	2,646
Mr. Do Le Hung – Member	2,283	2,398
Mr. Alain Xavier Cany – Member	2,520	2,646
Ms. Tieu Yen Trinh – Member	1,811	1,734
Mr. Hoang Ngoc Thach – Member	2,520	2,411
Chief Executive Officer		
Average salary per month		
Mdm. Mai Kieu Lien	404	366
Other key management personnel		
Average salary per month per person		
Executive Directors	242	167

*(i) Board of Directors member cum Chief Executive Officer.**(ii) Board of Directors member cum Executive Director – Finance.*

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31 DECEMBER 2023 (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	
	2023 VND	2022 VND	2023 VND	2022 VND	2023 VND	2022 VND
Net revenue	50,617,453,566,955	50,704,403,447,753	9,751,461,944,550	9,251,843,749,665	60,368,915,511,505	59,956,247,197,418
Cost of sales	(29,723,643,941,157)	(30,148,858,565,457)	(6,100,539,954,938)	(5,910,157,125,254)	(35,824,183,896,095)	(36,059,015,690,711)
Segment gross profit	20,893,809,625,798	20,555,544,882,296	3,650,921,989,612	3,341,686,624,411	24,544,731,615,410	23,897,231,506,707

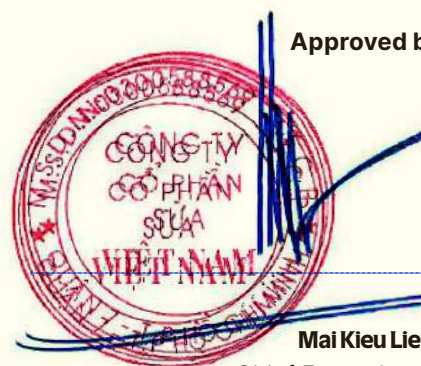
27 February 2024

Prepared by



Le Thanh Liem
Executive Director – Finance
cum Chief Accountant

Approved by



Mai Kieu Lien
Chief Executive Officer

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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 2023

	31/12/2023 VND million	31/12/2022 VND million
Current assets	35,931,145	31,513,455
Cash and cash equivalents	2,912,027	2,299,944
Other investments	20,137,243	17,414,056
Trade and other receivables	6,799,642	6,308,820
Inventories	6,082,233	5,490,635
Non-current assets	18,301,346	18,139,373
Other investments	437,546	471,288
Trade and other receivables	979,312	767,593
Right of use assets	228,636	78,368
Property, plant and equipment	11,514,220	11,582,466
Biological assets	1,383,074	1,348,784
Intangible assets	3,087,920	3,135,987
Investment property	55,594	57,594
Investment in equity accounted investees	602,591	664,303
Deferred tax assets	12,453	32,990
TOTAL ASSETS	54,232,491	49,652,828

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION**AS AT 31 DECEMBER 2023 (CONTINUED)**

	31/12/2023 VND million	31/12/2022 VND million
LIABILITIES AND EQUITY		
LIABILITIES	18,448,765	16,262,813
Current liabilities	17,182,479	15,301,684
Borrowings	8,271,117	4,867,130
Trade and other payables	7,778,770	9,674,710
Income tax payable	803,305	418,101
Other taxes payable	164,574	180,034
Advances from customers	164,713	161,709
Non-current liabilities	1,266,286	961,129
Borrowings	238,476	66,029
Trade and other payables	1,063	3,712
Lease liabilities	588,616	460,632
Severance allowance obligations	168,733	142,774
Deferred tax liabilities	269,398	287,982
EQUITY	35,783,726	33,390,015
Equity attributable to equity holders of the Company	32,391,741	30,364,533
Share capital	20,899,554	20,899,554
Share premium	34,111	34,111
Other capital	499,081	202,658
Fair value reserve	(14,950)	(14,817)
Translation reserve	174,150	92,526
Other reserve	6,163,736	5,266,762
Retained earnings	4,636,059	3,883,739
Non-controlling interest	3,391,985	3,025,482
TOTAL LIABILITIES AND EQUITY	54,232,491	49,652,828

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 2023

	2023 VND million	2022 VND million
I. Profit or loss		
Revenue	51,465,324	51,455,897
Cost of sales	(36,962,188)	(37,518,671)
Gross profit	14,503,136	13,937,226
Other income	247,786	151,747
Selling expenses	(3,746,874)	(3,500,662)
General and administration expenses	(1,738,545)	(1,377,806)
Other losses – net	(149,501)	(405,340)
Results from operating activities	9,116,002	8,805,165
Finance income	1,546,046	1,210,690
Finance cost	(385,730)	(188,394)
Net finance income	1,160,316	1,022,296
Share of loss of equity accounted investees	(80,631)	(24,476)
Profit before tax	10,195,687	9,802,985
Income tax	(1,948,545)	(1,917,959)
Net profit	8,247,142	7,885,026

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 2023 (CONTINUED)

	2023 VND million	2022 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	(133)	(4,524)
Items that are or may be reclassified subsequently to profit or loss		
Foreign operations – foreign currency translation differences	81,624	92,268
Total comprehensive income	8,328,633	7,972,770
Net profit attributable to:		
Equity holders of the Company	8,118,863	7,833,478
Non-controlling interest	128,279	51,548
Net profit	8,247,142	7,885,026
Total comprehensive income attributable to:		
Equity holders of the Company	8,200,354	7,921,222
Non-controlling interest	128,279	51,548
Total comprehensive income	8,328,633	7,972,770
Earnings per share		
Basic earnings per share (in VND)	3,885	3,749
Basic earnings per share from continuing operations (in VND)	3,885	3,749

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS**FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023 VND million	2022 VND million
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	10,195,687	9,802,985
Adjustments for		
Depreciation and amortisation	2,088,980	2,123,253
Exchange losses arising from revaluation of monetary items denominated in foreign currencies	58,958	3,222
Losses on disposals of property, plant and equipment and biological assets	65,792	88,472
Interest expense	354,821	166,881
Dividends, interest income and other investment activities	(1,584,513)	(1,210,690)
Share of loss of equity accounted investees	80,631	24,476
Operating profit before changes in working capital	11,260,356	10,998,599
Change in receivables	(204,546)	(371,808)
Change in inventories	(992,516)	1,291,932
Change in payables and other liabilities	(208,771)	(947,738)
	9,854,523	10,970,985
Interest paid	(302,708)	(141,304)
Income tax paid	(1,564,074)	(1,975,290)
Net cash generated from operating activities	7,987,741	8,854,391

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS**FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)**

	2023 VND million	2022 VND million
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment, intangible assets and biological assets	(1,579,637)	(1,456,914)
Collections on disposals of property, plant and equipment and biological assets	104,881	137,126
Payments for investments in other entities	(35,769)	(43,175)
Collections from investments in other entities	10,570	-
Payments for term deposits – net	(2,856,304)	-
Collections from term deposits – net	-	3,634,715
Receipts of interest and dividends	1,367,711	1,201,020
Net cash used in investing activities	(2,988,548)	3,472,772
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from additional shares issued to and capital contributed by non-controlling interest to a subsidiary	489,787	338,100
Capital refunded to a non-controlling interest of a dissolved subsidiary	(142,548)	-
Proceeds from borrowings	11,788,417	6,257,530
Payments to settle loan principals	(8,276,833)	(10,789,020)
Payments of lease liabilities	(67,784)	(27,116)
Payments of dividends	(8,046,328)	(8,046,225)
Payments of dividends of subsidiaries to non-controlling interest	(105,268)	(120,675)
Net cash used in financing activities	(4,360,557)	(12,387,406)
Net cash flows during the year	638,636	(60,243)
Cash and cash equivalents at the beginning of the year	2,299,944	2,348,552
Effect of exchange rate fluctuations on cash and cash equivalents	(673)	(1,729)
Currency translation differences	(25,880)	13,364
Cash and cash equivalents at the end of the year	2,912,027	2,299,944

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Fax: (+84. 236) 6 259 555

10. BINH DINH DAIRY FACTORY

87 Hoang Van Thu Street, Quang Trung Ward, Quy Nhon City, Binh Dinh Province

Phone: (+84. 256) 6 253 555

Fax: (+84. 256) 3 746 065

11. NGHE AN DAIRY FACTORY

Chao Nam Street, Nghi Thu Commune, Cua Lo Town, Nghe An Province

Phone: (+84. 238) 6 259 555

Fax: (+84. 238) 3 824 717

12. TIEN SON DAIRY FACTORY

Tien Son Industrial Park, Hoan Son Commune, Tien Du District, Bac Ninh Province

Phone: (+84. 222) 3 739 568

Fax: (+84. 222) 3 714 814

13. LAM SON DAIRY FACTORY

Le Mon Industrial Park, Thanh Hoa City, Thanh Hoa Province

Phone: (+84. 237) 3 912 540

Fax: (+84. 237) 3 912 541

14. HO CHI MINH LOGISTICS ENTERPRISE

32 Dang Van Bi, Truong Tho Ward, Thu Duc District, Ho Chi Minh City

Phone: (+84. 28) 62 526 555

Fax: (+84. 28) 38 960 804

15. HANOI LOGISTICS ENTERPRISE

Km 10, National Highway 5, Duong Xa Commune, Gia Lam District, Hanoi City

Phone: (+84. 24) 36 789 489

Fax: (+84. 24) 38 276 966

16. AN KHANG CLINIC

184-186-188 Nguyen Dinh Chieu, Ward 6, District 3, Ho Chi Minh City

Phone: (+84. 28) 39 302 785

Fax: (+84. 28) 39 302 708

17. CU CHI RAW MILK CENTER

Lot B14-1-B14-2, D4 Street, Dong Nam Industrial Park, Hoa Phu Commune, Cu Chi District, Ho Chi Minh City

Phone: (+84. 292) 3735 0030

DOMESTIC SUBSIDIARIES, ASSOCIATES**1. VIETNAM DAIRY COW ONE MEMBER LIMITED COMPANY**

10 Tan Trao Street, Tan Phu Ward, District 7, Ho Chi Minh City

Phone: (+84. 28) 54 155 555

Fax: (+84. 28) 54 161 226

2. THONG NHAT THANH HOA ONE MEMBER LIMITED COMPANY

Ward 1, Thong Nhat Town, Yen Dinh District, Thanh Hoa Province

Phone: (+84. 237) 3 514 020

Fax: (+84. 237) 3 599 008

3. VIETNAM SUGAR JOINT STOCK COMPANY

Thuy Xuong Village, Suoi Hiep Commune, Dien Khanh District, Khanh Hoa Province

Phone: (+84. 258) 3 745 453 – (+84. 258) 3 745 424

Fax: (+84. 258) 3 744 440

Website: www.vietsugar.com.vn

4. ASIA COCONUT PROCESSING JOINT STOCK COMPANY

Lot EI-2, EI-3, EI-4, Giao Long Industrial Park, Phase II, An Phuoc Commune, Chau Thanh District, Ben Tre Province

Phone: (+84. 275) 3 656 999

Fax: (+84. 275) 3 626 999

Website: www.acp.com.vn

5. APIS JOINT STOCK COMPANY

No. 18A, VSIP II-A, Street 27, Vietnam – Singapore Industrial Park II-A, Vinh Tan Ward, Tan Uyen District, Binh Duong Province

Phone: (+84. 274) 54 165 166

Fax: (+84. 274) 54 111 066

Website: www.apis-corp.com

6. VIETNAM LIVESTOCK CORPORATION - JOINT STOCK COMPANY

519 Minh Khai, Vinh Tuy Ward, Hai Ba Trung District, Hanoi

Phone: (+84. 24) 38621814

Fax: (+84. 24) 38621688

Website: www.vilico.vn

7. MOC CHAU DAIRY CATTLE BREEDING JOINT STOCK COMPANY

Km194 Moc Chau Farm Town, Phiang Luong, Moc Chau District, Son La Province

Phone: (+84. 243) 736 8114

Website: www.mcmilk.com.vn

8. JAPAN VIETNAM LIVESTOCK COMPANY LIMITED

No.519, Minh Khai Street, Vinh Tuy Ward, Hai Ba Trung District, Ha Noi, Vietnam

Phone: (+84. 286) 272 5681

Website: www.vinabeef.com

FOREIGN SUBSIDIARIES, ASSOCIATES

1. DRIFTWOOD DAIRY HOLDING CORPORATION

10724 Lower Azusa Intersection, El Monte, California 91734, USA

Phone: (+1) 1 800 864 6455

Website: www.driftwooddairy.com

2. ANGKOR DAIRY PRODUCTS CO., LTD.

Plot P2-096 and P2-097, Phnom Penh Special Economic Zone (PPSEZ), National Highway 4, Sangkat, Phleung Chhes Totes, Khan PoSenChey, Phnom Penh, Kingdom of Cambodia

Phone: (+855) 24683 9999

Website: www.angkormilk.com.kh

3. MIRAKA HOLDINGS CO., LTD.

108 Tuwharetoa, Po Box 740, Taupo 3351, New Zealand

Phone: (+64) 7 376 0075

Fax: (+64) 7 377 0694

Website: www.miraka.co.nz

4. LAO-JAGRO DEVELOPMENT XIENGKHOUANG CO., LTD

Boungvene Village, Paek District, Xiengkhouang Province, Lao P.D.R.

Phone: (+856) 21563053

Fax: (+856) 21563054

Email: laojagro@yahoo.com

5. DEL MONTE VINAMILK DAIRY PHILIPPINES INC.

JV Campos Centre, 9th Avenue corner, 30th Street, Bonifacio Global City, Taguig City, Philippines

Email: feedback@delmonte-phil.com

Website: <https://lifegetsbetter.ph/our-products/dairy>



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