
THE MINUTES OF
ANNUAL GENERAL MEETING OF SHAREHOLDERS 2020
OF VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY (VINAMILK)

Today, on 26th June 2020, the 2020 Annual General Meeting of Shareholders (hereinafter called “**the AGM**”) of Vietnam Dairy Products Joint Stock Company (the business license No. 0300588569 issued for the first time on 20th November 2003 by the Department of Planning & Investment of Ho Chi Minh City; head office at: 10 Tan Trao Street, Tan Phu Ward, District 7, HCM City) (hereafter called “**Vinamilk**”/“**the Company**”) is held at FPT Software building, FTown 3, D2 Street, Hi-tech Park, Tan Phu Ward, District 9, HCM City.

I. THE ATTENDANTS AND LEGAL VALIDITY OF THE AGM:

1. The attendants:

The Board of Directors (“BoD”): Comprising of the following Directors:

- Ms. Le Thi Bang Tam : Chairperson
- Ms. Mai Kieu Lien : Director and CEO
- Mr. Alain Xavier Cany : Director, attend online
- Mr. Michael Chye Hin Fah : Director, attend online
- Ms. Dang Thi Thu Ha : Director
- Mr. Do Le Hung : Director
- Mr. Le Thanh Liem : Director, CFO cum Chief Accountant
- Mr. Lee Meng Tat : Director, attend online
- Mr. Nguyen Ba Duong : Director, attend online

The Board of Management (“BoM”): The following Executive Directors are also present at the AGM:

- Mr. Mai Hoai Anh : Executive Director – International Sales
- Mr. Trinh Quoc Dung : Executive Director – Dairy Development
- Ms. Nguyen Thi Thanh Hoa : Executive Director – Supply Chain
- Ms. Bui Thi Huong : Executive Director – HR, Admin & Public Relation
- Mr. Nguyen Quoc Khanh : Executive Director – Research & Development
- Mr. Phan Minh Tien : Executive Director – Marketing
- Mr. Tran Minh Van : Executive Director – Production

Shareholders: the shareholders as mentioned in note 2 below.

Independent Auditor: Ms. Nguyen Thanh Nghi, the Deputy General Director from KPMG Limited, was invited to the AGM.

2. The legal validity of the AGM:

From the time of the AGM 2020 opening at 8:30 AM, there is 85.35% of the total outstanding shares attending the AGM. The AGM 2020 is legally and lawfully convened and shall continue in according to Part II, Article A, note 2 of this Meeting Minutes.

II. THE MEETING DETAILS

A. The AGM opening procedures:

1. Mr. Dong Quang Trung, on behalf of the AGM organizer, proclaims the reason to hold the meeting and introduces the attendants.
2. Mr. Diep Hong Khon, on behalf of the AGM organizer, announces the shareholders' attendance as follows:
 - According to the shareholder registration list, the AGM has the presence of 5,094 shareholders/authorized persons who represent for 1,486,267,172 shares which accounts for 85.35% of the Company's total outstanding shares (1,741,377,694 shares).
 - Pursuant to sub-article 1 of Article 141 of the 2014 Enterprise Law and sub-article 5 of Article 17 of the Company's Charter, with the shareholder's attendance of 85.35%, the AGM is legally and lawfully convened and shall continue.
3. Mr. Dong Quang Trung introduces Ms. Le Thi Bang Tam as the chairperson of the AGM and the BoD members to chair the AGM, includes:
 - Ms. Le Thi Bang Tam : Chairperson
 - Ms. Mai Kieu Lien : Director and CEO
 - Ms. Dang Thi Thu Ha : Director
 - Mr. Do Le Hung : Director
 - Mr. Le Thanh Liem : Director, CFO cum Chief Accountant
4. Ms. Le Thi Bang Tam, the AGM Chairperson, presents the AGM agenda as follows:
 - Ms. Tam nominates Mr. Le Quang Thanh Truc – The Company's Secretariat to be the AGM's secretary for recording the meeting minutes and asks the AGM to vote on this.
 - Then, Ms. Tam introduces the agenda of the AGM that has been approved as follows:

Approve	1,418,142,493 shares	81.44 % of the total voting rights attending at the AGM
Disapprove	0 shares	0 % of the total voting rights attending at the AGM
Abstain	64,403,103 shares	3.7 % of the total voting rights attending at the AGM

- The meeting agenda is as below:
 1. The 2019 audited financial statements
 2. BOD's reports Q & A
 3. Dividend payment for the financial year of 2019
 4. Revenue & profit guidance for 2020 (consolidated)
 5. Dividend payment plan for the financial year of 2020
 6. Bonus share issue for existing shareholders
 7. Selection of the independent auditor for 2020
 8. BOD's fees for 2020
 9. Additional business lines
 10. Amendment of the Charter
 11. Election of a new Board member

- After that, Ms. Tam, on behalf of the AGM organizer, would like the AGM to elect the voting ballot counting committee of 3 persons, as below:
 1. Mr. Diep Hong Khon, Legal Senior Manager.
 2. Ms. Ta Hanh Lien, Internal Audit Director
 3. Ms. Tran Thai Thoai Tran, Internal Control & Risk Management Director

The voting result is as following:

Approve	1,418,131,879 shares	81.44 % of the total voting rights attending at the AGM
Disapprove	0 shares	0 % of the total voting rights attending at the AGM
Abstain	64,413,717 shares	3.7 % of the total voting rights attending at the AGM

B. Submission to the AGM for approval:

1. The 2019 audited financial statements are presented in the Annual Report posted at the Company's website
2. BOD's reports in 2019: details of the report are fully disclosed in the 2019 Annual Report
 - i. Ms. Le Thi Bang Tam, Chairman, presents the report on the Board's activities in 2019
 - ii. Mr. Do Le Hung, Head of Audit Committee presents the report of the Audit Committee in 2019
 - iii. Ms. Mai Kieu Lien, BOD member and CEO, presents the report of the Company's operation in 2019
3. Ms. Lien presents 3 matters below to the AGM for approval:
 - i. Dividend payment for the financial year of 2019
 - ii. Revenue & profit guidance for 2020 (consolidated)
 - iii. Dividend payment plan for the financial year of 2020
4. Then, Ms. Dang Thi Thu Ha submit to the AGM for consideration and approval of the 02 following contents:
 - i. Bonus share issue for existing shareholders
 - ii. BOD's fees for 2020
5. Next, Mr. Do Le Hung presents following matters
 - i. Selection of the independent auditor for 2020
 - ii. Additional business lines
 - iii. Amendment of the Charter
6. Finally, Ms. Tam introduces Ms. Nguyen Thi Tham, the candidate nominated by the major shareholder, the State Capital Investment Corporation (SCIC), as an additional director for the BOD.

Details of the submission to the AGM for approval: as fully disclosed in the AGM documents.

C. Q&A section:

The Chairperson informs the AGM to start the Q&A section. Shareholders ask questions or send questions via the calling platform and messaging application, designed exclusively for the program. Below are some key contents discussed:

The shareholder ID - 11/GCNTVLK :

In 2020, the price of raw milk is lower than in 2019, and the selling price is higher because the company has increased the price of some products by the end of 2019. Thus, the gross margin this year, except GTN, will be higher than last year. Does the net profit margin in 2020 (excluding GTN) will be higher than 2019? What the Company's view regarding the net profit margin?

Replied:

- *The price of raw milk in 2020 is higher than in 2019. Gross profit margin in 2019 is 47.2% and in 2020 with GTN is 47.0% and without GTN is 48.28%, higher than in 2019.*

The shareholder ID – 011833070:

1. Could you please give further information regarding the joint venture with KDC? Did the joint venture bring in the current brands possessed by each side such as Vfresh, Celno, Merino?

Replied: The JV with KDC focuses on beverage and frozen products, Vinamilk holds 51%, KDC holds 49%. The two companies will contribute their products and production lines into the joint venture. The process will involve the independent advisors in order to facilitate. The brands transferred in the JV will be evaluated. The JV will also generate its own brand.

2. Vinamilk's profit margin is the highest among the global dairy companies, which factors affect the profit margin reduction?

Replied: The selling price of dairy products in Vietnam is not high, compared to other countries. However, Vinamilk's profit margin is potential thanks to many factors, of which high volume makes an important contribution. The price of fresh raw milk in Vietnam is about 30% higher than the world. However, milk productivity and quality of farmers are improving gradually, contributing to higher profit.

3. What is the company's strategy to increase the penetration of organic products in foreign markets, such as Singapore?

Replied: Organic milk serves the very high demanded customers. This is the uprising trend of the world. Vinamilk's organic products are well perceived by the market.

The shareholder ID - CA8546: What % of your products require cold chain logistics today? Do you need to own these logistics assets or are these outsourced? How do the margins and return on invested capital compare versus your UHT products? What is the longer-term strategy behind going into coffee retail? Would this be a significant segment in the next 3-5 years?

Replied:

- *Cold chain: Vinamilk owns 100% the factories of cold products (yogurt, pasteurized milk, ice cream), cold truck, refrigerator. We do not lease from third party*
- *Return of the cold products is higher than that of UHT. But in Vietnam, this category is very difficult due to hot weather. If the weather is too cold, this category cannot grow. Cold product category grows much faster compared to UHT, especially yogurt, drinking yogurt, ice cream, all growing at double digit. This is also our growth strategy.*
- *Café retail chain: Vinamilk launched Hi-Café, please try the product. You can find the product at any Vinamilk stores. People speculate that we are losing money in the chain. However, we do not intend to lease big place to open the café store. Vinamilk has 430 Vinamilk stores, we will sell and make the coffee for onsite drink or takeaway. Vinamilk takes our advantage to compete in the beverages industry.*

The shareholder ID - 011904975:

Because I have been a long-time shareholder of Vinamilk and held steady, my stock used to have a very stable price. The reason why recently, although the ratio distributed to shareholders is good, but the stock price has decreased and not recovered? Is it due to scattered and inefficient investments? Why joining into the highly competitive cafe field which? Is this the right time?

Replied: Regarding Café retail chain as mentioning above.

Regarding the drop on share price, I really don't know why stock prices go down or up. The company is still growing, revenue increases, profits increase, dividends increase. I just realize that the Dow Jones is rising, the market is rising and vice versa. However, saying the stock price does not recover is inaccurate, because the lowest price when the market plunged is less than 90,000 VND, recently recovered about 120,000 VND.

The shareholder ID - CA 8092: How does the company assess the competitive landscape with the European Trade Agreement? How can Vinamilk plans to compete when the import tax on milk from Europe is reduced by 10%?

Replied: The difference between Vietnamese and imported milk prices is still high. A 10% tax reduction will increase competition, but will still be higher than Vietnamese products. About the Company, whether it is domestic or foreign rivals, the Company still has different strategy to compete. In fact, dairy products imported from New Zealand and Australia have dropped to 0% for a long time and the Company is still competing.

The shareholder ID - Jun Leong Chiew: When will Vinamilk's milk supply be able to match international import prices? Currently they are 30% higher?

Replied:

- *The price that Vinamilk pays to the local farmers for milk is 30% higher than that of the world. However, you can consider this as an industry-farming unity. In order to reach the world price, we need to achieve many things: breeder, facilities. We need to reach a size of at least 100 cows per farmer for the costs to decrease. IN the past, the farmers only had 1-2 cows, now some farmers even have 200 cows.*
- *Regarding the farm, we have some farms with costs equal to or lower than the world prices, but for the local farmers to have this cost, we need to go through a long-term progress with various measures. For example: Vinamilk will connect the cow feed and farmers, cow feed with good quality, lower prices, and these measures are well appreciated by the farmers*

The shareholder ID – 011833070: How will competition landscape change especially in modern trade post removal of 10% tariff on European products by Aug 2020 and what of kind strategy Vinamilk will adopt to fend off competition?

Replied:

- *Prices in Europe are high due to high labor cost, high transportation expenses and high distribution expenses. On the other hand, when Vinamilk has new products, we can directly reach the market, after 10 days staying in the warehouse for quality control. Therefore, it takes 2 weeks for the products to reach the market. Meanwhile, it takes 3-4 months for an imported product to reach Vietnam.*
- *Vinamilk still considers this as a threat, we need to be cautious and has plans to protect our market share.*

The shareholder ID – 30: Cow productivity of Vinamilk farm is higher than that from the farmers? Any measure to improve the cow productivity of the farmers?

Replied:

- *Vinamilk: average productivity is 28 liter/cow/day, higher than that of the farms ~ 20 kg/cow/milking cow.*
- *High productivity needs good breeders, facilities and investment capital:*
 - *Good breeders: Vinamilk can support the farmers by selling good breeders to the farmers if needed. This program needs to have agreement from both sides: The Company and the farmers.*
 - *Farm facilities: The Company has set the requirements for the Raw Material Development Department to deploy a sample small scaled farm for the farmers, similar to what we did for Vinamilk. Cow is similar to human beings: need good living standards to have high productivity.*

The shareholder: Improvement results of Moc Chau Milk (MCM) 6 months after taking over? Any difficulty during the taking over process? Investment plan for the cow farm and factory upgrade?

Replied:

- *Vinamilk took over MCM in January 2020, after that, the Covid pandemic hit the country during 4 months, so we need to wait until the end of the year to evaluate the result. The taking-over process is smooth and we have much support from all relevant stakeholders and the situation is stable at the moment.*
- *We will increase capital to invest into new factories and a 4,000 cow farm. Current factory of MCM has small capacity, we need to build a new one. Land for farm: we have worked with the People's Committee of Son La Province to get a land and we have got the initial approval for implementation.*
- *Profit of MCM in Q1/2020 increased 2-% y-o-y, mainly by applying modern procedures: raw material procurement, cost savings... nextly, we will reorganize the distribution network. We will utilize human resources from MCM.*

The shareholder ID – 73468682: Strategy of the Company to increase the coverage of the organic products in overseas market? For example: Singapore.

Replied:

- *This is not just applicable for Singapore, but also for any other markets. The organic trend is growing; therefore, we have a joint venture in Laos to build a 24,000 organic cow farm. Healthy products are an important need for everyone. This is a matter of how Vinamilk utilize to resources.*

The shareholder, namely Toan:

1. Growth of Q2/2020 compared to Q1/2020?

- Does the domestic market record good growth after the pandemic in Vietnam?
- Does export activities have any negative impact due to the Covid-19 in the key export market?
- Any improvement in the market share of Vinamilk in the domestic market in Q2/2020?

Replied: We estimate that in Q2, revenue from domestic market will grow 12.3%, and from export will grow 26.6%. Domestic market share also improves. This is only estimate because we are still in June only.

2. What is the progress of cow farm development of Vinamilk, as compared to 2020 overall plan?

Replied: Cow farm development progress is on plan. At the end of 2020, Quang Ngai complex will operate commercially. All machinery has been imported, but due to Covid-19, the foreign exports cannot go to Vietnam to install. We expect that in the next 1-2 months, the experts can go to Vietnam.

3. When will the 20% stock bonus plan take place?

Replied: In Q4-2020.

The shareholder ID – 023804771: Vinamilk and KDC are both big ice cream manufacturers, what will happen to the Vinamilk and Merino brand name after the JV established? My mother loves Vinamilk ice cream but we do not have medium sized cup, only big sized cup and there is no 2 flavored ice cream similar to Merino?

Replied: Both sides will contribute our brand names to the joint venture. Besides, the joint venture will have new brands as well. We will have new products and product categories Vinamilk already has small size cup for ice cream

The shareholder ID – 6010: Plan for price increase in 2020?

Replied: No plan for this year as for now, the plan will be announced when available. If the input price increases too much, we have to increase the selling prices. This is only when we have to, as increases in price will affect purchasing power.

The shareholder ID – 023274472: In the next 5 years, the strategy of Vinamilk to export to China? Market share of Vinamilk in China? Growth in export to China will help growth in revenue and profit of Vinamilk reach double digit in the future?

Replied: Vinamilk has got the license for condensed milk. Prior to that, we have got license for coconut water, beverages and drinking yogurt. Growth is good at the moment.

China has 3 companies in the Top 20 of the world. Therefore, Vinamilk has to consider which product category will have competitive advantage. Revenue will not be booming like what people might think that 1.3 billion is readily available, because China already has top dairy companies. Vinamilk will follow sustainable strategy, no rushing, without any risk in receivable. Vinamilk does not accept to be widely recognized without getting the cash back.

The shareholder ID – CA6235: Vinamilk register to buy treasury share of 17.5 million shares from 21/05 to 20/06. Has Vinamilk finished the treasury share purchase plan and if not, will the company continue to buy?

Replied: When the price goes down, Vinamilk register to buy treasury shares. But to buy or not requires evaluation of efficiency. The prices have gone up by 30%. It depends on the situation for us to decide if we will continue or not.

D. Voting and election

Mr. Diep Hong Khon, on behalf of the vote-counting committee, announces the voting results below:

Results for the voting matters:

1. Share issuance for the existing shareholders:

- Total number of shares participating in the voting: 5,048 votes, representing for 1,482,545,596 shares, 85.14% of total voting rights attending at the AGM.

- Total number of valid shares: 5,048 votes, representing for 1,482,545,596 shares, 85.14% of total voting rights attending at the AGM.
- Total number of invalid shares: 0 votes, representing for 0 shares, 0% of total voting rights attending at the AGM.

2. Voting results:

a) The audited financial statements for the fiscal year of 2019.

Approve	1,482,520,497 shares	85.13 % of the total voting rights attending at the AGM
Disapprove	0 shares	0 % of the total voting rights attending at the AGM
Abstain	25,099 shares	0 % of the total voting rights attending at the AGM

b) Report of the Board of Directors (“BOD”) for 2019.

Approve	1,482,525,144 shares	85.14 % of the total voting rights attending at the AGM
Disapprove	0 shares	0 % of the total voting rights attending at the AGM
Abstain	20,452 shares	0 % of the total voting rights attending at the AGM

c) Dividend payment for the fiscal year of 2019.

Approve	1,482,435,107 shares	85.13 % of the total voting rights attending at the AGM
Disapprove	0 shares	0 % of the total voting rights attending at the AGM
Abstain	110,489 shares	0,01 % of the total voting rights attending at the AGM

d) Business plan: Revenue and profit for 2020 (consolidated).

Approve	1,482,294,510 shares	85.12 % of the total voting rights attending at the AGM
Disapprove	600 shares	0 % of the total voting rights attending at the AGM
Abstain	250,486 shares	0.01 % of the total voting rights attending at the AGM

e) Dividend payment plan for 2020.

Approve	1,482,293,849 shares	85.12 % of the total voting rights attending at the AGM
Disapprove	1,460 shares	0 % of the total voting rights attending at the AGM
Abstain	250,287 shares	0.01 % of the total voting rights attending at the AGM

		attending at the AGM
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f) New share issuance and listing for existing shareholders.

Approve	1,482,526,479 shares	85.14 % of the total voting rights attending at the AGM
Disapprove	2,090 shares	0 % of the total voting rights attending at the AGM
Abstain	17,027 shares	0 % of the total voting rights attending at the AGM

g) Selecting independent auditor for 2020.

Approve	1,449,831,844 shares	83.26 % of the total voting rights attending at the AGM
Disapprove	17,313,319 shares	0.99 % of the total voting rights attending at the AGM
Abstain	15,400,433 shares	0.88 % of the total voting rights attending at the AGM

h) Director's fees for 2020.

Approve	1,479,056,918 shares	84.94 % of the total voting rights attending at the AGM
Disapprove	3,444,154 shares	0.2 % of the total voting rights attending at the AGM
Abstain	44,524 shares	0 % of the total voting rights attending at the AGM

i) Supplementing business line.

Approve	1,479,205,415 shares	84.94 % of the total voting rights attending at the AGM
Disapprove	3,264,034 shares	0.19 % of the total voting rights attending at the AGM
Abstain	76,147 shares	0 % of the total voting rights attending at the AGM

j) Amending the company's charter.

Approve	1,479,192,990 shares	84.94 % of the total voting rights attending at the AGM
Disapprove	3,264,044 shares	0.19 % of the total voting rights attending at the AGM
Abstain	88,562 shares	0.01 % of the total voting rights attending at the AGM

Voting result for the new Member of the BOD

1. Vote issuance to the shareholders

- Total number of shares participating in the voting: 1,459,247,081 shares, 83.8% of total voting rights attending at the AGM.

2. Voting result for the new Member of the BOD for 2017 - 2021:

No.	Name	Total valid shares
1	Ms. Nguyen Thi Tham	1,440,947,144

III. THE MATTERS APPROVED BY THE AGM

According to the Article 17.2 and 17.3 of the Company's charter, the following matters are approved by the AGM:

1. Voting result:

No.	Approved matters	% approved
1	The audited financial statements for the fiscal year of 2019.	85.13 %
2	Reports of the Board of Director ("BOD") for 2019.	85.14 %
3	Dividend payment for the fiscal year of 2019.	85.13 %
4	Business plan: Revenue and profit for 2020	85.12 %
5	Dividend payment plan for 2020	85.12 %
6	New share issuance and listing for existing shareholders	85.14 %
7	Selecting independent auditor for 2020	83.26 %
8	Director's fees for 2020	84.94 %
9	Supplementing business line.	84.94 %
10	Amending the company's charter.	84.94 %
11	Voting of new member of the BOD	83.8 %

IV. THE APPROVAL ON THE AGM'S RESOLUTION (At 10:30 AM)

Ms. Le Quang Thanh Truc. Secretary of the AGM presents the Resolution to the AGM.

The AGM ends at 10:30 AM on the same day.

Ms. Le Thi Bang Tam (Chairperson)

Signed & sealed

The Secretary to record the Minutes

Mr. Le Quang Thanh Truc

signed