

SUSTAINABLE INTO THE FUTURE

ANNUAL REPORT

HIGHLIGHTS 2020

59,723

VND BILLION

CONSOLIDATED NET

REVENUE

13,519

VND BILLION

CONSOLIDATED PROFIT

BEFORE TAX

11,236

VND BILLION

CONSOLIDATED NET

PROFIT AFTER TAX

229,443

VND BILLION
MARKET
CAPITALIZATION
(as of 31/12/2020)

70.3%

MARKET SHARE IN
VIETNAM'S DAIRY
INDUSTRY
IN 2020

55
EXPORTED
COUNTRIES

9,361
NUMBER OF EMPLOYEES

240,000
POINTS OF SALE
CONVENTIONAL CHANNELS

5,400
POINTS OF SALE
SUPERMARKETS

2,400
POINTS OF SALE
CONVENIENCE STORES

12
GLOBAL G.A.P
DAIRY FARMS

132,000

TOTAL HERD
OF COWS (*)



HIGHLIGHTS 2020



NET REVENUE 76%

COMPARED TO 2019

NET PROFIT AFTER TAX

76.5%

COMPARED TO 2019

In 2020, Vietnam's dairy industry had negative growth of -6% (AC Nielsen) as 32.1 million people nationwide were negatively affected by the Covid-19 pandemic and the average income of employees was down 2.3% compared to 2019 (GSO). Vinamilk's business results in 2020 recorded growth in both revenue and profit, with consolidated net revenue and net profit after tax reaching VND 59,723 billion and VND 11,235 billion respectively, increasing by 6% and 6.5% respectively from the previous year.

4,000 cow heads scale of quang ngai dairy farm

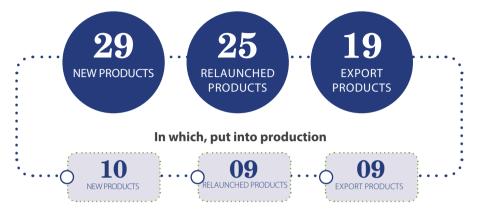
Vinamilk continued to complete and put into use the Quang Ngai Dairy Farm with a scale of 4,000 cow heads. In addition, the Technical Center for Dairy Farming and Embryo Transfer was put into operation to serve the needs of genetic selection.





In 2020, Vinamilk successfully exported the first batch of Ong Tho condensed milk to China and 3 lines of Vinamilk branded soya milk and milk tea to Korea, while also becoming the first dairy company in Vietnam to be licensed to export to EAEU countries. A series of remarkable events marked a year of outstanding growth with continuous efforts of Vinamilk amidst the challenging context of Covid-19, setting the stage for new milestones and achievements in the coming years.

VINAMILK HAS COMPLETED THE R&D FOR





VINAMILK ACTIVELY PROMOTES CSR PROGRAMS AMIDST THE COVID-19 PANDEMIC

Vinamilk has accompanied the Government in the fight against Covid-19 and supported the front-line forces with a total donation of nearly VND 40 billion.

1.7 million glasses of milk were brought to 19,000 disadvantaged children nationwide by Vinamilk and the 'Stall Tall Vietnam' Milk Fund with the message "For the children's health and safety - preventing Covid-19".

Vinamilk & the 'One Million Trees for Vietnam' Fund have completed the set target with 1,121,000 trees planted. The program was honored in the Top 10 Best Environmental Activities (Global CSR Awards 2020).

Vinamilk has actively accompanied the implementation of the School Milk Program in 23 provinces and cities across the country.

Vinamilk was honored as the Best Overall CSR Excellence by the Global CSR Awards 2020.



LIST OF ABBREVIATIONS

BOM: Board of Management

Company : Vietnam Dairy Products Joint Stock Company

AGM : Annual General Meeting
ED : Executive Director

GTN : GTNFoods Joint Stock Company

BOD : Board of Directors

MC : Members' Council

MCM : Moc Chau Dairy Cattle Breeding Joint Stock

Company / Moc Chau Milk

SC : Strategy Committee
AC : Audit Committee

RC : Remuneration Committee

NC : Nomination Committee

CEO : Chief Executive Officer

Vinamilk: Vietnam Dairy Products Joint Stock Company

FS: Financial statement

NP: Nutrition powder

BS TNTH: Thong Nhat Thanh Hoa Dairy Cow

BSVN: Balanced Scorecard model: Wietnam Dairy Cow

CAGR: Compounded annual growth rate

CIP : Cleaning-in-place system

Covid-19 : A disease caused by Corona virus

CPI : Consumer Price Index

CSR : Corporate social responsibility

JSC : Joint Stock Company

EBITDA: Earnings before interest, taxes, depreciation,

and amortization

: Enterprise resource planning - a business process management software

GCNÐKKD: Certificate of business registration

GDP : Gross domestic product

GLOBAL-: An independent certification system for Good

Agricultural Practice (G.A.P.)

GSO: General Statistics Office of Vietnam

HOSE: Ho Chi Minh Stock Exchange

HR : Human resources

IFC: International Finance Corporation

IFRS: International Financial Reporting Standards

IR : Investor Relations

KRI : Key result indicator

IC : Internal Control

IA : Internal Audit

M&A : Merger and acquisitionODA : Official development aidR&D : Research and development

ROA : Return on Assets

ROE: Return on Equity

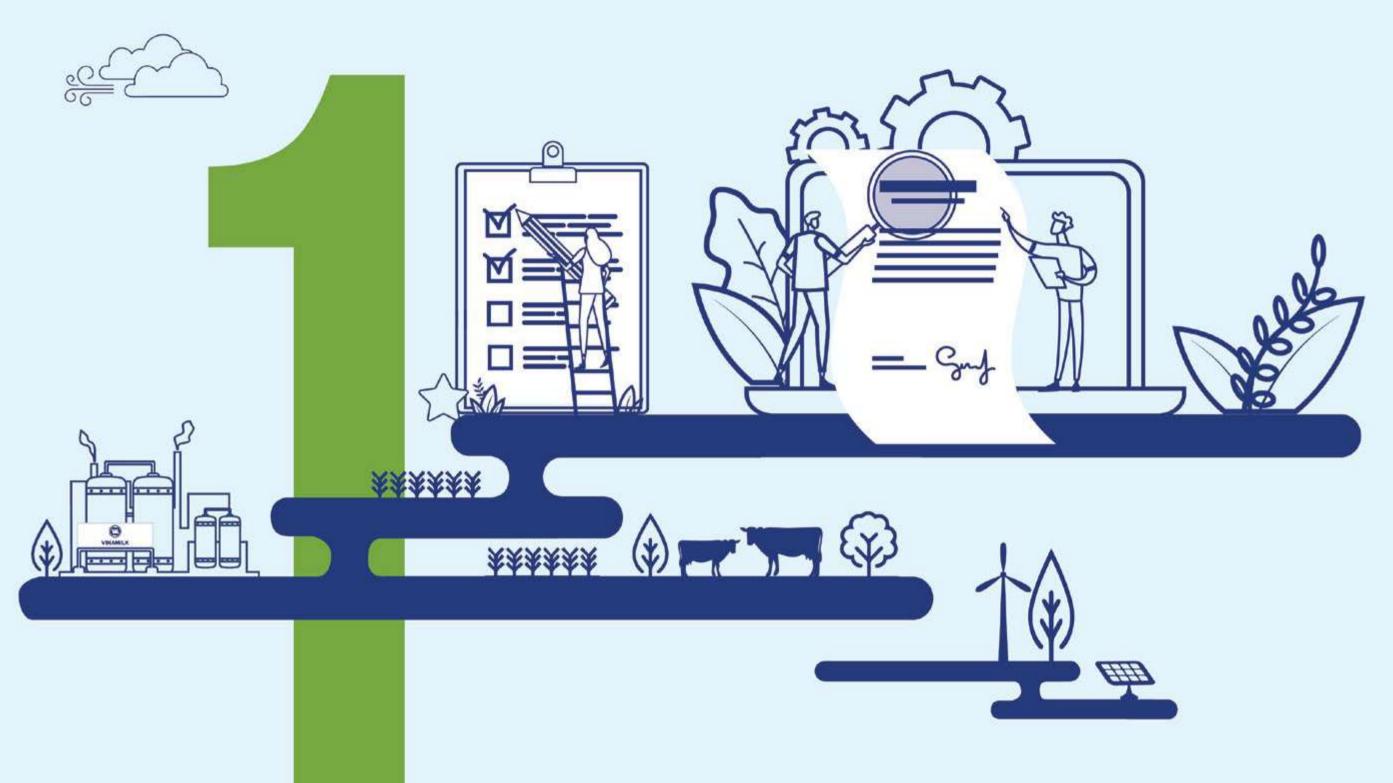
SCIC : State Capital Investment CorporationSDGs : Sustainable Development GoalsSSC : State Securities Committee

Ltd : Limited

HCMC : Ho Chi Minh City
 TVC : Television commercial
 SSC : State Securities Committee
 VAS : Vietnam Accounting Standards

VIOD: Vietnam Institute of Directors





GENERAL INFORMATION

- Message from the Chairwoman
 Message from the CEO
 Financial highlights 2015-2020



THE BOARD OF DIRECTORS BELIEVE THAT VINAMILK WILL SURELY SURPASS EVERY OBSTACLE, CONQUER EVERY TARGET AND MAKE REMARKABLE ACHIEVEMENTS FOR ITS 45TH ANNIVERSARY.

Dear Valued Shareholders,

year full of turbulence caused by the global Covid-19 pandemic. Economies all over the world have had to go through an unprecedented difficult period enduring and coping with severe the various demands of domestic and consequences of the pandemic. Vietnam's economy, severely affected by the pandemic like the rest of the world and at the same time suffering from natural disasters, storms and floods in the central provinces, has had certain setbacks.

Vinamilk's Board of Management and employees, under the direction of the Board of Directors, have in protecting the safety and wellbeing flexibly though determinedly made huge efforts to overcome difficulties, turn challenges into opportunities and achieve proud results in all terms of sales, profits, market share and consumer trust.

We have been through 2020, a In 2020, the year of Technology – Key to Innovation, Vinamilk was timely prepared for doing business in the new normal conditions. The diversified product portfolio devotedly developed for the benefit of consumers have met foreign markets, helping to maintain the Company's market share and sales, in the context of sharp fall in consumer buying power and the FMCG industry's growth. The entire supply chain from farming, purchasing, manufacturing, logistics, and distribution has successfully managed to overcome obstacles to ensure continuous production and However, refusing to step back, provide high-quality products for both domestic and export needs. Most importantly, Vinamilk has succeeded of its employees from the pandemic and, together with the whole country, has implemented many relief and prevention measures, carried out socially responsible business, and contributed to sustainable development.

The year 2021 will bring unpredictable impacts due to the chain effects of the entire global economy, society and politics. Vinamilk may face new fluctuations and challenges. However, with what has been prepared so far, from the overall strategy to specific plans, with the expertise, skills, and experience of the highly determined management and staff who have matured throughout the Company's development, the Board of Directors believe that Vinamilk will surely surpass every obstacle, conquer every target and make remarkable achievements for its 45th anniversary.

In celebration of the New Year 2021, on behalf of Vinamilk's Board of Directors, I would like to express my sincere thanks to the Board of Management and all employees for their resilience in 2020 and to all customers, partners, and shareholders for their trust, support and cooperation. I wish a healthy, happy, and successful new year to all valued customers, shareholders, partners and the entire staff of Vinamilk.

LE THI BANG TAM Chairwoman of the Board of Directors

Ho Chi Minh City, 1st March 2021



"To become a world-class brand in the food and beverage industry with nutritional and health products that are trusted by everyone".



"To deliver valuable nutrition to the community with our respect, love and responsibility".



VINAMILIK'S CORE VALUES

Integrity and transparency in all actions and transactions.



To have self-respect, respect colleagues, respect the Company and partners, and cooperate with respect.

RESPECT

To be fair with employees, customers, suppliers and other parties.



To respect the established ethical standards and act accordingly.



To comply with legal regulations and the Company's Code of Conduct, rules, policies and procedures.



MAINTAINING GROWTH IN EXTREMELY ADVERSE MARKET CONDITIONS IS THE RESULT OF OUR RELENTLESS PURSUIT OF SUSTAINABLE VALUES THAT EMPHASIZES CONTINUOUS DEVELOPMENT OF DAIRY FARMING, DIGITAL TRANSFORMATION AND COMMITMENT TO SUSTAINABLE GOALS AS WELL AS SOCIAL RESPONSIBILITY.

Dear Valued Shareholders,

In 2020, the Covid-19 pandemic created unprecedented challenges for the entire economy and all related businesses. The dairy industry is no exception.

Milk is an essential product in the grocery list of Vietnamese consumers, yet the dairy industry experienced a negative growth of -6% in 2020 (AC Nielsen) when 32.1 million people were affected by Covid-19 and the average income of employees decreased by 2.3% compared to 2019 (GSO).

In such challenging context, Vinamilk has made timely responses to achieve the dual goals of **ensuring growth** and **stabilizing production and business** activities while strictly **observing new regulatory guidance on pandemic relief and prevention.**

Thanks to incredible efforts of the Board of Management and the entire staff, Vinamilk's business results recorded growth in both revenue and profit, with consolidated net revenue and net profit after tax in 2020 reaching VND 59,723 billion and VND 11,236 billion respectively, increasing by 6% and 6.5% compared to 2019. Particularly, the branch of Moc Chau Milk, after one year of M&A into Vinamilk, recorded a breakthrough with net revenue in 2020 reaching VND 2,823 billion, increasing by 10.3%, and net profit after tax reaching VND 281 billion, an impressive growth of 68.2% compared to 2019. In December 2020, Moc Chau Milk Stock (MCM) was officially listed on UPCoM, marking the maturity in its business operation and corporate governance.

Maintaining growth in extremely adverse market conditions is the result of our relentless pursuit of **SUSTAINABLE VALUES** that emphasize continuous development of dairy farming, digital transformation and commitment to sustainable goals as well as social responsibility. In a year of various setbacks to the supply chain, thanks to the increasing autonomy in domestic raw material development and a diverse network of foreign suppliers, Vinamilk successfully ensured stable production to fulfill both demands of domestic consumption and international export.

Application of technology is the managerial change that Vinamilk has endorsed for many years, and it was specifically

promoted in 2020 to accommodate the requirements of social distancing and trade restriction during the global pandemic.

Realizing the theme of 2020 as "Technology - Key to Innovation", the digital transformation process has been implemented swiftly, not only at Vinamilk but also in its subsidiaries and affiliates. A prime example of this is the completion of go-live for the ERP system at Moc Chau Milk within 10 months since the date of its M&A by Vinamilk. Other digital transformation projects have also been proceeded in many areas of Vinamilk's operation including administration, finance, human resources, international sales and supply chain management. These powerful tools are crucial to Vinamilk's successful maintenance of the business governance, stability and efficiency despite the Company's ever-increasing scope of operation.

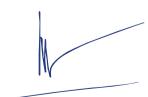
With the mindset that enterprises can only grow sustainably in a healthy community, Vinamilk has actively organized corporate social responsibility programs, especially during the most difficult periods of the Covid-19 pandemic. Last year, Vinamilk, its affiliates, subsidiaries and employees contributed more than VND 40 billion to support state-sanctioned Covid-19 relief and prevention measures, protecting atrisk workers in the front line and vulnerable communities affected by the pandemic as well as other disasters.

With respect to labor safety during the pandemic, Vinamilk has implemented drastic preventative measures at the workplace while ensuring the best possible working conditions and job security. Suffice it to say that after a turbulent year, one of Vinamilk's greatest successes has been stability: to maintain the steady and efficient operation of all member units, and to ensure work, income and social benefits for nearly 10,000 employees of the company across the country.

The pandemic will pass, but **SUSTAINABLE VALUES** remain. This is the most important code to embrace, enforce and enhance by Vinamilk's Board of Management and the entire staff. To be the first and only Vietnamese company to win the "ASEAN Asset Class" award by the Vietnam Institute of Directors (VIOD) is a special honor and an enormous motivation for us to persevere in this direction.

Following positive forecasts about the recovery of the economy, we believe that Vinamilk will move into 2021, the final year of the strategic period 2017-2021, with great confidence and high determination to achieve growth and to reach new heights.

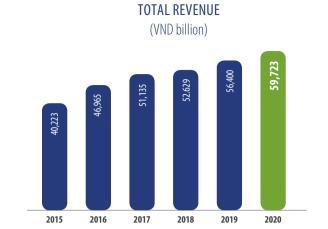
We wish all shareholders good health and success.

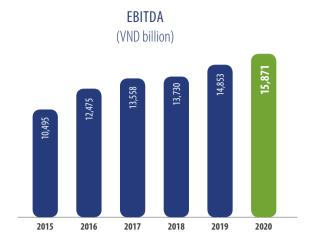


MAI KIEU LIEN Chief Executive Officer Ho Chi Minh City, 1st March 2021

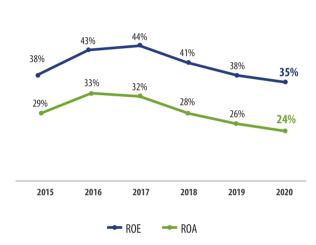
FINANCIAL HIGHLIGHTS 2015-2020

VND billion INDICATOR 2015 2016 2017 2018 2019 2020 52,629 Total revenue 40,223 46,965 51,135 56,400 59,723 Profit before tax 9,367 11,238 12,229 12,052 12,796 13,519 Profit after tax 10,554 7,770 9,364 10,278 10,206 11,236 EBITDA 10,495 12,475 13,558 13,730 14,853 15,871 Profit attributable to equity holders of the Company 7,773 9,350 10,296 10,227 10,581 11,099 Earnings per share (VND) 4,864 5,831 5,296 5,295 5,478 4,770 29,379 34,667 37,366 44,700 Total assets 27,478 48,432 Total equity 20,924 22,406 23,873 26,271 29,731 33,647 17,417 17,417 20,900 Total share capital 12,007 14,515 14,515 Total liabilities 6,554 6,973 10,794 11,095 14,969 14,785 Equity/Total assets 76% 76% 69% 70% 67% 69% Total liabilities/Total assets 24% 24% 31% 30% 33% 31% ROE 38% 43% 44% 41% 38% 35% ROA 29% 33% 32% 28% 26% 24%

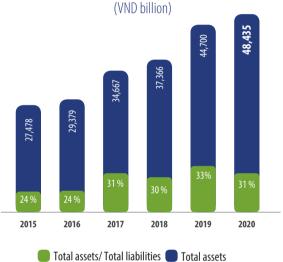




PROFITABILITY RATIO



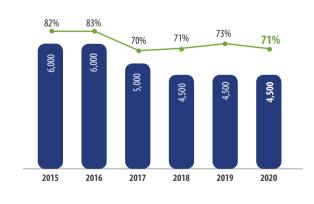




MARKET CAPITALIZATION (VND billion)



DIVIDEND



■ Dividend (VND/share) → Dividend payout ratio



- Corporate model Organizational apparatus
 - Profile of the Board of Directors
 - Profile of the Board of Management
- •Profile of the Company Secretariat •Profile of Internal Audit

Dairy Factory. • Thong Nhat Thanh Hoa Dairy Cow Co., Ltd. became a subsidiary of Vinamilk with 96.11% of share capital • Establishment of Da Nang Dairy Factory. owned by the Company. In 2017, it became a wholly-owned subsidiary • Firmly held the leading position in Top of Vinamilk. 100 Vietnamese Sustainable Enterprises • Establishment of Thong Nhat Dairy Contribution of USD 10 million to Miraka 2020 in 2020. Acquisition of 70% share capital Factory, Truong Tho Dairy Factory, Limited, thereby holding 19.3% of the 2010 of Driftwood Dairy Holding and Dielac Powdered Milk Factory. subsidiary's share capital, which was then • Being the first and only Vietnamese Corporation in California, USA and increased to 22.81% in 2015. company honored as "ASEAN Asset Class". official holding of 100% of its share • Establishment of Vietnam Beverage Factory. • Officially listed Moc Chau Dairy Cow capital in May 2016. Breeding JSC(stock ticker symbol: MCM) • Establishment of Hanoi Sales Office. on UPCoM in December 2020. • Put into operation Quang Ngai Dairy Contribution of 51% share capital to 2008 • Establishment of Tien Son Dairy Factory. Farm with a herd of 4,000 cow heads. establish Angkor Dairy Products Co., • Establishment of Da Nang Sales Ltd. in Cambodia, which was then • Completed the embryo transfer center. Office. increased to 100% in 2017. • Expanded the School Milk Program to the • Establishment of Binh Dinh Dairy • Contribution of 100% share capital provinces of Tra Vinh, Gia Lai, Ha Giang, Joint Venture (currently known as to establish a subsidiary, Vinamilk Quang Ngai and Quang Nam. Binh Dinh Dairy Factory). Europe Spostka Z Ograniczona 2007 • Establishment of Lam Son Dairy Factory. Odpowiedzialnoscia in Poland. • Establishment of Can Tho Sales Office. • Started Phase 1 of Lao-Jagros' 5,000-hectare • Contribution of 18% share capital of dairy farm with 24,000 cow heads. 2019 APIS JSC. • Doubled the investment in Driftwood Dairy 2006 • Official listing on the Ho Chi Minh City Holding Corporation from USD 10 million to Stock Exchange (HOSE) on January 19, USD 20 million • Establishment of Can Tho Dairy Factory. • Establishment of Cu Chi Raw Milk Center. • Completed the acquisition of 75% share • Establishment of An Khang Clinic in Ho capital of GTN foods JSC, thereby controlling 2017 · Acquisition of 65% share capital of Chi Minh City, the first clinic in Vietnam Moc Chau Dairy Cow Breeding JSC that Vietnam Sugar JSC. with online information technology. owns a herd of 27,500 cow heads. · Capitalized and officially became a · Acquisition of 25% share capital of 2003 joint stock company under the name • Establishment of Vietnam Dairy Cow One Asia Coconut Processing JSC. of Vietnam Dairy Products JSC. Member Company Limited in November. Being the first company to produce 2005 • Establishment of Nghe An Dairy Factory. A2 milk products in Vietnam. Acquisition of Saigon Milk JSC (currently known as Saigon Dairy Factory). • Investment in 51% share capital of Lao-Jagro Development Xiengkhouang Co., Ltd.

 Inauguration of Vietnam Powdered Milk Factory and Vietnam Mega

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY

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



Stock ticker symbol 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 1st Jan 2020 to 31st Dec 2020)

- Lowest: 68,000 VND/share
- Highest: 113,400 VND/share

CONTACT INFORMATION FOR INVESTOR RELATIONS

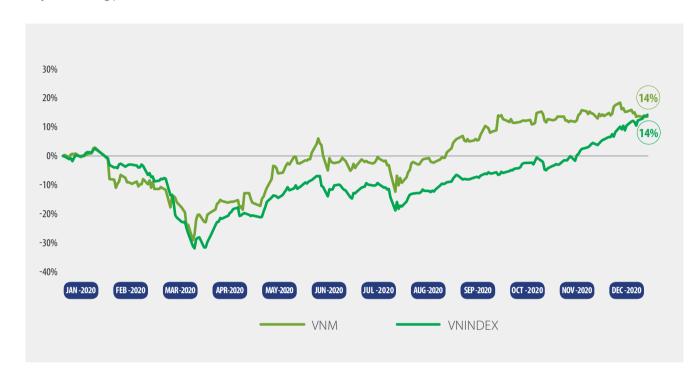
Investor Relations - Finance Department Vietnam Dairy Products Joint Stock Company

- Address: 10 Tan Trao, Tan Phu Ward, District 7, Ho Chi Minh City
- **Tel:** (+84 28) 541 55555, Ext: 108247
- Email: dqtrung@vinamilk.com.vn
- Website: https://www.vinamilk.com.vn/
 - https://www.vuoncaovietnam.com/
 - https://www.youtube.com/user/vinamilk
- Investor Relations' website: https://www.vinamilk.com.vn/vi/lien-he-thong-tin-co-dong



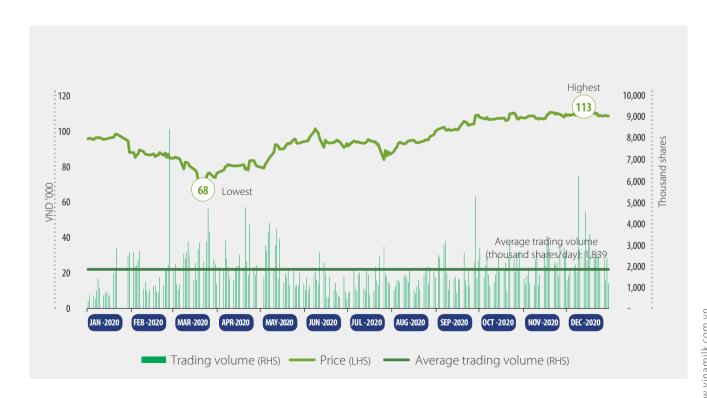
VINAMILK'S ("VNM") SHARE PRICE PERFORMANCE VS VN-INDEX

(Adjusted closing price from 1st Jan 2020 to 31st Dec 2020)



VNM'S PRICE AND TRADING VOLUME

(not including trading volume of put-through transactions)







MARKET CAPITALIZATION

AS OF 6th JAN 2021

SHARE INFORMATION

(as of 6th Jan 2021)

• Authorized 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 : 279,099 shares

• Common shares, par value : VND 10,000/share

 Outstanding shares : 2,089,676,346 shares

 Market capitalization : VND 229,443 billion

SHAREHOLDER STRUCTURE

(according to the latest shareholders list as of 6th Jan 2021)

	Number of shares	Ownership (%)
Major shareholders (> = 5%)	1,400,518,390	67.01%
- Local	752,476,602	36.00%
- Foreign	648,041,788	31.01%
Treasury shares	279,099	0.01%
Other shareholders (<5%)	689,157,956	32.97%
- Local	130,274,408	6.23%
- Foreign	558,883,548	26.74%
TOTAL	2,089,955,445	100%
In which:		
- Local	883,030,109	42.25%
- Foreign	1,206,925,336	57.75%

LARGE SHAREHOLDERS

(according to the latest shareholders list as of 6th Jan 2021)

Name of shareholder	Number of shares	Number of shares
SCIC	752,476,602	36.00%
F&N Dairy Investments Pte Ltd (1)	369,752,859	17.69%
F&NBev Manufacturing Pte, Ltd (1)	56,432,376	2.70%
Platinum Victory Pte, Ltd	221,856,553	10.62%

Note: (1) F&NBev Manufacturing Pte, Ltd is a wholly-owned subsidiary of F&N Dairy Investments Pte, Ltd.

TOP 20 LARGEST SHAREHOLDERS

(according to the latest shareholders list as of 6th Jan 2021)

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	Employees Provident Fund Board	26,565,864	1.27%
6	The Emerging Markets Funds of The Genesis Group Trust for Employee Benefit Plans	24,680,960	1.18%
7	Matthews Pacific Tiger Fund	19,619,028	0.94%
8	Schroder International Selection Fund	17,066,156	0.82%
9	Stichting Depositary APG Emerging Markets Equity Pool	15,236,708	0.73%
10	Merrill Lynch International	14,337,958	0.69%
11	BL	11,721,680	0.56%
12	First State Global Umbrella Fund Plc – First State Asian Equity Plus Fund	10,813,472	0.52%
13	Government of Singapore	10,656,212	0.51%
14	Citigroup Global Markets Ltd	10,418,944	0.50%
15	Avanda Asia Vantage Master Fund	9,930,294	0.48%
16	The Hongkong And Shanghai Banking Corporation Limited	9,756,466	0.47%
17	KIM Vietnam Growth Equity Fund	9,309,572	0.45%
18	The Genesis Emerging Markets Investment Company	8,882,222	0.43%
19	Norges Bank	8,680,004	0.42%
20	Vietnam Ventures Ltd	8,426,194	0.40%
	TOTAL	1,616,620,124	77.37%



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S Annual Report 2020

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MRS. LE THI BANG TAM Chariwoman Independent BOD member

Born in 1947, she has been an independent BOD member from April 2013 and then the Chairwoman from July 2015 until now.



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

MRS. MAI KIEU LIEN

CEO since December 1992.

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

Executive BOD member

Chief Executive Officer

• Certificate of Corporate Governance.

Experience

- She has over 27 years of working 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.
- Owner's representative, Vinamilk Europe Spóstka Z Organiczona Odpowiedzialnoscia.
- Chairwoman, Lao-Jagro Development XiengKhouang Co., Ltd.
- BOD member, Miraka Holdings Limited.

Professional qualifications

- PhD in Economics, Leningrad Institute of Finance and Economics, the Soviet Union (1989).
- Certificate of International Finance, North University London, UK (2011).
- Bachelor in Finance and Accounting, Hanoi University of Finance and Accounting.
- Certificate of Corporate Governance.

Experience

- She has years of working experience in the field of corporate management, corporate finance and State governance, as well as other fields.
- · Since 2006, she has held the position of BOD member in different companies, such as the Chairwoman of State Capital Investment Corporation (SCIC), BOD member and then the Chairwoman of HD Bank.
- She is a member, an adviser of salient institutions such as: State Securities Commission (SSC), the National Monetary Policy Council. She is also a member of the Committee of International Economic Corporation, Steering Committeees for ODA, Foreign Investment and key projects of the Government.
- From 1995 to 2008, she was Deputy Minister, Member of Civil Affair committee Ministry of Finance.
- For more than 20 years (1974 1995), she had held different management positions: Deputy Head of Financial Department; Deputy General Director of Personnel and Training Department; Deputy General Director, then General Director, then CEO of the State Treasury.
- She was a lecturer of Hanoi University of Finance and Accounting from 1969 to 1974.

Position at other entity

Chairwoman, Ho Chi Minh City Development Joint Stock Commercial Bank (HD Bank).

THE BOARD OF DIRECTORS (continued)



MR. ALAIN XAVIER CANY Non-Executive BOD member

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

Professional qualifications

Baccalauréat – Academie de Paris

Experience

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

Positions at other entities

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



MRS. DANG THI THU HA Non-Executive BOD member

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

Professional qualifications

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

Experience

- She has served as a BOD member in companies since 2013. She is currently a Chairwoman at Hau Giang Pharmaceutical JSC and a BOD member at Benovas Cancer Drugs JSC.
- She has been working at Investment Department of SCIC for 11 years at different positions. She is currently Head of Investment
- Previously, she had 8 years of working experience in the field of Financial Consulting and Compliance Accounting at Trang An Securities JSC (2007 – 2008) and Mizuho Bank Hanoi (2000 – 2007).
- She was awarded a Merit Certificate from Minister of Finance in 2015 and a Merit Award in Finance industry for her achievements in 2016.

Positions at other entities

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



MR. DO LE HUNG Independent BOD member

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

Professional qualifications

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

Experience

- He had more than 8 years of working experience as Director of Auditing and Internal Control of Big C Vietnam.
- He had nearly 6 years of working experience as Deputy Head of Accounting – State Treasury of Vietnam – Ministry of Finance.
- Previously, he had more than 11 years of working at Accounting - State Treasury of Vietnam at Specialist and Executive level.
- He received merit certificate from Prime Minister and many from the Ministry of Finance from 1997 to 2006.
- He received merit certificate from Prime Minister and many from the Ministry of Finance from 1997 to 2006.

Positions at other entities

- He is currently an independent member of the BOD and Audit Committee of the following companies listed on HOSE:
- » GTNfoods JSC (GTN)
- » Hau Giang Pharmaceutical JSC (DHG)
- » An Gia Real Estate Investment and Development JSC An Gia Group (AGG)
- » South Logistics JSC Sotrans Group (STG)
- He has been a BOD member of VIOD since April 2018.



MR. LE THANH LIEM

Executive BOD member Executive Director – Finance, 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 city, Vietnam (1994).
- · Certificate in Advanced Director Certification Program (DCP) conferred by Vietnam Institute of Directors (VIOD).
- Certificate of Global Leadership Program (GLP), PACE Institute of Management.

Experience

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

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Positions at other entities

- BOD member, GTNfoods JSC.
- Vice Chairman, Vietnam CFO Club.



THE BOARD OF DIRECTORS (continued)



MR. LEE MENG TAT
Non-Executive BOD member

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

• Professional qualifications

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

Experience

- He has many years of experience in corporate and economics management at both private and public institutions.
- Since 2015, he has been a BOD member of Fraser & Neave Holdings Berhad.
- In 18 years (1997 2015), 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.
- Positions at other entities

Positions at other entities

- Chief Executive Officer, Non-Alcoholic Beverages (NAB), Fraser & Neave Ltd.
- BOD member, Fraser & Neave Holdings Berhad.



MR. MICHAEL CHYE HIN FAH
Non-Executive BOD member

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

• Professional qualifications

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

Experience

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

Positions at other entities

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



MRS. NGUYEN THI THAM
Non-executive BOD member

Born in 1985, she has been a non-executive BOD member since June 2020.

Professional qualifications

- Bachelor of Arts, major in Accounting Auditing, National Economics University.
- Master of Banking and Finance, University of Commerce.
- Certified Practicing Auditor Certificate (granted by the Ministry of Finance) and Fund Management Certificate (granted by the State Securities Commission).

Experience

- From July 2007 to August 2010: Audit Associate and Senior Associate at Ernst & Young Vietnam Company Limited.
- From August 2010 to July 2017: Specialist and then Head of Risk Management Department under Risk Management Division, State Capital Investment Corporation (SCIC)
- From July 2017 to present: Department Head and Deputy Chief of Executive Office, SCIC with main job as Assistant Secretary for the Chairman of the Board of Members, in charge of the Secretariat of the Board of Members of SCIC.
- From 2013 to 2019: Controller at SCIC Investment One Member Co., Ltd.
- From 2013 to 2018: Member of Supervisory Board at Binh Minh Plastics ISC.

Positions at other entities

None

THE BOD OPERATED IN ACCORDANCE WITH THE LAWS AND THE COMPANY'S **CHARTER AND OVERCOME HURDLES** TO THE COMPANY'S **ACCOMPLISHMENT** OF THE PLAN SET OUT BY THE AGM. THE CONTENTS UNDER THE BOD'S RESPONSIBILITIES AND AUTHORITY ON CORPORATE GOVERNANCE, RISK MANAGEMENT, COMPLIANCE, AUDIT, STRATEGIC SUPERVISION, HUMAN **RESOURCES AND** REMUNERATION WERE EXECUTED PROFESSIONALLY.

THE BOARD OF MANAGEMENT



MR. MAI HOAI ANH Executive Director - International Sales and Domestic Sales

Born in 1970, he joined Vinamilk in 1996 and has been appointed as Executive Director – International Sales since December 2018 and concurrently manage Domestic Sales Department since July 2020.



MR. TRINH QUOC DUNG
Executive Director – Dairy Development

Born in 1962, he joined Vinamilk in 2005.

Professional qualifications

- Master of Business Administration, Bolton University, the United Kingdom (2012).
- Bachelor of Economics, University of Economics, Ho Chi Minh City, Vietnam

Experience

- Since July 2020, he has been appointed to concurrently manage Domestic Sales Department.
- He has been Executive Director International Sales since December 2018.
- From 2012 to December 2018, he was Executive Director

 Sales. He also held the position of Chief Operation of
 Officer for over 2 years, managing general operations such
 as Marketing, Sales, Supply Chain, Production, Research and
 Development (R&D).
- From 2003 to 2012, he held many different management positions at Import Export Department, such as Head of Import Export Department and Director of Import Export Department, responsible for export and import materials.
- From 1996 to 2003, he held positions of Import Export Clerk and Deputy Head of Import – Export Department, responsible for managing the Department.

Professional qualifications

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

Experience

- Since 2014, he has been Executive Director Dairy Development.
- Over 10 years of working at Vinamilk (2005 2014), he had held the positions of Directors at many different Vinamilk's factories, such as Nghe An Dairy Factory, Vietnam Dairy Factory.
- Prior to joining Vinamilk, he was Director of Electricity Industrial Consulting and Investment Center in 6 years (1998 – 2004).
- From 1987 to 1998, he worked at various positions at different private and state companies, for instance: Vinh City's People Committee, Department of Environmental Science and Technology of Nghe Tinh province (currently known as Nghe An and Ha Tinh province) and the Department of Industry of Nghe An province.

• Positions at other entities

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



MRS. NGUYEN THI THANH HOA
Executive Director – Supply Chain

Born in 1955, she joined Vinamilk in 1983.



MRS. BUI THI HUONG

Executive Director – HR, Admin and Public Relation

Born in 1962, she joined Vinamilk in 2005.

Professional qualifications

Engineer of Dairy Processing technology (1978), Moscow University of Meat and Dairy Processing Technology (currently known as Moscow State University of Applied Biotechnology).

Experience

- Working at Vinamilk over 20 years (1999 present), she has held many senior management roles, such as Deputy General Director, Executive Director – Production and R&D, and currently Executive Director – Supply Chain.
- Previously, from 1983 to 1999, she had held different positions, for instance Processing Engineer, Vice Director, then Director of Truong Tho Dairy Factory and Director of Hanoi Dairy Factory, concurrently, from 1995.
- Prior to joining Vinamilk, she was a lecturer at University of Technology, Ho Chi Minh city, Vietnam for almost 6 years (1978 – 1983).

Position at other entity

• BOD member, Vietnam Sugar JSC.

• 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 HR, Admin and Public Relation since 2015.
- During over 10 years working at Vinamilk (2005 2014), she had held such positions as Operation Manager of Foreign Affairs, Public Relation 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 Planning
 Supplies Department, Head of Sales Department, Executive Director – Sales, Vice President of Sales, and a BOD member.

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THE BOARD OF MANAGEMENT (continued)



MR. NGUYEN QUOC KHANH Executive Director – Research and Development

Born in 1964, he joined Vinamilk in 1988.



- Engineer of Chemistry Technology and Foods, University of Technology, Ho Chi Minh city, 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. PHAN MINH TIEN Executive Director – Marketing

Born in 1970, he joined Vinamilk in 2014.

Professional qualifications

Bachelor, Moscow University of Management, Russia.

Experience

- He has been Executive Director Marketing at Vinamilk since
- From December 2018 to July 2020, he had been appointed to concurrently manage Domestic Sales Department.
- Prior to joining Vinamilk, he had 17 years of working experience in marketing and brand development at different executive positions in large multinational corporations such as:
- Marketing Director Samsung Vietnam (2013 2014).
- Deputy General Director in charge of Food Sector Unilever Vietnam (2008 – 2013).
- Previously, he held different managerial positions in Sales and Marketing at Unilever Vietnam (1996 – 2008).

• Positions at other entities

- BOD member, Hau Giang Pharmaceutical JSC.
- BOD member, Moc Chau Dairy Cow Breeding JSC.



MR. TRAN MINH VAN Executive Director – Production

Born in 1960, he joined Vinamilk in 1981.

• Professional qualifications

- Master of Business Administration, Hanoi University of Science and Technology, Vietnam (2004).
- · Bachelor in Commercial Laws, Laws University, Hanoi, Vietnam (2001).
- · Bachelor in Business Administration, University of Economics, Ho Chi Minh city, Vietnam (1994).
- · Bachelor in Mechanical Engineering, University of Technology, Ho Chi Minh city, Vietnam (1981).

Experience

- He has been Executive Director Production at Vinamilk since December 2015.
- In 10 years from 2006 to 2015, he had held many important mangaement positions of Project Division: Deputy General Director in charge of Project, Executive Director - Project.
- In 25 years from 1981 to 2006, he was in charge of many different positions at Vinamilk's factories and then became Director of Thong Nhat Dairy Factory in 1994.



MR. TRAN CHI SON Company Secretariat Senior Financial Manager

Born in 1975, he joined Vinamilk in 2005 and has been the Company Secretariat since April 2017.

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 Investment Relations (ICIR) conferred by IR Society UK and IRPAS Singapore.
- Certificate of Corporate Governance.
- Certificate of Director Certification Program (DCP) conferred by Vietnam Institute of Directors (VIOD).

Experience

- From June 2016 to present, he has held the position of Senior Financial Manager. In addition, he has been in charge of Investor Relations of Vinamilk for more than 10 years.
- Over 11 years from 2005 to 2016, he worked in many positions at Vinamilk, including Director of Internal Control, Director of Investment Department and Investment Relations Manager.
- Prior to joining Vinamilk, he worked as a Senior Financial Analyst at San Miguel Vietnam, Co., Ltd., Audit Senior – KPMG Vietnam Co., Ltd., Chief Accountant – URC Vietnam Co., Ltd. and Chief Accountant at Vietnam Star Automobile.

Positions at other entities

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



MRS. LE QUANG THANH TRUC

Company Secretariat
Director of Foreign Subsidiary Management

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

• Professional qualifications

- Master of Development Economics, the corperation 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 Mangement.
- 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.
- BOD member, Vinamilk Europe Spóstka z Organiczona Odpowiedzialnoscia.
- · Chairwoman, Angkor Dairy Productions Ltd., Co.
- Chairwoman, Vietsugar JSC.
- : BOD member, APIS JSC.



MR. NGUYEN TRUNG

Company Secretariat
Director of Supply Chain – Logistics

Born in 1973. He joined Vinamilk in 1994 and has been the Company Secretariat since 2012.

Professional qualifications

- Executive Masters of Business Administration, Université du Québec à Montréal (2014).
- Bachelor in Accounting, University of Finance Accounting, Ho Chi Minh city, Vietnam (1994).
- Certificate of Sustainable Development, Swedish Institute (2016).
- Certificate of Corporate Governance.

Experience

- Since July 2017 until present, he has been Director of Supply Chain Logistics.
- From July 2014 to July 2017, he was Director of Strategic
- He has more than 7 years of experience (2007 2014) as Director of Internal Control and Risk Management and also responsible for Legal Division. Under this position, he took the lead in establishing the Code of Conducts for the Company
- He is a representative of Vinamilk at Asian Corporate Governance Association (ACGA). He participated in the Training course of Company Secretariat hosted by International Finance Corporation (IFC).
- Previously, he spent more than 14 years in Finance Division with different positions: Accountant – Fixed assets, materials, and construction; General Accountant in charge of preparing financial statements.



MRS. TA HANH LIEN Internal Audit Director

Born in 1980, she joined Vinamilk in 2006.

Professional qualifications

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

Experience

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



PROMOTE .

PAGNIC









Highlighted Premium PRODUCTS















Value-added PRODUCT LINES







2020 BUSINESS REPORT

- Vietnam's Dairy industry in 2020
- The Board of Directors' report
- The Board of Management's report





THE COVID-19 PANDEMIC HAS HAMPERED

THE DAIRY INDUSTRY'S GROWTH IN 2020

According to the General Statistics Office, GDP of 2020 hit

a growth rate of 2.91% despite being the lowest growth

rate in the period 2011-2020, in the context of Covid-19

pandemic negatively affecting all socio-economic fields,

this is a great success of Vietnam as it was in the world's

top highest growth rates. Social distancing measures, on

a brighter note, have helped to effectively control the

spread of the disease, but have also reduced on-premise

consumption as many tourism establishments, eateries

and schools had to close while the increase in off-premise

consumption was not enough to make up for the former's

decline. In addition, consumer demand was also affected

as 32.1 million people nationwide were adversely affected

by the pandemic and the average income of employees

fell by 2.3% (GSO). Accordingly, the FMCG sector recorded a

7% decrease in value and a 6% decrease in the dairy industry

alone (AC Nielsen).

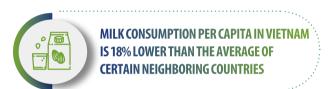
Natural-origin based, supporting digestion and conveniently packed products such as fresh milk 100%, organic fresh milk, yogurt and ready-made milk continue to grow as consumers become more aware of the health benefits of these products. However, traditional powdered milk products are facing challenging market conditions due to the government's restrictions on advertising for children under 2 years old, a tendency to favor breast milk and a consumption shift to ready-made milk or 100% fresh milk.

EVFTA BRINGS BOTH CHALLENGES AND OPPORTUNITIES TO VIETNAM DAIRY **INDUSTRY**

2020, in the next 3-5 years, Vietnam will reduce import duties on dairy products from Europe to 3.5%-0% from the current 5%-15%. This will make the dairy market more competitive as it is beneficial for imported milk from Europe, but at the same time will motivate domestic dairy companies to increase their capacity to provide higher quality products to the market. In addition, some domestic dairy companies are importing raw milk powder from Europe, so a tax reduction will help these companies improve their profit margins.



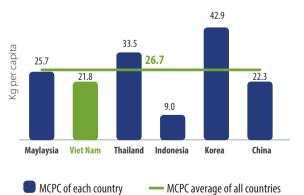
Vietnam's dairy market in the period of 2019-2020 witnessed two large-scale M&A cases when Moc Chau Milk (MCM) became a member of Vinamilk and International Dairy Products (IDP) was acquired by Blue Point JSC. Shortly thereafter, both MCM and IDP were listed on the UPCoM, giving more options to investors in the dairy industry. The consolidation process enables smaller companies to access advanced manufacturing technology and management practices, thereby rapidly scaling up and improving operational efficiency to better compete with foreign competitors.



According to the latest Euromonitor data by the end of 2019, the per capita milk consumption in Vietnam reached 21.8 kg, 18% lower than the average 26.7 kg of certain neighboring countries in Asia. The income gap between Vietnam and the compared countries is the main cause of the disparity in milk consumption. Therefore, forecasts that Vietnam's economy will reach a growth rate of 6.5-7.5%/year by 2030 (World Bank), along with the increasing awareness of consumers about the importance of beneficial foods for health, will be a key foundation for the dairy industry to continue its growth in the medium and long term.

As part of the EVFTA, which took effect from August

MILK CONSUMPTION PER CAPITA (MCPC) (2019)



6% THE DAIRY **INDUSTRY**

7%

2.91%

rate in the period 2011-2020

THE FMCG SECTOR

2020 GDP GROWTH RATE the lowest growth

VINAMILK

ASSESSMENT OF THE BOARD OF DIRECTORS' PERFORMANCE IN 2020

In 2020, under the impacts of the COVID-19 pandemic, Vinamilk's Board of Directors carried out activities appropriately in accordance with the Internal Governance Regulations. With the motto of focusing on efficiency and maximizing best practices, the entire Board of Directors and all relevant Committees carried out duties through the following activities in 2020:

ACTIVITIES OF THE COMMITTEES



The Strategy Committee

The Strategy Committee reviewed, discussed and evaluated the 5-year strategic objectives, then supervised and evaluated implementation the resulting strategic projects. Key meetings focused on evaluation of mergers and acquisitions, as well as lessons learned from those transactions, thus refining strategies of business expansion to the international market. The Committee also emphasized the topics of sustainable development and social responsibility to ensure the harmony interests among stakeholders, especially taking the context of "the new normal" amid the COVID-19 pandemic into consideration.



The Remuneration Committee

The Remuneration Committee promptly developed and proposed a new method of assessing the CEO and the BOM's performance business new conditions. At the same time, the Committee continued to collect information for adjusting remuneration packages that include salaries, bonuses and benefits of the CEO, executive directors and other senior management officers to ensure competitiveness in recruiting, attracting and retaining talents. In 2020, remuneration packages for specific BOM and Committee members were thus reviewed and decided appropriately.



The Human Resources Committee

The Human Resources Committee independently screened, searched, evaluated and selected independent candidates to replace and/ or supplement vacancies. implementation of succession planning was closely monitored for progress. During the year, the Committee also reviewed and approved the assignment of key managerial personnel in subsidiaries as proposed by the CEO.



The Audit Committee

With quarterly planning and work assignment, the Audit Committee reviewed the Company's financial reports and situations, improved the control and fraud prevention system and Internal Audit's operation. As for risk management, the risk portfolio, especially strategic risks, corresponding evaluation mechanisms were reviewed and improved. The Committee also carried out the assessment and selection of the Company's external auditor for the financial year 2021. During the year, the Committee improved its operational practices, oversaw review protocols and proposed improvements to the Company's governance Practices issued in 2019.



PERFORMANCE ASSESSMENT

- BOD's performance assessment meeting was held at the final BOD meeting of the year on 25th January 2021 with the participation of all BOD members and the support of the Secretariat in charge of corporate governance.
- Assessment criteria: 8 criteria of operational efficiency according to the Internal Governance Regulations. Due to
 the impact of COVID-19, all BOD and Committees' meetings were conducted online. The assessment form of 2020
 continued to use standardized questionnaires about 04 aspects of practices: (1) Self-leadership competence and
 operational results; (2) A combination of knowledge, experience and diversity among BOD members; (3) Dynamism;
 and (4) Operating process.

RESULTS



In 2020, the BOD operated in accordance with the laws and the Company's Charter and overcome hurdles to the Company's accomplishment of the plan set out by the AGM. The contents under the BOD's responsibilities and authority on corporate governance, risk management, compliance, audit, strategic supervision, human resources and remuneration were executed professionally.



Suggestions for performance improvement were all recorded for execution in 2021. In terms of individual assessment, most BOD members performed well, having proactively and positively fulfilled their duties.



THE BOARD OF DIRECTORS' **REPORT** (continued)

GORVENANCE AND ASSESSMENT OF THE CEO AND THE BOM



Based on the Company's Charter and the Governance Regulations, the BOD followed, inspected and supervised the CEO and BOM's operation in managing business activities and implementing the resolutions of the AGM and the BOD in 2020.

GOVERNANCE APPROACH

The BOD through assignment in the Committees, in which their specific tasks was prescribed in the Internal Governance Regulations, supervised the BOM on implementing the BOD's resolutions. Heads of the Committees proposed the contents that the BOM must review and prepare for presentation, discussion and criticism at the nearest BOD meeting. At the meetings, the BOD reviewed the implementation of the resolutions and the quarterly and accumulated business performance, then discussed possible revisions of the resolutions and decided on whether to approve the new resolutions which would become the basis for the CEO and the BOM's later activities. In addition, following specific assignments by the Committees, BOD members regularly communicated with BOM members via phone, email and teleconferencing about any notable issues that arise.

THE BOD'S ASSESSMENT ON THE CEO AND **EXECUTIVE DIRECTORS' PERFORMANCE**

In accordance with the Governance Regulations, the BOD continued the assessment of the CEO and Executive Directors' performances based on the following criteria:

01 **ACCOMPLISHMENT OF BUSINESS TARGETS**

This criterion is assessed based on the accomplishment of (i) the general targets of the Company and (ii) the specific quality targets of each department managed by each Executive Director following the Balanced Scorecard (BSC) with four targets of finance, customer, process and learning. The proportion of each target would vary between positions depending on the role of each position in the value chain. The assessment is also based on annual performance and self-assessment report by each BOM member.

02 COMMON **RESPONSIBILITIES OF** SENIOR MANAGEMENT

The assessment of common responsibilities consists of two stages: self-assessment and line manager's assessment. Criteria for common responsibilities include:

Responsibility of "Prudence"

Responsibility of "Honesty Responsibility and avoidance of "Information of conflict of Confidentiality" interests"

Duty of "Care and Loyalty"

03 **COMPETENCE AND SKILLS OF SENIOR** MANAGEMENT

The assessment is based on the matrix of leadership competencies developed specifically for Vinamilk (12 competencies). Criteria for assessment of each competence were selected from the 2019 assessment results.

RESULTS

Considering all achievements in 2020, a particularly difficult year under the impact of the COVID-19 pandemic, the BOD has reviewed, discussed and concluded that the CEO and the BOM made exceptional efforts, successfully completing the tasks assigned in 2020 while strictly observing current laws and the Company's regulations. In particular, the BOM managed to successfully stabilize operation, production and business activities, ensure job security, labor safety and health protection for all employees, and continue doing business with the utmost responsibility to stakeholders.







AUDIT COMMITTEE REPORT

ORGANIZATIONAL STRUCTURE AND OPERATION OF THE AUDIT COMMITTEE IN 2020

■ Organizational structure of the Audit Committee

The Audit Committee consists of 5 members with some changes in 2020 as follows:

No.	Member	Position	Date of joining/resigning from the Audit Committee	Qualification
1	Mr. Do Le Hung	Head of the Committee	15 th Apr 2017	Master of Public Finance
2	Mr. Michael Chye Hyn Fah	Member	15 th Apr 2017	Master of Business and Science
3	Mr. Le Thanh Liem	Member	15 th Apr 2017	Master of Finance and International Business
4	Mrs. Dang Thi Thu Ha	Member	Resigned since 26 th Jun 2020	Master of Business Administration
5	Mrs. Nguyen Thi Tham	Member	26 th Jun 2020	Master of Banking and Finance
6	Mr. Alain Xavier Cany	Member	26 th Jun 2020	Baccalaureate, Academie de Paris

■ Meetings of the Audit Committee and attendance of members

No.	Member	Meetings attended	Attendance rate	Voting rate	Reasons for absence
1	Mr. Do Le Hung	4/4	100%	100%	
2	Mr. Michael Chye Hyn Fah	4/4	100%	100%	
_	Mr. Le Thanh Liem	4/4	100%	100%	
4	Mrs. Dang Thi Thu Ha	3/4	75%	100%	Resigned since 26 th Jun 2020
5	Mrs. Nguyen Thi Tham	1/4	25%	100%	Only joined since 26 th Jun 2020
	Mr. Alain Xavier Cany	1/4	25%	100%	Only joined since 26 th Jun 2020

■ The Audit Committee's supervision of the BOD, the BOM and shareholders

The Audit Committee supervises through:

- · Directly monitoring the BOD's activities through the BOD's meetings, discussions, and resolution-making process.
- Supervising the BOM's activities in terms of compliance with the BOD's resolutions as well as the decentralization mechanism between the BOD and the CEO.
- Directly communicating with members of the BOD to get updated on the Company's production and business situation.
- Monitoring through reporting and communicating with Finance Director, Chief Accountant, Internal Audit Director, Director of Internal Control and Risk Management and Head of Legal Department.
- Monitoring through reporting and communicating with the independent auditor.

Coordination between the Audit Committee and the BOD, the BOM and other executive officers

- The Audit Committee always coordinates well with members of the BOD, the BOM and relevant executive officers within the framework of its supervision function.
- The BOD always creates favorable conditions and promptly responds to the Audit Committee's information requests for supervision purposes.
- The Audit Committee periodically reports the supervision results to the BOD.

THE AUDIT COMMITTEE'S SUPERVISION RESULTS

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

■ Financial statements

The Audit Committee has reviewed the quarterly and annual financial statements 2020 and agreed with KPMG's assessment, accordingly:

- The financial statements 2020 were prepared and presented with a true and fair view in accordance with VAS and current regulations.
- No unusual fluctuations in revenue and profit
- No special material transactions
- No unusual transactions noted with related parties
- No changes in accounting policies or accounting estimates
- No material misstatements or frauds noted
- The Audit Committee noted KPMG's findings and recommendations through its Management Letter as well as the BOM's responses.

The Company has carried out some IFRS update sessions for relevant executives, specialists and employees both at the parent company and subsidiaries, in preparation for the IFRS pilot adoption starting from 2022 according to the Ministry of Finance's roadmap.

The Company has implemented ERP for Moc Chau Milk to improve corporate governance, meet information disclosure requirements for listed companies and help to build accounting processes under the ERP system.

The QR Code application for inventory counting at Vinamilk's factories has been developed.

■ Internal control and risk management system

According to the Audit Committee's assessment, the Company currently maintains a reliable and effective internal control and risk management framework.

More specifically, some new developments on risk management and internal control are reported as follows:

- Continuing to perfect the control mechanisms that have been implemented since the previous year, such as online approval system, online bidding system, and implementation of authority controls on key systems.
- $\boldsymbol{\cdot}$ Continuing to maintain and ensure the quality of self-control assessment
- Maintaining a reliable quality management system that includes food quality and safety, energy and environment, occupational health and safety, laboratory competencies, social responsibility, farming practices, etc. The management system operates according to requirements of standards, while the certification to all applicable standards is duly maintained.
- Risk management reports have been updated quarterly with no significant risks arising. The disease
 risk of COVID 19 is still closely monitored by the Company, by applying effective measures not only
 for production and business activities but also for the safety and health of employees.
- Risk management newsletters have been periodically and irregularly issued as an effective tool to communicate and raise awareness about risk management throughout the Company.
- Management of legal issues and legal risks has been effectively implemented, helping to protect the interests of the Company, with no significant legal risks arising in the year.
- The Audit Committee recognizes that the Company is implementing the project of upgrading the risk management system, which not only aims at upgrading and completing the risk management framework, but also looking for an appropriate risk management tool to support the managerial decision making process not only in the parent company but also in subsidiaries and investment and development projects.



AUDIT COMMITTEE REPORT (continued)

THE AUDIT COMMITTEE'S SUPERVISION RESULTS (continued)

■ Internal audit function

- The internal audit function has been performing effectively, contributing significantly to improving the internal control and risk management system.
- The organizational and operational feature of internal audit has continuously been a highlight for efficiency in the internal audit function of Vinamilk:
- » The Internal Audit is operating under and subject to the Audit Committee's independent oversight through the approval and the supervision of the audit plan's execution, the review of the Internal Audit Charter and internal audit methodology.
- » The Internal Audit has operated effectively, approaching best practices and international standards in internal audit while complying with internal audit methodology guidance by the Ministry of Finance.
- » The coordination between the CEO and the Audit Committee in internal audit management helps the Internal Audit to play its roles properly, not only in compliance requirements, but also in supporting other departments in risk management and internal control, before, during and after each operation.
- » Prioritizing to shift from compliance audit to support and consulting for audited units in risk management and internal control has brought positive results and continues to be maintained.
- The internal audit plan 2020 (30/30) has been completed within the expected timeline and resources.
- The compliance with procedures in audited units, as shown by internal audit results, has been well maintained and improved from the previous year.
- The recommendations of the Internal Audit were seriously taken by relevant units and timely implemented through defined action plans and followed up by the Internal Audit.
- The Audit Committee conducted an assessment of the Internal Audit function and also requested the Internal Audit team to self-assess its performance in 2020. The assessment results show that Internal Audit is holding an important position with sufficient capacity and resources to execute the approved Internal Audit Plan, positively contributing to the improvement of the internal control system.

■ Independent audit services

KPMG has successfully completed its mission and duties according to the audit contract signed with Vinamilk, specifically:

- Ensuring the reliability, honesty and quality of the financial statements that the Company provides to shareholders and stakeholders.
- Respecting the expected audit timelines.
- Proposing recommendations to improve the Company's internal control system.
- Well responding and providing the information upon the Audit Committee's request.
- In compliance with ethics and ensuring independence and objectivity when giving audit opinions.

DO LE HUNG



In a year of various setbacks to the supply chain, thanks to the resilience of the domestic raw milk resources and a diverse network of foreign suppliers, Vinamilk successfully delivered stable production, meeting the demands of domestic consumption and export.

Application of technology in management is the orientation endorsed by Vinamilk for many years, and it was specifically promoted in 2020 to accommodate the requirements of social distancing and trade restriction during the global pandemic. In addition, Vinamilk's farms and factories have creatively applied advanced production technologies to ensure a green and clean environment throughout the value chain from the North to the South.

Bearing in mind that enterprises can only sustainably develop in a healthy community, Vinamilk has actively carried out corporate social responsibility programs, especially during the toughest moments of the Covid-19 pandemic.

THE BOARD OF MANAGEMENT'S REPORT



RAW MATERIALS DEVELOPMENT

IT HAS NEVER BEEN EASY TO CREATE A WORLD-CLASS DAIRY FARMING TECHNOLOGY THAT MEETS THE DISTINCT CONDITIONS OF VIETNAM. HOWEVER, WITH THE RIGHT VISION AND DIRECTION, SPECIFIC AND STRAIGHTFORWARD GOALS, SMART INVESTMENTS AND SUSTAINABLE APPLICATION OF ADVANCED TECHNOLOGIES IN PRODUCTION AND BUSINESS ACTIVITIES, VINAMILK HAS SUCCESSFULLY ESTABLISHED A SYSTEM OF HI-TECH DAIRY FARMS ACROSS THE COUNTRY.

GENERAL INTRODUCTION

VINAMILK'S TOTAL DAIRY FARMS IN VIETNAM

13 FARMS as of 31/12/2020

132,000

Currently, Vinamilk is operating and managing 4 dairy companies, including Vietnam Dairy Cow One-Member Company Limited ("Vietnam Dairy Cow") (holding 100% of charter capital), Thong Nhat Thanh Hoa Dairy Cow One-Member Company Limited ("Thong Nhat Thanh Hoa Dairy Cow") (holding 100% of charter capital), Lao-Jagro Development XiengKhouang Company Limited ("Lao-Jagro") (holding 80.29% of charter capital) and Moc Chau Dairy Cattle Breeding JSC ("Moc Chau Milk") (indirect holding 51% of voting rights).

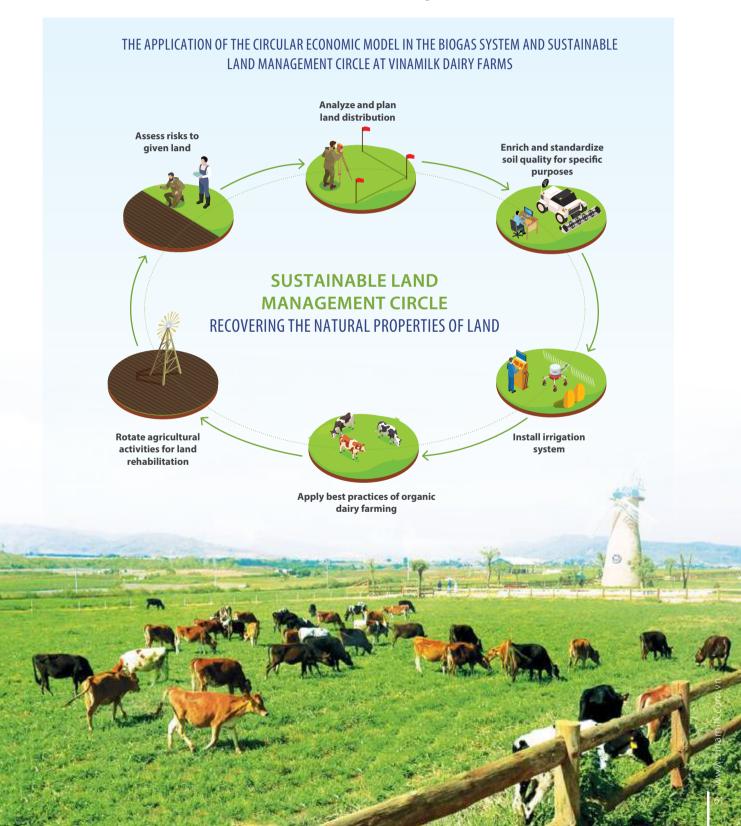
The principal activities of these companies are to build, operate, manage and develop the system of dairy farms in Vietnam and Laos. As of 31 December 2020, Vinamilk has a total of 13 dairy farms with a total herd of about 32,000 cow heads in Vietnam. In addition, Vinamilk has signed fresh milk collection contracts with local dairy farmers of more than 100.000 heads. In which, Vietnam Dairy Cow manages 11 farms with a total herd of 24,000 heads and Thong Nhat Thanh Hoa Dairy Cow manages 02 farms with a total herd of about 8,000 heads. Lao-Jagro is building the first dairy farm complex of Phase I with a total herd of 24,000 cow heads. Moc Chau Milk currently owns more than 2,000 dairy cows on its farms, 24,000 cows under the care of 600 dairy farmers and three main breeding centers. Moc Chau Milk's herd has grown in size at an average rate of 14% per year and achieved the average productivity of 25 liters per head per day



SUSTAINABLE VALUES

Vinamilk takes pride in building a high-quality farming system that meets international standards. The quality of raw milk is confirmed by the globally-certified management system in compliance with the Global Good Agricultural Practice (Global GAP) and the dairy farming standard of Organic EU. This is a turning point that marks a new milestone for Vinamilk on the green journey.

Towards the goal of sustainable development, Vinamilk has applied the circular economic model to its farming system. This model aims at efficient use of natural resources throughout the value chain from production, consumption to recovery and application of high-tech products and services, thereby optimizing the overall use of resources. The key to a strong circular economy is to reconcile economic expansion with environmental protection, achieving economic efficiency while saving natural resources.



THE BOARD OF MANAGEMENT'S REPORT (continued)



RAW MATERIALS DEVELOPMENT (continued)

SUSTAINABLE VALUES (continued)

Sustainable land management

Vinamilk understands that natural resources are finite, of which land is a crucial material for the Company's production and business activities, so the Company has paid close attention to assessing impacts of dairy farming on properties of the soil. The impacts mean properties of the soil can be directly or indirectly altered, leading to risks of overexploitation, erosion, degradation and negative changes in the natural landscape.

In the spirit of responsible exploitation and efficient use, by applying the circular economic model to create values, Vinamilk's farms have been operating as organic farms with support from advanced technologies and agricultural best practices such as crop rotation and optimization of manure as fertilizers. Up to now, the total area of certified European-graded organic pasture managed by Vietnam Dairy Cow is about 500 hectares and by Lao-Jagro is about 600 hectares. The area under transformation into certified organic pasture under Vietnam Dairy Cow's management is about 200 hectares.



TOTAL AREA OF CERTIFIED ORGANIC PASTURE MANAGED BY VIETNAM DAIRY COW

hectares

TOTAL AREA OF CERTIFIED ORGANIC PASTURE MANAGED BY LAO-JAGRO





In response to decreased crop productivity due to impacts of climate change, deforestation, fertilizer/pesticide/antibiotic abuse and water contamination, Vinamilk has implemented various strategies, such as converting animal waste into organic fertilizers to replace chemical ones and applying the latest best practices of crop cultivation. In particular, the Japanese practices of crop cultivation, with superior benefits of soil protection and enrichment, are being deployed on many of Vinamilk's farms. Results show that on Vietnam Dairy Cow's farms, corn yield and Mombasa grass yield have increased by 34% and 12% respectively compared to 2019.

Prioritizing energy-saving technologies

LED lighting systems are installed in newly built barns and factories. Lighting systems are set up to respond automatically to the active hours of cows in each barn. At the same time, Vinamilk is planning to replace high-pressure compact lamps in current use by LED lighting systems in all other barns. This can help reduce power consumption significantly, as LED lighting offers the required light intensity for dairy farming with better safety, durability and life span.

The eco-friendly orientation is also applied to the machinery system by prioritizing the use of energy-saving, low-emission, latest generations for motorized equipment and high-capacity electrical equipment, such as large-scale engines with fuel-saving options (e.g. tractors, multi-purpose long forklifts) and electric motors with soft starters or inverters (e.g. rotor chippers, pumps, compressors).

Solar panels were tested at Dalat Organic Farm in 2016 and have been in use ever since, with a design capacity of 40kWp. This was the first step in harnessing solar energy on the roof



of cow barns in all of Vinamilk's dairy farms. By the end of 2020, solar panels have been installed in 05 farms: Binh Dinh (2.96 MWp), VNM Da Lat (2.06MWp), Organic (1.18MWp), Di Linh (0.99 MWp) and Quang Ngai, the last of which is still in progress, and it is expected that by June 2021, all the other farms in Vinamilk's system will have their own source of solar energy for consumption.



Machinery optimization

Vinamilk continuously improves the efficiency of electricity consumption in farming activities. The overall operation of machinery is constantly reviewed to optimize operational time, specifically distributing the right amount of active time for each cluster of equipment in a day that is consistent with production activities and reducing the intensity of operation during peak hours of consumption to save costs.

Machines are periodically maintained according to prescribed schedules and contents to optimize operations and increase energy efficiency. Each type of motor vehicle and fuel-consuming equipment has a specific operation quota as a reference for evaluating performance efficiency and fuel management in order to minimise loss.

THE BOARD OF MANAGEMENT'S REPORT (continued)



RAW MATERIALS DEVELOPMENT (continued)

SUSTAINABLE VALUES (continued)

Prioritizing circulation and recycling

Circulation and recycling are top priorities in sustainable water management. Application of GEA solutions for fertilizer collection and treatment, which makes use of water discharge to retain fertilizer, not only helps to treat fertilizer effectively but also reuses water discharge, bringing positive impacts to the environment and optimizing water use by circulation and recycling of wastewater. This technology is being used at Thong Nhat Thanh Hoa Dairy Farm and is being studied for future widespread application.

A Biogas-powered water heating system has been developed, installed and tested for the first time at Tay Ninh Dairy Farm. After the testing period, the system has been working very effectively as it helps to reduce both environmental pollution and energy costs. Typically, the



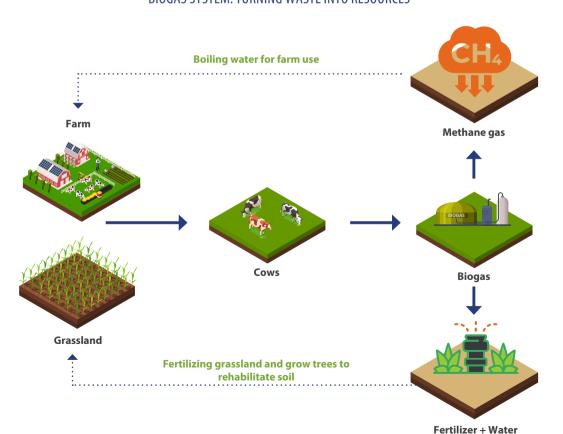
Barn discharge valves and electrical control cabinets at Thong Nhat Thanh Hoa Dairy Farm

use of the water heating system to pasteurize milk, wash buckets, and provide water for cows has been highly beneficial. For now, Vinamilk has invested and put this system into operation in 8 farms.

The automatic silo feeding system - 200m³/silo

Previously, the feed was stored in small bags in a cool, dry place. The cost of packaging was thus quite high while the feed quality was not always guaranteed in the typically hot and humid conditions of Vietnam. Therefore, at present, all of Vinamilk's farms have switched to an automated silo feeding system. This helps tremendously to reduce packaging, feed-mixing labor and equipment costs, as well as ensuring adequate nutritious rations for cows. The reduction of packaging has been particularly beneficial to environmental causes.

BIOGAS SYSTEM: TURNING WASTE INTO RESOURCES



Building high-quality human resources

IN ORDER TO ENSURE THE SMOOTH OPERATION OF THE CURRENT LARGE-SCALE DAIRY FARMING, VINAMILK UNDERSTANDS THAT HIGHLY-QUALIFIED PERSONNEL IS THE MOST IMPORTANT FACTOR.

Every year, the Company recruits plenty of professionals across the country in order to consolidate its human resources, as well as organizing training courses to ensure a sufficient skilled workforce and effective succession planning for the Company.

In addition, Vinamilk has signed various contracts of consultancy that involve experts in dairy farming from the US, Israel and Japan. The Company has built an extensive network of cooperation with market leaders so as to employ their expertise through regular sessions of professional training, experience sharing and technology transfer, thereby elevating the practices of dairy farming in Vietnam to the next level.





Comprehensive cooperation with farmers

IN ADDITION TO COMPREHENSIVE AND SUSTAINABLE DEVELOPMENT IN TERMS OF PRODUCTION AND PERSONNEL WITHIN THE COMPANY, VINAMILK PAYS GREAT ATTENTION TO PARTNERSHIPS WITH LOCAL FARMERS WHO PROVIDE RAW MILK.

Since 1990 when the dairy industry was started to develop in Vietnam, Vinamilk has worked closely with farmers to purchase raw milk. The "white revolution" in 1991 was the Company's first attempt to build a domestic material area. The key solution is working closely with farmers to solve any problems that arise in the process of dairy farming: guidance on dairy farming techniques such as feed distribution, hygiene and disease control; technology transfer; standardization of farming facilities; coordination with local veterinary clinics for monitoring vaccination, epidemiology, ear-tagging and control of antibiotic residues in milk.

The journey of building dairy material areas started from the 1990s to now. Initially, the number of farmers supplying raw milk to Vinamilk was about 30 households with the average yield reaching 600 kg of milk per day. Currently, Vinamilk is managing 83 raw milk collection stations nationwide, with a total herd of more than 100,000 cow heads under the care of farming households, supplying over 600 tons of raw milk per day. The collection stations, along with the main task of purchasing raw milk, also support farmers in every matter of dairy farming such as feed distribution, after-milking cleaning, technology transfer and disease control. These functions have been well received and trusted by the local farmers. Results in 2020 show that the herd size has increased from 16.8 cow heads per farming household to 17.3 heads per household and the highest milk yield has also improved to 15.1 kg per cow.

To further improve dairy farming by local farmers, the Cu Chi Raw Milk Center was established as the major collection point for all fresh milk providers in and around Ho Chi Minh City. After quality control, the milk will be transported to factories in Ho Chi Minh City and Binh Duong Province.



Cold storage to keep all samples;



Quick analysis system running on barcode that returns specific and accurate results to every farmer;



A u t o m a t i c cleaning-in-place (CIP) system that provides advanced sanitation for tank trucks at collection stations, ensuring food hygiene and safety;



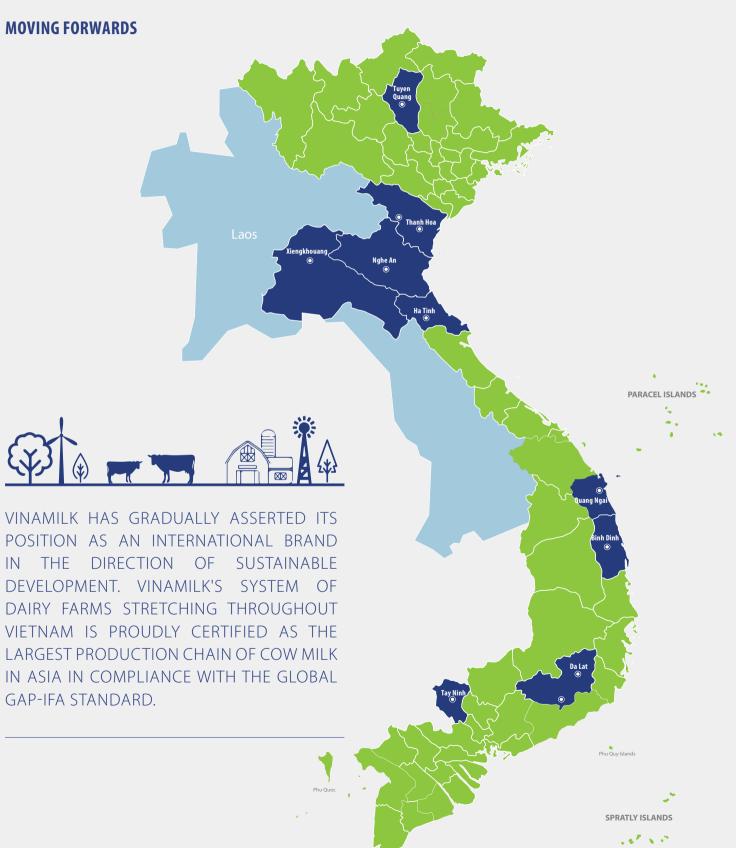
Fast cooling tanks with large volume and high flexibility, which can simultaneously receive milk from collection stations and from farmers.



Standardized milk tank trucks at Cu Chi Raw Milk Center



RAW MATERIALS DEVELOPMENT (continued)



THE DEVELOPMENT JOURNEY OF **VINAMILK'S DAIRY FARM SYSTEM** 2,000 HEADS TUYEN QUANG FARM 2,000 HEADS **BINH DINH FARM** 2008 2,600 HEADS NGHE AN FARM 2009 1,600 HEADS THANH HOA FARM VINAMILK DA LAT 1,600 HEADS 2012 FARM **8,000** HEADS TAY NINH FARM 2013 **2,000** HEADS NHU THANH FARM 2016 2,000 HEADS HA TINH FARM DALAT ORGANIC 1,000 HEADS 2017 FARM THONG NHAT 4,000 HEADS THANH HOA 2018 **DAIRY FARM NO. 1** 24,000 HEADS ORGANIC DAIRY FARM I **XIENG KHOUANG, LAOS** (* **VINAMILK ORGANIC 700**HEADS 2019 **DI LINH DAIRY FARM THONG NHAT** 4,000 HEADS THANH HOA DAIRY FARM NO. 2 4,000 HEADS **QUANG NGAI** 2020 **DAIRY FARM**

(*) In 2019, Vinamilk completed the Resort and bring the farm into operation.

(**) Under construction.

In addition, Vietnam Dairy Cow's Technical Center for Dairy Farming and Embryo Transfer, being granted a business license on August 5, 2019 by The Department of Planning and Investment (DPI) of Lam Dong province, was put into operation to serve the needs of genetic selection, with an initial investment of VND 25 billion. The Department of Planning and Investment of Lam Dong Province issued its business license on 5 August 2019.

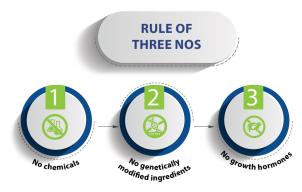


The first dairy farm in Southeast Asia that meets Global GAP standards

On 18th July 2014, Vinamilk's Nghe An Dairy Farm was officially awarded the certificate of Global Good Agricultural Practices (Global GAP) by Mr. Richard De Boer, Representative of Control Union - a Global GAP certification organization. Vinamilk's farm was the first in Southeast Asia to receive Global GAP certification and one of the only three farms in Asia that meet Global GAP international standards.

The first EU-certified organic farm in Vietnam

Following the global trend of organic food, Vinamilk built and put into operation the Organic Dairy Farm in Da Lat in March 2017. This is the first organic dairy farm in Vietnam to achieve the European Organic Standards by Control Union. The farm meets the strict rule of Three Nos: No chemicals - No genetically modified ingredients - No growth hormones. Organic cows are raised on organic grasslands to produce pure and natural fresh milk, thus bringing organic dairy products closer to the Vietnamese people than ever before.



THE BOARD OF MANAGEMENT'S REPORT (continued)



RAW MATERIALS DEVELOPMENT (continued)

MOVING FORWARDS (continued)

Vinamilk produces the first A2 milk in Vietnam



Vinamilk is the first Vietnamese company to import purebred A2 dairy cows from New Zealand. This is Vinamilk's pioneering effort to expand and diversify dairy herds to serve the increasing needs of Vietnamese consumers. All A2 cows were DNA-tested and certified as purebred A2 by New Zealand's Livestock Improvement Corporation (LIC). For now, Vinamilk's herd of A2 cows has reached approximately 1,000 heads.

Vinamilk 100% A2 pasteurized fresh milk once again affirms Vinamilk's commitment - always a pioneer in providing superior international-quality products to meet the increasingly diverse needs of consumers in Vietnam.

New projects and future dairy farms

It is expected that new projects such as Vinamilk Can Tho Dairy Farm and Moc Chau Dairy Farm will soon be deployed to expand the Company's operations and diversify products, meeting the demands of both domestic and overseas consumers.

CONCLUSION

To realize the goal of sustainable development, Vinamilk has successfully built the basic infrastructure and developed a modern, centralized livestock farming model, thus creating "Sustainable Values" and getting ready to "Move Forward". This is demonstrated through:

- The dairy farm system meets the standards of ISO 9001:2015 and Global GAP. Dalat Organic Dairy Farm gets the first EU Organic certification in Vietnam. Milk quality is carefully monitored to ensure the best quality and compliance to strict standards of food hygiene and safety.
- Vietnam Dairy Cow and BS TNTH Company are recognized as High Tech Agricultural Enterprises.
- BSVN's milk production in 2020 increased by 6% compared to 2019.
- BS TNTH's profits increased by 442.8% compared to 2019.









NOT ONLY CONTRIBUTING TO THE LOCAL ECONOMY'S DEVELOPMENT, VINAMILK ALSO KEEPS ON DEMONSTRATING CORPORATE SOCIAL RESPONSIBILITY THROUGH ACTIVITIES TO RAISE NUTRITION AND HEALTH CARE AWARENESS AND CREATE A CLEAN AND GREEN ENVIRONMENT FOR THE COMMUNITY.



JOINING HANDS FOR A SOARING VIETNAM



'STAND TALL VIETNAM' MILK FUND

"For Children's Health And Safety - Preventing Covid-19"

13 YEARS

>37 MILLION GLASSES OF MILK

> **460,000** CHILDREN IN **63** PROVINCES & CITIES

2020

1.7 MILLION GLASSES OF MILK

19,000

DISADVANTÁGED CHILDREN

The 'Stand Tall Vietnam' Milk Fund, established in 2008 by the Vietnam Child Protection Fund, under the Ministry of Labor, War Invalids and Social Affairs and Vinamilk's constant companionship, has brought millions of glasses of milk to children all over the country in order to fulfil the mission of "letting every child drink milk every day"

During the Covid-19 pandemic, the 'Stand Tall Vietnam' Milk Fund brought 1.7 million glasses of milk to 19,000 children living in social protection centers and houses in remote areas in 27 provinces and cities, timely providing nutritional care to the children and enhancing their immune system to prevent disease.





PUBLIC COMMUNICATIONS (continued)



'STAND TALL VIETNAM' MILK FUND

"For Children's Health And Safety - Preventing Covid-19"

20 MILLION STEPS WITH A COMMON HEART FOR CHILDREN



Besides milk donation, Vinamilk employees also participated in a number of walkathons with the spirit of improving health and helping disadvantaged children to overcome the pandemic.

More than 20 million steps taken means more than VND 2 billion earned. This was translated into 60,000 medical masks, 6,000 hand sanitizers and 86,000 milk boxes to be delivered to 6,000 children, teachers and childcare workers at social protection centers, a great contribution to the everyday care and education of children in need.

In addition, Vinamilk also extended sincere thanks to teachers and workers at these centers for their devotion to the children.

Vinamilk employees joined the 'Million steps to prevent COVID-19' walkathon





In 2020, the 'Stand Tall Vietnam' Milk Fund donated milk directly to children in eight provinces across the country including Quang Nam, Hanoi, Ho Chi Minh City, Thua Thien Hue, Phu Yen, Yen Bai, Ha Giang and Tuyen Quang. The program is always accompanied by doctors of Vinamilk Nutrition Consulting Center who organize free health check-ups and nutrition counseling for young students. It offers various social activities so that the kids can learn and have fun.





Wherever the Stand Tall Vietnam Milk Fund chose to visit, it was filled with joy and laughter



PUBLIC COMMUNICATIONS (continued)



"ONE MILLION PLANTS FOR VIETNAM" FUND Goal Completion

9 YEARS

1,121,000 TREES

20 PROVINCES & CITIES

2020

270,000 TREES

GLOBAL CSR AWARD 2020

TOP 10 BEST ENVIRONMENTAL ACTIVITIES IN 2020

for outstanding contributions to the community and the environment



CERTIFICATE OF MERIT FROM THE MINISTER OF NATURAL RESOURCES AND ENVIRONMENT for the Company's environmental protection program



years on the painstaking journey of planting trees, the 'One million trees for Vietnam' Fund, initiated by Vinamilk and in coordination with the Ministry of Natural Resources and Environment, has completed the goal of planting 1,121,000 trees to improve the living environment for Vietnamese people.





'One million trees for Vietnam' Fund and Vinamilk planting trees in Tuyen Quang

"MILLION TREES FOR THE GREEN VIETNAM" CAMPAIGN









'Milk Cartons for Green Trees' Exchange Day at the Company's Office

In order to call on the internal and external communities of Vinamilk to promote the benefits of green trees and to join the journey of completing one million green trees for Vietnam, the campaign has attracted a huge number of enthusiastic participants:

- 1 Holding 'Milk Cartons for Green Trees' Exchange Day.
- 2 Launching the Green Project contest with environmental protection initiatives from the factories and Vinamilk associated entities.
- 3 Promoting the benefits of tree-planting on social networks, thereby receiving positive support and widespread sharing, and contributing more than 60,000 trees to the target of 1 million trees in 2020.



PUBLIC COMMUNICATIONS (continued)



SCHOOL DAIRY PROGRAM

Pioneering In Bringing Optimal Nutrition For The Development Of School-Age Children

14 years of pioneering

> 3,000,000 preschool and primary students



The pandemic and natural disasters in 2020 caused a lot of burdens for disadvantaged families and children. In particular, the lack of nutritious meals and educational playgrounds for children was among the major challenges.

The School Milk program, in which Vinamilk cooperates with provinces and cities to bring nutritious milk to students across the country, has been greatly supported by the Government and localities. Implemented in the form of socialization, the program has contributed to reducing the financial burden for many families, especially, bringing nutritional care opportunities to the poor, disabled or ethnic children, providing them with free milk fully sponsored by the State budget and Vinamilk.

In 2020, School Dairy Program held the outstanding activities such as:

CONFERENCES ON ENSURING FOOD SAFETY



In celebration of the 21st anniversary of World School Milk Day, Vinamilk cooperated with the Vietnam Dairy Association and the Department of Food Safety to hold two conferences named "Ensuring food safety for dairy products used at school" in Bac Ninh Province and Ho Chi Minh City.

Nearly 1,000 teachers from all over Vietnam attended the events to discuss practical benefits of milk to public health and recommended practices of milk preservation so that schoolchildren can enjoy top-quality milk at school for better development.

SCHOOL MILK DAY IN VINH LONG

Many meaningful activities took place at the event to encourage the interaction of parents and students, thereby helping them learn more about the important role of nutrition in school-age child development.



24 winning models of the milk carton creative contest were displayed at the event with the aim of raising awareness of environmental protection and stimulating creativity in the educational environment for children



Vinamilk cooperated with Vinh Long province to organize an educational and fun playground for local students. Many meaningful activities took place at the event to encourage the interaction of parents and students, thereby helping them learn more about the important role of nutrition in school-age child development.

The Organizing Committee launched various activities such as the milk carton creative contest with enthusiastic responses from schools in the province. In addition, parents and students also played fun games and got health check-ups by doctors of Vinamilk Nutrition Consulting Center.



Doctors from Vinamilk Nutrition Consulting Center organized free health check-ups for more than 100 students



Parents and students participate in an educational playground to enhance physical activity with many nutritious gifts from Vinamilk



PUBLIC COMMUNICATIONS (continued)



Front-line social workers Nearly VND 40 billion

Nutritional care for disadvantaged children affected by COVID-19 >12.5 VND billion

Food Bank charity in Los Angeles **23,000** liters





Với vai trò, trách nhiệm của mình đối với cộng đồng và xã hội, Vinamilk luôn tích cực đồng hành cùng Chính phủ và các địa phương trên cả nước trong công tác phòng chống dịch Covid-19. Cụ thể:

- In 2020, Vinamilk supported COVID-19 relief and prevention measures by the Government and the community by donating a total of nearly VND 40 billion to front-line social workers.
- Of which, VND 12.5 billion was dedicated to nutritional care for disadvantaged children affected by COVID-19.
- Vinamilk employees participated in fundraising activities and contributed daily salaries to CSR programs initiated by
- In 2020, Vinamilk's Driftwood Dairy Factory in the US donated nearly 23,000 liters of milk through the Food Bank charity in Los Angeles, valued at USD 21,000.



CREATIVE AND VALUE-ADDED MARKETING ACTIVITIES

Vinamilk constantly innovates to add value in the mainstream segment and promote new product development, meeting the growing demand for premium offerings and bringing diverse and convenient experiences to consumers.

In 2020, in response to mounting challenges due to the COVID-19 pandemic and the decrease in consumer buying power, Vinamilk focused on consolidating essential product lines that correspond to the budget tightening among consumers. At the same time, the Company successfully launched the new 'Hero Fruit Milk' product for kids, refined the trademark 100% Fresh Milk product to fortify its leading position in the milk category, and added value to the product categories of Yogurt, Ice Cream, Condensed Milk, Powdered Milk and Ready-Made Milk for children.

Vinamilk continued to initiate the segment of premium Organic products, with brands such as 100% Organic Fresh Milk and Organic Gold powdered milk for children, and promoted various new products including Yoko premium powdered milk for children made from Japanese imported materials, Bird's Nest pasteurized milk, Love Yogurt eating yogurt with Green sticky rice and Walnuts, Walnuts, Almonds and Red Beans soya milk, and Fruit Love premium juice, all offering unique tastes and experiences for consumers.

VINAMILK'S PRODUCTS ARE PRESENTED WITH UTMOST TRANSPARENCY ABOUT RAW MATERIALS, PRODUCTION TECHNOLOGY AND NUTRITIONAL VALUES.







HUMAN RESOURCES - ADMINISTRATION

PIONEERING AND PUTTING EMPLOYEES FIRST

THE IMPORTANCE OF FLEXIBILITY AND COHESION OF HUMAN RESOURCES HAS NEVERBEEN AS EMPHASIZED BY COMPANIES AS IT IS NOW.

2020 is a challenging year for the global economy, as Covid-19 has had a direct impact on all domestic and foreign businesses. Many companies have had to implement measures to reduce headcount and change working models to adapt and stabilize their business while ensuring staff safety and health. Compiled in that particular context. the list of Vietnam's 100 best places to work comprehensively reflects various aspects of companies as well as expectations of employees in the new conditions. Accordingly, the importance of flexibility and cohesion of human resources has never been as emphasized by companies as it is now. This is also one of the many reasons that have changed the way employees' assessment of a "good workplace" or an "attractive employer brand" and furthermore, have made the difference of a "pioneering" company, according to Anphabe.

Under the common challenging conditions, Vinamilk has strived to do well in protecting the health and wellbeing of the entire staff, by giving pandemic prevention regulations and guidance, building a safe



working environment and offering the Company's nutritional products to enhance the immunity of employees. The Company has also ensured income and welfare for employees by maintaining the normal salaries, working hours and benefits even during working-from-home periods under social distancing.

After a turbulent year, one of Vinamilk's successes is maintaining the stable and efficient operation of all member units and ensuring job security, income and benefits for nearly 10,000 employees nationwide.

Vinamilk has been recognized for its efforts to maintain stability in production and business activities and at the same time ensure job security and welfare for employees. With these efforts, Vinamilk continued to be voted as the best place to work in Vietnam for the third consecutive year ⁽¹⁾ and recorded an employee satisfaction index of over 90% ⁽²⁾.

Personnel during the year were kept at a stable level, without large or sudden fluctuations. Positions from senior managers to middle managers and specialists were promptly filled according to recruitment needs. The Company frequently considered, recognized and offered appropriate promotions to outstanding performers, showing respect for their dedication.



Some highlights in Vinamilk's human resource management in 2020

Vinamilk continued the Succession Planning Program for key positions according to the new organizational structure and completed the evaluation of the Personal Development Plan and developed a new plan for 100% of the candidates. At the same time, in a more general aspect, Vinamilk has reviewed and updated all of the Policies, Regulations, and Procedures on human resources operations.

The Company continued to organize the Management Trainee Program 2020, attracting more than 1,500 applicants.

The Company was honored in the Top 100 Vietnam's Best Places to Work by Anphabe for the third consecutive year in 2020. In addition, Vinamilk also set a hat-trick when topping two other rankings, "Top 50 Most Attractive Employer Brands in Vietnam" and "Best Places to Work in the FMCG Industry".

Vinamilk's employees were encouraged to participate in the Company's CRS programs, such as charity walkathons for disadvantaged children affected by the pandemic, the Green Lifestyle movement, 'One Million Trees for Vietnam' Fund, donation of daily salaries to support the community during the pandemic and flood-hit victims in the Central region.



"We hope Vietnamese companies will all adopt modern corporate governance practices to together build up a healthy and competitive business environment, enabling sustainable development, thereby creating the best working environment to attract and retain talents so that they can contribute their best to the business."

"This has been consistently endorsed by Vinamilk over the past few decades, always respecting the contribution of all employees regardless of their positions, because we believe that human resources are the decisive factor making Vinamilk what it is today. We hope all Vietnamese companies can develop together stably, to build a strong and prosperous Vietnam."

MRS. BUI THI HUONG

Executive Director of Human Resources Administration & Public Relation

⁽¹⁾ According to Top 100 Vietnam's Best Places to Work announced by professional networking community Anphabe and market research company Intage.

⁽²⁾ According to the Company's internal survey.

THE BOARD OF MANAGEMENT'S

REPORT (continued)



INTERNATIONAL SALES

OVERSEAS SUBSIDIARIES

Angkormilk: In 2016, Vinamilk officially inaugurated the Angkormilk Factory, the first and only dairy factory in Cambodia. Angkormilk was invested by Vinamilk with the aim of providing Cambodian people with milk products produced in this country that have international quality and reasonable price. In 2020, although the Cambodian economy in general and the dairy industry in particular faced many challenges due to impacts of the COVID-19 pandemic, Angkormilk continued to grow by 19% in domestic sales. This achievement was attributed to the Company's efforts in promoting marketing activities, expanding the distribution system and launching new products to meet the increasingly diverse needs of Cambodian consumers.

Driftwood: Driftwood - a subsidiary of Vinamilk in the US is a long-standing dairy producer in Southern California, mostly serving milk for schools. A prestigious brand, an extensive network of sales points and high quality products are the key factors to Driftwood's competitive advantage for many years. In 2020, Driftwood's business faced great difficulties due to negative influences of the COVID-19 pandemic. However, the Company maintained

active sales and distribution of products, as well as ensuring social benefits and safe working environments for employees.





INTERNATIONAL SALES

CONTINUING TO BOOST EXPORTS IN THE CHALENGING SITUATION OF INTERNATIONAL TRADE

IN 2020, OVERCOMING HUGE CHALLENGES CAUSED BY THE COVID-19 PANDEMIC, VINAMILK HAS SHOWN GREAT EFFORTS IN INTERNATIONAL SALES. A SERIES OF MAJOR EXPORT MILESTONES IN 2020 MARKED A YEAR OF GREAT SUCCESS WITH THE COMPANY'S TOTAL REVENUE REACHING VND 5,632 BILLION, UP 8% FROM THE PREVIOUS YEAR AND EXCEEDING THE COUNTRY'S EXPORT GROWTH RATE OF 5.5%. BY THE END OF 2020, VINAMILK PRODUCTS HAVE BEEN EXPORTED TO 55 COUNTRIES AND TERRITORIES WITH A TOTAL EXPORT VALUE OF MORE THAN USD 2.4 BILLION.

- Continuing to focus on key and traditional market groups, which contribute more than 75% of the Company's export revenue. By running more than **39 sales promotion programs** in order to accompany customers/distributors to overcome difficulties caused by the Covid-19 pandemic, Vinamilk continued to achieve success and growth in this target market group.
- Following the launch of the Vinamilk brand in China in September 2019, Vinamilk continued to make many positive developments in the market of nearly 1.4 billion people, starting with the export of Ong Tho Condensed Milk in April 2020 in just two months after obtaining the export code, followed by the receipt of export code for yogurt and liquid milk and the certification of Truong Tho Factory to China's Organic standard, opening up great opportunities for **Vinamilk to conquer this potential, huge market.**

CÔNG TY CỔ PHẨN SỮA VIỆT NAM
NHÀ MÁY SỮA THỐNG NHẤT

Besides, Vinamilk has adopted a **strategy to tailor products** for each specific market group, from developed markets such as the US, Japan and South Korea to emerging markets in Southeast Asia and Africa. Meeting different customer segments in various market groups, building brand names and accessing niches have helped Vinamilk make the most of the newly penetrated markets and enter two new markets in Africa and Australia in 2020, in the context that most of traditional approaches to trade promotion and business development have completely changed.





THE BOARD OF MANAGEMENT'S

REPORT (continued)



RESEARCH AND DEVELOPMENT (R&D)

UNDERSTANDING THE MARKET'S DIVERSE NEEDS IS THE CRUCIAL FOUNDATION OF R&D.

Demands for dairy products in Vietnam are tied to consumers' concerns for health and nutrition. Milk now plays an increasingly important role in a nutritional diet that supports children's development. With the focus on relentless research and constant innovation, R&D activities in 2020 worked on the launch and re-launch of nearly 20 products,

which contributes to diversifying Vinamilk's product portfolio and bringing superior experiences to consumers. Typical products that have received a lot of attention from consumers include Bird's Nest pasteurized fresh milk, Dielac Grow Plus (with bird's nest), Low-sugar organic yogurt, Green Rice yogurt and Probi Gold Ginger & Honey drinking yogurt.

Business tied with social responsibility is the philosophy that has driven R&D activities that specifically emphasize on giving the community nutritional values of the best quality. Vinamilk continued to carry out more than 1,500 health check-ups and

nutritional counseling in 5 major cities, as well as promoting school milk training in provinces. Also, the Company has published more than 65 articles on healthcare topics such as nutrition for children, the elderly, women and the sick and COVID-19 disease prevention in newspapers and magazines.

The circular economic model is adopted as a guideline in product development, which focuses on using environmentally friendly materials and enhances the recycling and reuse of materials, thereby bringing Vinamilk closer to meeting its sustainable development goals.







CONTINUING TO ENHANCE PRODUCTION ACTIVITIES THROUGHOUT THE NETWORK OF MODERNLY EQUIPPED FACTORIES TO MEET EVEN THE MOST PRESTIGIOUS OUALITY STANDARDS.

Vinamilk has been maintaining and complying with internal processes of quality assurance in accordance with ISO 9001, FSSC 22000, PAS 99 (including ISO 14001 and ISO 45001), ISO 17025, Halal, ISO 50001, Organic EU and BRC standards in all of its factories.

The Company has completed its machinery upgrade plan for the period 2017-2021. Basically, the internal capacity to produce key product lines increased by 60-80% compared to 2016, sufficient for development prospects towards 2025-2027. Vinamilk's unique achievements include successful management of the 13-factory chain that operates effectively in terms of not only capacity but also quality assurance in accordance with international standards and optimal production planning with high specialization for factories in each region, to ensure timely supply for potentially fluctuating levels of consumption.

Despite complications due to the COVID-19 pandemic, the factories coped well to prevent disease outbreaks and disruptions in production. The pandemic and natural disasters did cause fluctuations in output between months and spurt small batch production. However, production lines at Vinamilk still met 100% of the plan, ensuring product quality and cost optimization.

In 2020, Vinamilk continued to enhance and standardize the technological benchmarks for each product and production line at each factory in accordance with the Company's sustainable development goal. The Company has effectively ensured the stability of quality, safety, health, environment and efficient use of materials and energy in production.

Investment projects are regularly assessed by Vinamilk in order to make production plans that best suit market situations. In addition, Vinamilk periodically conducts EOHS assessments and audits at its factories in accordance with the law.

Processes and standards that show absolute commitment to SUSTAINABLE VALUES, bringing top-quality nutrition to the community, are always Vinamilk's priorities. With existing production resources, Vinamilk is ready to meet consumption demands until 2025-2027. The Company has been working towards standardizing all factories, saving raw materials, stabilizing product quality and maximizing the use of production equipment.





SUPPLY CHAIN

SUPPLY CHAIN OPERATIONS CONTINUED TO TIMELY BRING PRODUCTS TO CONSUMERS DESPITE INTERRUPTIONS IN THE GLOBAL SUPPLY CHAIN DUE TO THE SPREADING PANDEMIC AND NATURAL DISASTERS.

Amidst repercussions from the COVID-19 pandemic and 13 consecutive tropical storms causing the worst floods and landslides in the past 100 years in the Central region of Vietnam, the supply chain was on a stretch to ensure the transparency of import, export and delivery of more than 150,000 tons of goods, meeting the needs of sales activities and supplying raw materials for the production and export of goods. Vinamilk's Supply Chain has played an important part in the successful resistance against the currently volatile and challenging business situations.

Vinamilk has completed the system of risk calculation before purchasing raw materials for new products. In addition, traceability and quality assessment of raw materials are vastly improved through date-of-manufacture control at suppliers. Building sustainable partnerships with suppliers, the Company has successfully reached agreements with most suppliers on improving payment procedures. On production planning, Vinamilk has successfully developed

an automated system that calculates optimal production levels through the integrated factories' chain. Besides, the system gives warnings of low or peak inventory to adjust production needs at factories as well as inventory level at distributors. Vinamilk has also adopted delivery management applications with the ability for real-time tracking of delivery, operational summary by vehicle and driver, delivery time at warehouse, tracing warehouse personnel in goods entries/exits.

In the near future, the Supply Chain Division will continue to improve the automatic order system, the material coding management system, develop the satellite warehouse system in combination with the technology to optimize small delivery. In addition, continuously upgrading modern equipment for the warehouse system and applying safety standards in logistics operations are focused.





DISTRIBUTION ACTIVITIES WITH EXTENSIVE COVERAGE

Wide-spreading and solid domestic distribution system



Vinamilk maintains extensive coverage through nearly 200 distributors nationwide with a total of over 240,000 points of sale in conventional channels and 7,800 points of sale in non-conventional channels that continue to increase;

Special customer groups such as hospitals, restaurants, hotels and companies are also constantly expanding; the school group in particular is focused on and grown strongly thanks to the Company's active participation in the National School Milk program;

The "Giac Mo Sua Viet" store chain has increased to **465** stores. The e-commerce channel has also been optimized to diversify distribution channels and make shopping experience more convenient.

THE COVERAGE OF SALES ACTIVITIES IN 63 PROVINCES AND CITIES, THE DIVERSITY OF DISTRIBUTION CHANNELS, AS WELL AS THE BRAND'S INCREASING INTERNATIONAL PRESENCE HAVE AFFIRMED VINAMILK'S LEADING POSITION. AT THE SAME TIME, THIS ALSO DEMONSTRATES THE ACCEPTANCE AND TRUST OF CONSUMERS FOR THE COMPANY'S PRODUCT QUALITY. VINAMILK'S PRODUCTS ARE ALL LOVED AND HIGHLY APPRECIATED AT HOME AND WIDELY ABROAD.

NEARLY 200 DISTRIBUTORS WITH

240,000 POINTS OF SALE

PRESENT AT MOST SUPERMARKETS AND CONVENIENCE STORES ACROSS 63 PROVINCES

SPECIAL CUSTOMER
GROUPS ARE
CONSTANTLY
GROWING

THE "GIAC MO SUA VIET" STORE CHAIN HAS REACHED

400 STORES



MAINTAINING GROWTH, ENSURING SMOOTH OPERATIONS AND PROMPT RESPONSES TO NATURAL DISASTERS AND EPIDEMICS.

2020 CONSOLIDATED NET REVENUE

59,723 VND BILLION INCREASED BY 6% COMPARED TO 2019 VINAMILK FOCUSED ON FINANCIAL STABILITY IN THE CONTEXT THAT ALL FMCG PRODUCTS IN GENERAL AND THE DAIRY INDUSTRY IN PARTICULAR HAVE BEEN SEVERELY AFFECTED BY COVID-19.

Consolidated net revenue reached VND 59,723 billion in 2020, increasing by 6% compared to 2019 and fulfilling the year's plan, of which domestic net revenue contributed VND 50,842 billion, up 6.9%. For MCM specifically, net revenue hit VND 2,823 billion, increasing by 10.3% from 2019 and completing 97% of the year's plan. Vinamilk's net export revenue was VND 5,561 billion, a 7.4% year-over-year growth, while net revenue from overseas subsidiaries brought in VND 3,234 billion.

2020 GROSS PROFIT MARGIN

46.4%

2020 CONSOLIDATED SELLING, GENERAL AND ADMINISTRATIVE EXPENSE MARGIN

25.8%

Profit margin and cost structure analysis

Consolidated gross profit margin in 2020 reached 46.4%, decreasing by 79 basis points compared to the previous year due to impacts of the COVID-19 pandemic which destabilized production output and spurted small batch production. In addition, stable prices and increasing output of raw milk are important factors to stabilize the Company's gross profit margin.

Consolidated selling, general and administrative expense in 2020 accounted for 25.8% of net revenue, remaining stable compared to 25.5% of 2019.

EBITDA margin in 2020 reached 26.6%, up 20 basis points compared to the previous year thanks to good cost management.

Net profit hit VND 11,235 billion for the whole year, growing by 6.5% from the previous year and fulfilling 105% of the year's plan. Consolidated net profit margin for 2020 reached 18.8%, an increase of 10 basis points thanks to the optimization of cash flow, expenses and tax incentives. The effective corporate income tax rate in 2020 is 16.9%, down 63 basis points from the previous year. For GTN and MCM specifically, net profit after tax reached VND 251 billion and VND 281 billion respectively, meeting 254% and 179% of the year's plans. With this level of profit, GTN recorded a growth rate 37 times larger than that of 2019 while MCM also scored an impressive 68% growth.

Key financial indicators: no significant fluctuations, all kept at safe levels

Cash Accounts receivable SUA TUOI THET TRUNG TO YEN TO YEN TO YEN Inventory

Working capital management

Thanks to good business performances over years, the Company maintained a high level of cash while managing cash flow effectively, flexibly and safely, ensuring capital needs for business activities and investment projects according to plans.

Accounting for 14% of current assets. During the year, no more significant bad debts were incurred, and receivables management policy and customer credit policy were maintained to support customers' business expansion while ensuring safety.

Accounting for 17% of current assets. Inventory turnover ratio was kept stable at 6.4x (2019: 5.6x). In 2020, no more significant slow-moving inventory was recorded, and the inventory management policy was maintained.

Accounting for 10% of total liabilities. Payables turnover ratio was 9.3x (2019: 7.6x). The Company maintained a reasonable yet strict payment policy with suppliers, consistent with the Company's operations.

Accounts

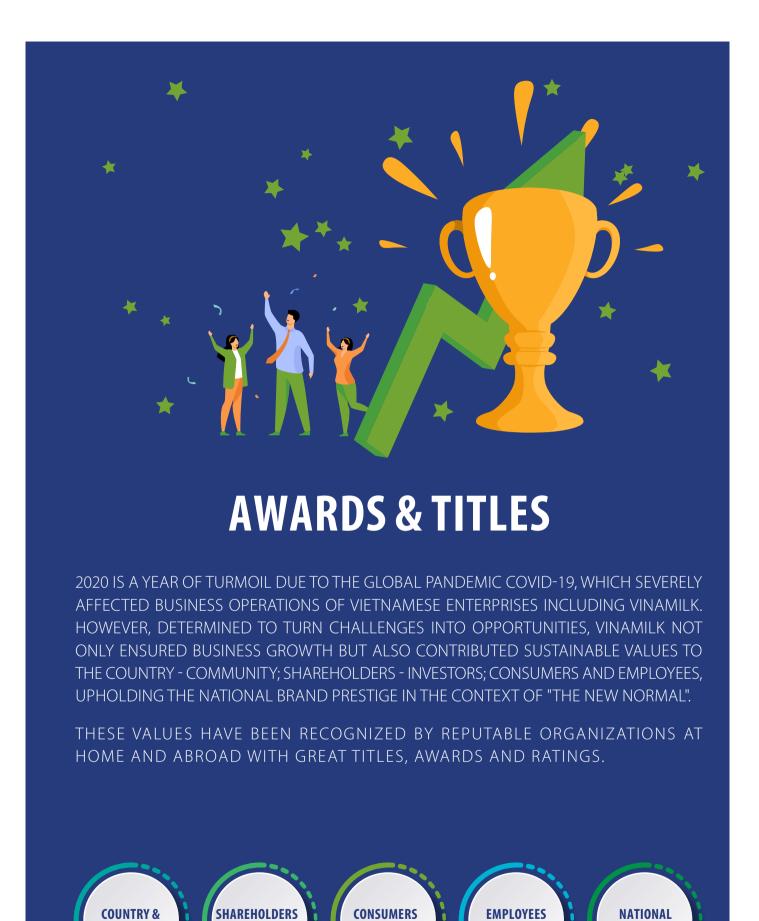
payable

FINANCE (continued)

Long-term asset management

Tangible fixed assets decreased by 7.5%, from VND 13,743 billion to VND 12,717 billion. The Company maintained a policy for management and new investment of long-term assets as to ensure high effectiveness in asset management and suitability for future growth, avoiding waste and loss of assets.

Indicator	2020	2019	Note
1. Liquidity			
- Current ratio	2.09	1.71	(times)
- Quick ratio	1.73	1.36	(times)
2. Capital structure			
- Debt to assets ratio	31%	33%	
- Debt to equity ratio	44%	50%	
3. Operating efficiency			
- Inventory turnover	6 .4	5.6	(times)
- Receivables turnover	15.6	16.4	(times)
- Payables turnover	9.33	7.60	(times)
- Asset turnover	1.28	1.37	(times)
4. Profitability			
- Profit after tax / Net revenue	19%	19%	
- Profit after tax / Equity (ROE)	35%	38%	
- Profit after tax / Total assets (ROA)	24%	26%	
- Operating profit / Net revenue	23%	23%	



COMMUNITY

& INVESTORS

BRAND

AWARDS & TITLES



FOLLOWING SUCH VALUABLE INITIATIVES FOR THE COMMUNITY AND THE COUNTRY. VINAMILK WAS HONORED BY THE GLOBAL CSR AWARD 2020 AS THE MOST SOCIALLY RESPONSIBLE ENTERPRISE IN VIETNAM.

VND BILLION

SUPPORT STATE-SANCTIONED COVID-19 RELIEF AND PREVENTION MEASURES

Vietnam's resilience against the COVID-19 pandemic has been globally recognized and appreciated. As a recognized corporation for a heightened sense of social responsibility, in 2020 the entire Vinamilk corporation, along with affiliates and subsidiaries, contributed nearly VND 40 billion to support state-sanctioned COVID-19 relief and prevention measures, protecting at-risk workers in the front line and vulnerable communities affected by the pandemic.



Difficulties caused by the pandemic did not undermine Vinamilk's determination to implement major CSR programs such as the 'Stand Tall Vietnam' Fund and the 'A Million Trees for Vietnam' Fund.

» 1.7 million glasses of milk were brought by Vinamilk and the 'Stand Tall Vietnam' Fund to 19,000 disadvantaged children across the country during social distancing.



» Completing the prescribed target with 1,121,000 trees planted in 2020, the 'A Million Trees for Vietnam' Fund was honored as one of the Top 10 Best Environmental Activities in the Global CSR Awards 2020.





BEST ENVIRONMENTAL ACTIVITIES IN THE GLOBAL CSR **AWARDS 2020**

THE BOARD OF MANAGEMENT'S

REPORT (continued)

AWARDS & TITLES (continued)



AS DOMESTIC AND WORLD ECONOMIES WERE SEVERELY AFFECTED BY THE COVID-19 EPIDEMIC, VINAMILK STILL MAINTAINED STABILITY AND GROWTH IN PRODUCTION AND BUSINESS ACTIVITIES, THUS ENSURING GREAT VALUES BROUGHT TO SHAREHOLDERS. INVESTORS AND CONTRIBUTIONS TO THE ECONOMY IN GENERAL.

Those values have been recognized by reputable organizations:

Vinamilk is the only Vietnamese company to be selected as an ASEAN Asset Class, announced by the Vietnam Insitute of Directors (VIOD) and the State Securities Commission.



ASEAN ASSET CLASS



Vinamilk is also the only nutrition company to be honored in Vietnam's 50 Best Listed Companies in 2020 announced by Forbes Vietnam, and in Vietnam's 50 Best-performing Companies voted by Nhip Cau Dau Tu for the ninth consecutive year.

VIETNAM'S 50 BEST LISTED COMPANIES IN 2020



VIETNAM'S 50 BEST-PERFORMING COMPANIES



Since 2013, Vinamilk has always been in the Top 5 listed companies with the best corporate governance reports. In particular, in 2020, Vinamilk set a "hat-trick" when it took the lead in all 3 awards under the 2020 Voting for Listed Enterprises Program, including Best Annual Report 2020 (Large Capitalization category), First Prize on Corporate Governance Content and First Prize of Sustainable Development Report.

BEST ANNUAL REPORT 2020



In 2020, Vinamilk consolidated its leading position in the Top 10 Vietnamese Sustainable Enterprises in the manufacturing sector under the Corporate Sustainability Index (CSI 100) program. This is also the fifth consecutive year that Vinamilk has been honored by CSI 100 for its pioneering and creativity in implementing sustainable development strategies.

VIETNAMESE SUSTAINABLE ENTERPRISES

AWARDS & TITLES (continued)



WITH A VIEW TO BECOMING THE SYMBOL OF TRUST IN VIETNAMESE NUTRITION AND HEALTH PRODUCTS THAT ENHANCE LIFE QUALITY AND SERVE THE PEOPLE, VINAMILK ALWAYS STRIVES TO BRING THE BEST VALUES TO VIETNAMESE CONSUMERS.

In 2020, Vinamilk launched a variety of breakthrough nutritious dairy products, especially immunity-boosting ones such as Bird's Nest Pasteurized Fresh Milk, Bird's Nest Powdered Milk for Children, Probi Drinking Yogurt and Love Yogurt.



(*) In the dairy industry. According to research by Kantar. Brand Footprint 2013-2020, in four major cities and rural areas in Vietnam.

For the 24th time, Vinamilk was voted as the High Quality Vietnamese Goods Enterprise, and at the same time maintained the title of Best-selling brand for Vietnamese consumers for the eighth consecutive year, according to Kantar Worldpanel's 2020 Brand Footprint Report. The Company continued to win Vietnam's Top 10 Food Reputation Award in 2020, as surveyed and published by Vietnam Report.

Thanks to Vietnamese consumer's trust and choice, Vinamilk affirmed itself as the market leader in major segments such as Liquid Milk, Fresh Milk, Powdered Milk for Children and Sweetened Condensed Milk according to market research results by Nielsen Vietnam.



FOR THE 24th TIME, VINAMILK WAS VOTED AS THE HIGH QUALITY VIETNAMESE GOODS ENTERPRISE



VIETNAM'S FOOD REPUTATION
AWARD IN 2020

BEST-SELLING BRAND FOR VIETNAMESE CONSUMERS FOR THE EIGHTH CONSECUTIVE YEAR



AWARDS & TITLES (continued)



ONE OF THE GOALS PRIORITIZED BY VINAMILK WAS TO ENSURE JOB SECURITY, SOCIAL WELFARE AND GENERAL HEALTH OF EMPLOYEES DURING THE PANDEMIC. ESPECIALLY WHEN THEY HAD TO WORK FROM HOME. IN 2020, THE VALUES THAT THE COMPANY BROUGHT TO ALL EMPLOYEES WERE GUARANTEED EVEN DURING THE MOST DIFFICULT PERIOD OF COVID-19.

Thanks to progressive human resource policies, Vinamilk maintained its No. 1 position in Top 100 Vietnam Best Places to Work for the third consecutive year, announced by the professional networking community - Anphabe and the market research company - Intage. This is particularly meaningful in the context of COVID-19 which forced heavy repercussions on the working environment and the employees.

TOP 100 VIETNAM BEST PLACES TO WORK 2020





Innovative working environment and ample career development opportunities also contribute to attracting young talents, as Vinamilk was voted into Top 50 Most Attractive Employer Brands for Vietnamese students in 2020 according to Anphabe and Top 5 Most Attractive Employers in Vietnam according to Career Builder.

MOST ATTRACTIVE EMPLOYER **BRANDS FOR VIETNAMESE STUDENTS IN 2020**

MOST ATTRACTIVE EMPLOYERS IN VIETNAM





IN NOVEMBER 2020, VINAMILK CONTINUED TO BE SELECTED AS THE NATIONAL BRAND FOR THE SIXTH CONSECUTIVE TIME (FROM 2010 TO 2022), MARKING A DECADE OF SUCCESS FOR A VIETNAMESE DAIRY BRAND. OVER THE PAST 10 YEARS, VINAMILK HAS BEEN CONSIDERED A SYMBOL OF THE NATIONAL BRAND AND A PRIDE TO INTRODUCE TO INTERNATIONAL FRIENDS.

Vinamilk's nutritional products were proudly selected to serve the Government Office and major (inter)national events such as ASEAN Chairmanship 2020 and the 13th National Party Congress.

The Vinamilk brand value announced by Forbes Vietnam is USD 2.4 billion, an increase of USD 200 million compared to 2019, accounting for more than 20% of the total value of the Top 50 leading brands in Vietnam in 2020. Specifically, thanks to the sustainable values recognized and loved by the community and consumers, Vinamilk has risen to lead Vietnam's Top 10 Strongest Local Brands and maintained its presence in Asia's Top 1000 Brands announced by Campaign Asia and Nielsen.

Besides domestic successes, Vinamilk's pro-active approach in international business earned the Company the official recognition of Reputable Exporter by the Ministry of Industry and Trade.

VINAMILK BRAND

FIRST-RANKED AMONG VIETNAM'S PART OF ASIA'S 10 STRONGEST LOCAL BRANDS by Campaign Asia and Nielsen



REPUTABLE **EXPORTER**



QUOTES



"The Ministry of Natural Resources and Environment would like to acknowledge the effective support of Vinamilk during the past 9 years to complete the milestone of one million trees for Vietnam. With the spirit of "Planting one more tree is one more action to protect the environment", the 'One Million Trees for Vietnam' Fund is a prime example of effort and action for the environment, for life and for the future."

Mr. Tran Hong Ha

Minister of Natural Resources and Environment



"The Securities Commission stresses that businesses should focus more on corporate governance. Over the past years, the goal of strengthening corporate governance has been progressively realized, with many encouraging results. Notably, this year, Vinamilk is the first Vietnamese enterprise in the Top 100 ASEAN enterprises with the best corporate governance scores, which is a proud achievement, but Vinamilk is still the only Vietnamese one to make it to the list."

Mr. Tran Van Dung

Chairman of State Securities Commission



Vinamilk was once again recognized as the best-selling brand in urban areas (in four major cities) for the eighth consecutive year. This domestic manufacturer has reached more than 80% of Vietnamese households thanks to media activities that emphasize the nutritional value of products and constantly innovating the brand image with new products to meet increasing needs of consumers.

The Brand Footprint 2020 Report, Kantar Worldpanel



"We sincerely appreciate that you have worked hard to achieve the goal of planting one million trees by 2020. Congratulations to the 'One Million Trees for Vietnam' Fund and the facilitators, Vinamilk and the Ministry of Natural Resources and Environment of Vietnam, for the outstanding achievement of being in Top 10 Environmental Activities in the 2020 Global CSR Award."

Professor - Dr. Geoffrey Williams

Chairman of the Judging Panel of CSR Award 2020



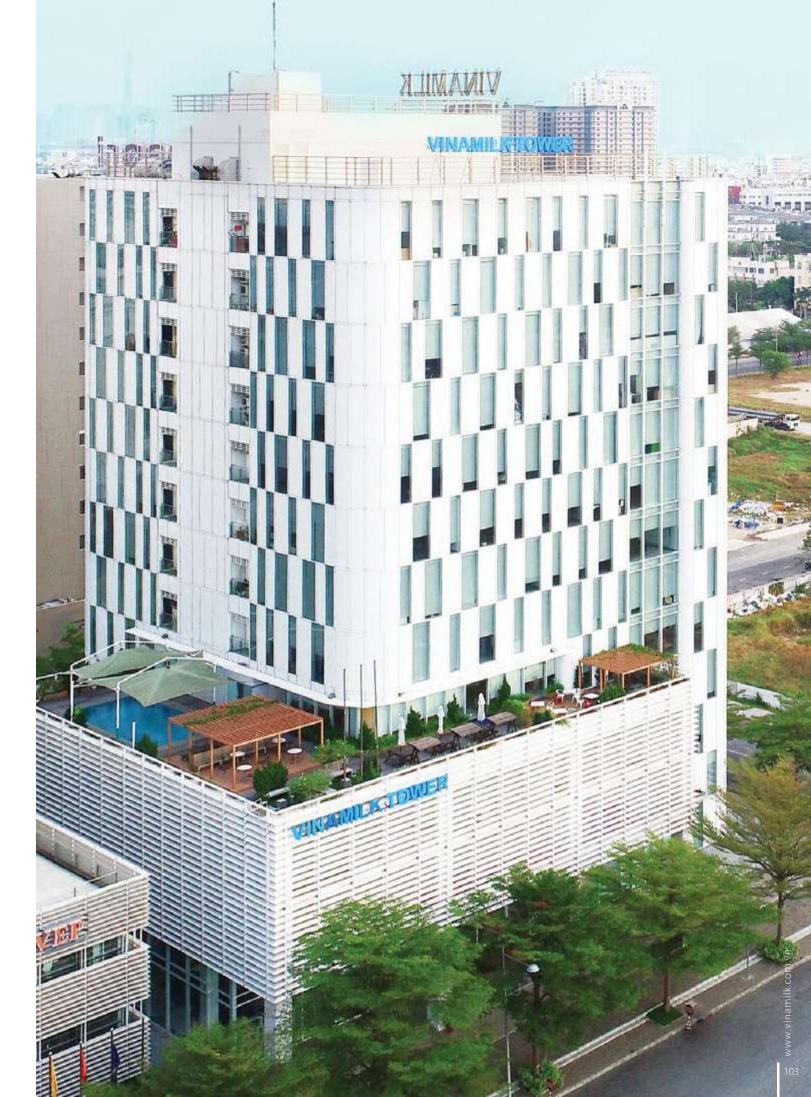
National identity and constant innovation are the two decisive factors in this year's ranking of the strongest local brands in Vietnam, as consumers chose to support companies that have actively contributed to social welfare against the pandemic. Brands keep growing and are constantly being mentioned by the media for their contributions to the community even during times of financial difficulty. The results in 2020 are particularly meaningful when, for the first time, Vietnamese brands outnumbered international brands in the Top 10 and occupied the top positions.

Analysis of ranking results by Campaign Asia Pacific



Companies in the list of Vietnam's 50 best listed companies in 2020 are all strongholds that carry the hopes of resilience and breakthrough in the most challenging economic climate of the past decade due to the COVID-19 pandemic.

Forbes Vietnam





DEVELOPMENT STRATEGY 2021

DEVELOPMENT STRATEGY

2@21



Continuing to maintain the No.1 position in the Vietnamese market and aiming to join the Top 30 largest global dairy companies in terms of revenue, Vinamilk has formulated a comprehensive development strategy focusing on 3 key aspects, including:

Lead in applying highly applicable innovations

Strengthen the leading position in Vietnam's dairy industry

Become the most valuable dairy company in Southeast Asia

LEAD IN APPLYING HIGHLY APPLICABLE INNOVATIONS

Focus on the dairy industry and dairy-related products, which is the core business of Vinamilk.

Continue to promote product R&D with the focal points of innovating, expanding and diversifying the product portfolio to match with the ever-changing tastes and demands of consumers, as well as offering a variety of convenient and rich experiences.

STRENGTHEN THE LEADING POSITION IN VIETNAM'S DAIRY INDUSTRY

Prioritize the domestic market which still has great growth potential.

Focus more on higher segments with high value-added products, especially in urban areas.

Expand market penetration and coverage in nonurban areas, where growth potential is still immense, with mainstream product lines.

Continue to build a capable domestic distribution system, increase market share and maintain Vinamilk's leading position in the market

BECOME THE MOST VALUABLE DAIRY COMPANY IN SOUTHEAST ASIA

Stay prepared for M&A activities and expand business relationship with partners in all three directions of horizontal, vertical and combined integration.

Prioritize M&A opportunities with dairy companies in other countries with the aim of expanding markets and increasing sales.

Continue to penetrate new export markets with the strategy of transforming the traditional export model into forms of extensive cooperation with distribution partners in new key markets.



WITH ITS RELENTLESS EFFORTS AND CONSTANT IMPROVEMENT OVER THE YEARS, VINAMILK IS THE VERY FIRST AND ONLY COMPANY IN VIETNAM TO BE HONORED AS "ASEAN ASSET CLASS" BASED ON THE 2019 ASEAN CORPORATE GOVERNANCE SCORECARD ANNOUNCED IN DECEMBER 2020. IN ADDITION, VINAMILK ALSO WON THE BEST CORPORATE GOVERNANCE IN VIETNAM 2020.

Vinamilk has been exercising the "Vietnam Corporate Governance Code of Best Practices" issued by SSC and IFC in August 2019. Vinamilk's Board of Directors commits to further studying and applying the best corporate governance practices recommended in this document. The Vietnam Corporate Governance Code of Best Practices has been published on the mass media, on which investors may refer to the following link:

https://viod.vn/wp-content/uploads/2019/08/Vietnam-CG-Code-of-Best-practices v1.0 EV.pdf

According to the annual Sustainable Development assessment by Ho Chi Minh Stock Exchange ("HOSE") in July 2020, the results of Vinamilk's corporate governance are as follows:

NO.	Criteria	Results
1	Stakeholder rights	88%
2	Stakeholder relations	100%
3	Disclosure and transparency	100%
4	Responsibilities of the Board of Directors	91%
5	Control environment	88%
	Overall result on corporate governance	93%



Due to changes in Enterprise Law 2020, Law on Securities 2019, and Decree 155/2020, effective since 1 January 2021, and Circular 116/2020, effective since 15 February 2021, the Company is revising the Regulations on Corporate Governance and will submit to the AGM for approval and implementation for the financial year of 2021. Therefore, in this report, we would like to present the key contents with specific following information that should be disclosed, either compulsorily or customarily, to investors and stakeholders as follows.

A. THE RESPONSIBILITY OF THE BOARD OF DIRECTORS

PRINCIPLE 1: ESTABLISHING CLEAR ROLES,
RESPONSIBILITIES AND COMMITMENT OF THE
BOARD OF DIRECTORS

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

• At Vinamilk, the roles and responsibilities of the BOD are concretely specified in the Company's Charter and Regulations on Corporate Governance, which have been published on the Company's website at: https://www.vinamilk.com.vn/vi/he-thong-quan-tri.

The main information published on the website above includes:

- » Organizational chart;
- » Company's Charter;
- » Regulations on Corporate Governance;
- » Code of Conduct

• The BOD reviews and approves the Company's strategic orientation, risk management policies, annual business plans, large investments valued from VND 100 billion, and all external investment projects, through which joint ventures, associates and subsidiaries of Vinamilk are formed (including M&As). The BOD also oversees these investments by issuing post-investment performance assessments and makes decisions on the divestment of these investments.



- The BOD has been well performing its oversight role in monitoring the effectiveness of the Company's governance and compliance with applicable laws. In addition, the BOD also pays special attention to the Company's sustainable development policies and its environmental protection and social responsibility activities. All these contents are reported to the BOD by the BOM. In particular, the Company has been compiling annual sustainable development reports since 2012 and has been officially audited by an independent consulting firm since 2016 to improve the accuracy, independence, objectivity and reliability of these reports. Please refer to the Company's latest sustainable development reports at: https://www.vinamilk.com.vn/vi/tin-tuc-phat-trien-ben-vung
- All members of the BOD actively participate in supervising the Company's operations and engage in discussions at quarterly meetings or through written opinions. The BOD is encouraged to make proposals and recommendations to the Company at any time necessary and there is no limit to the venue, time and content of discussion. Meeting documents must be sent to the BOD members at least seven days prior to the meeting.
- Members of the BOD are obligated to attend all BOD meetings of the Company during the year. Should any member fail to attend the meeting, s/he must send a notice to the BOD and state specific reasons. Minutes of the meeting are sent to all members of the BOD to keep track of all contents of the meeting. In 2020, Vinamilk BOD meetings are reported as follows:

NO.	BOD member	Position	Date of joining/ leaving the BOD	Meetings attended	Attendance %	Note
1	Mrs. Le Thi Bang Tam	Chairwoman	26 th Apr 2013	4/4	100%	
2	Mrs. Mai Kieu Lien	Member	23 rd Mar 2012	4/4	100%	***************************************
3	Mr. Alain Xavier Cany	Member	31 st Mar 2018	4/4	100%	-
4	Mr. Nguyen Ba Duong	Member	15 th Apr 2017 17 th Sep 2020	1/2	50%	(*)
5	Mrs. Dang Thi Thu Ha	Member	15 th Apr 2017	4/4	100%	
6	Mr. Do Le Hung	Member	15 th Apr 2017	4/4	100%	
7	Mr. Michael Chye Hin Fah	Member	15 th Apr 2017	4/4	100%	
8	Mr. Le Thanh Lien	Member	15 th Apr 2017	4/4	100%	
9	Mr. Lee Meng Tat	Member	1 st Sep 2016	4/4	100%	***************************************
10	Mr. Nguyen Thi Tham	Member	26 th Jun 2020	3/3	50%	•

(*):Mr. Duong resigned from the BOD since September 2020.

Personnel succession planning:

- With the advices of the world's leading HR consulting firm from the US, the Company has been implementing the Personnel Succession Plan for many years, staying ready to meet its development needs.
- The BOD commits to supervise and implement the Company's policies in a serious, objective and transparent manner. This policy includes seeking, training and developing succession personnel for the Board of Management and other key management positions of the Company.

A.THE RESPONSIBILITY OF THE BOARD OF DIRECTORS (continued)

PRINCIPLE 2: ESTABLISHING A COMPETENT AND PROFESSIONAL BOARD OF DIRECTORS

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

In accordance with Resolution No.01/NQ-CTS.ĐHĐCĐ/2018 of the 2018 AGM, dated 31st March 2018, Vinamilk's BOD for the 2017-2020 term includes 11 members without Inspection Committee. The current BOD of Vinamilk includes:

NO.	BOD member	Position
1	Mrs. Le Thi Bang Tam	Chairwoman, independent member
2	Mrs. Mai Kieu Lien	Executive member
3	Mr. Alain Xavier Cany	Non-Executive member
4	Mr. Nguyen Ba Duong	Independent member (resigned on 17 th Sep 2020 for personal reasons)
5	Mrs. Dang Thi Thu Ha	Non-Executive member
6	Mr. Do Le Hung	Independent member
7	Mr. Michael Chye Hin Fah	Non-Executive member
8	Mr. Le Thanh Liem	Executive member
9	Mr. Lee Meng Tat	Non-Executive member
10.	Mrs. Nguyen Thi Tham	Non-Executive member (since 26 th Jun 2020)

Therefore, there are two vacancies in the Board of Directors due to the resignation of one member in 2020, and the Company has yet to find a suitable candidate for the remaining independent member position. The Company is seeking suitable candidates for the upcoming AGM.

Principle 2.1: The BOD consists of members with diverse perspectives, expertise, skills, and competencies, who play leading and supervising roles in the Company. Please refer to the profile of each BOD member from page 30 to page 34 of this report.

- According to the Company's assessment, the BOD has met all requirements in terms of competency and professionalism, such as the diversity of knowledge and experience in corporate management per the Company's requirements.
- The BOD's Nomination Committee also carefully considerated the nomination of candidates for vacancies and the new election of BOD members, in accordance with the candidate selection process for BOD members, before submitting the proposal to the BOD for review and proposing to the AGM for voting as per the Company's applicable procedures.



• Vinamilk's BOD currently includes four female members, accounting for 44.4% of the total number of incumbent BOD members. This reflects gender diversity in the BOD.

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

Principle 2.3: The BOD appointed the Company Secretariat composing of three members. The Secretariat is directly responsible to the BOD for all matters related to the functions and operations of the BOD. In addition, the Secretariat is assigned by the BOD to take charge of the content of corporate governance.

The Secretariat includes:

No	Full name	Position at Vinamilk
1	Mr. Tran Chi Son	Senior Finance Manager
2	Mrs. Le Quang Thanh Truc	Director of Foreign Subsidiary Management
3	Mr. Nguyen Trung	Director of Supply Chain – Logistics

All Secretariat members were trained and certified Corporate Governance certificates, domestically and internationally. Please refer to the Secretariat's profiles from page 40 to page 41 of this report.

Principle 2.4: All members of the BOD have participated in Corporate Governance domestic and overseas training courses.

PRINCIPLE 3: ENSURING EFFECTIVE LEADERSHIP AND INDEPENDENCE OF THE BOARD OF DIRECTORS

Principle 3.1: Vinamilk's BOD had 3 independent members, accounting for a third of the total number of BOD members. Independent members include Mrs. Le Thi Bang Tam, Mr. Nguyen Ba Duong and Mr. Do Le Hung. The independent BOD members at Vinamilk have the capacity to promote the independent judgment of all BOD members and the integrity of the governance system at Vinamilk. However, on September 2020, Mr. Duong resigned from the BOD due to personal issues. Therefore, there are 2 independent members in the BOD currently and the third member is to be added in the nearest time.

Principle 3.2: Mr. Hung has been an independent BOD member at Vinamilk for under five years. Mrs. Tam has been an independent BOD member since 2013 and is currently serving her second term, which secures her independence at Vinamilk. These two independent BOD members are head of Committees under the BOD as set forth in Principle 4 below.

Principle 3.3: Mrs. Le Thi Bang Tam, Chairwoman is an independent member of the BOD.

PRINCIPLE 4: ESTABLISHING COMMITTEES UNDER THE BOD

At Vinamilk, The Vinamilk BOD established 4 specialized committees under the BOD as follows:



The purpose of establishing these Committees is to assist the BOD in performing certain responsibilities and succeeding in its supervision duties. The BOD also established the limitation of authority for approval of operating and capital expenditures, procurement of goods and services, and in order to optimize operational efficiency, clearly delegated relevant Committees to review and approve the transactions within the above limits. In addition to the special issues that require the BOD's approval, the BOD is also responsible for reviewing and approving annual budgets, financial plans, financial statements, business strategies and major transactions, such as M&As, divestments, financing and investment proposals, and is also responsible for reviewing and approving transactions that exceed certain thresholds.

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

A.THE RESPONSIBILITY OF THE BOARD OF DIRECTORS (continued)

PRINCIPLE 4: ESTABLISHING COMMITTEES UNDER THE BOD (continued)

Strategy Committee

• The Strategy Committee was established by the BOD following its Resolution No. 08/NQ-CTS.HDQT/2020, dated 24th July 2020, including four members as follows:

No	Position	As of 01 Jan 2020	As of 24 Jul 2020
1	Head of Committee Executive member	Mrs. Mai Kieu Lien	Mrs. Mai Kieu Lien
2	Non-executive member	Mr. Lee Meng Tat	Mr. Lee Meng Tat
3	Independent member	Mr. Nguyen Ba Duong	Mr. Nguyen Ba Duong (until 17 th Sept 2020)
4	Non-executive member		Mr. Alain Xavier Cany
5	Non-executive member		Mrs. Dang Thi Thu Ha

• Strategy Committee is mainly responsible for drafting and proposing the Company's business strategy to the BOD, particularly including (1) approving the vision, mission and long-term strategic goals, (2) supervising the formulation and implementation of the strategy, (3) taking charge of orientation in sustainable and responsible development, (4) responsible for integrated reporting, and (5) taking charge of related party relations.

Audit Committee

• The BOD established the Audit Committee and determined the qualifications of its members, as well as the authority and responsibilities of the Committee in the Audit Committee Charter. The Audit Committee includes four members of the BOD according to the BOD's Resolution No. 08/NQ-CTS.HDQT/2020, dated 24th July 2020:

No	Position	As of 01/01/2020	As of 24/07/2020
1	Head of Committee Independent member	Mr. Do Le Hung	Mr. Do Le Hung
2	Non-executive member	Mr. Michael Chye Hin Fah	
3	Executive member	Mr. Le Thanh Liem	Mr. Le Thanh Liem
4	Non-executive member	Mrs. Dang Thi Thu Ha	Mrs. Nguyen Thi Tham
5	Non-executive member		Mr. Alain Xavier Cany

- The Audit Committee is primarily responsible for reviewing the significant financial reporting issues and judgments so as to ensure the integrity of the Company's financial statements, internal control and internal audit systems, in compliance with the laws relating to the Company's business activities, associated transactions, related party transactions or transactions which may give rise to conflicts of interest, the scope and results of the external audit, as well as considering and selecting the Company's and its subsidiaries' independent auditors.
- The Audit Committee performs the function of risk management and monitors the effectiveness of the Company's internal control system and reports to the BOD on a quarterly basis.

Please refer to the Audit Committee's report on the performance and responsibilities of the Audit Committee for the financial year ended 31st December 2020 on page 56 of this report.

Nomination Committee

- The Nomination Committee was established by the BOD, including Mrs. Le Thi Bang Tam, Mrs. Mai Kieu Lien, and Mr. Lee Meng Tat. Mrs. Dang Thi Thu Ha was elected on 24th July 2020. Mrs. Le Thi Bang Tam, an independent member of the BOD, is the Committee's Head.
- The Nomination Committee is primarily responsible for determining the criteria and selecting the right candidates to be appointed as BOD members and key management positions, developing procedures and guidelines for such selection to uphold transparency, performing duties in accordance with the laws and the Listing Manual as well as any amendments made thereunder and orders of competent authorities to the extent that is relevant to the Committee's scope of authorities, duties and responsibilities, reviewing the nomination for re-appointment of BOD members and assisting the BOD in deciding and reviewing the independence of independent BOD members at least once a year.
- The Nomination Committee is responsible for supervising the execution of the personnel succession program according to Principle 1.4 on Corporate Governance as presented.
- In 2020, the Nomination Committee finalized and submitted profiles of the BOD candidate(s) to the BOD for approval. The election for vacant positions is expected to be held at the 2021 AGM.



Remuneration Committee

• The Remuneration Committee was established by the BOD, consisting of four members, with the following change of members according to the BOD's Resolution No. 08/NQ-CTS.HDQT/2020, dated 24th July 2020:

No.	Position	As of 01/01/2020	As of 24/07/2020
1	Head of Committee Independent member	Mr. Nguyen Ba Duong	Mr. Nguyen Ba Duong (until 17 th Sept 2020) (*)
2	Non-executive member	Mr. Michael Chye Hin Fah	Mr. Michael Chye Hin Fah
3	Independent member	Mrs. Le Thi Bang Tam	Mrs. Le Thi Bang Tam
4	Non-executive member	Mrs. Dang Thi Thu Ha	Mrs. Nguyen Thi Tham

(*) As Mr. Duong resigned on 17th September 2020, the BOD appointed Mrs. Le Thi Bang Tam as the temporary Head of Committee, effective until the next Head of Committee election.

- The Remuneration Committee is mainly responsible for:
- » Developing policies and guidelines in determining salaries, bonuses and remuneration for members of the BOD and the BOM as well as reviewing, amending or revoking processes and regulations on the remuneration of BOD members to be approved by the Annual General Meeting of Shareholders ("AGM"),
- » Reviewing and evaluating the salaries, bonuses and remuneration of members of the BOD and the BOM and propose to the BOD;
- » Proposing to the BOD a framework and standards for salaries, bonuses and remuneration of members;
- » Proposing specific salaries, bonuses and remuneration for each BOD member and Executive Director.
- In 2020, the Strategy Committee submitted its proposals to the BOD for approval, including the following main contents:
- » The BOD's remaining remuneration of 2019 (according to Resolution No. 02/NQ-CTS.HDQT/2020, dated 11th February 2020);
- » Remuneration bracket for the Board of Management in 2020 (according to Resolution No. 15/NQ-CTS.HDQT/2020, dated 10th December 2020).

A.THE RESPONSIBILITY OF THE BOARD OF DIRECTORS (continued)

PRINCIPLE 5: ENSURING EFFECTIVE PERFORMANCE OF THE BOARD OF DIRECTORS

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

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

Principle 5.2: The assessment of members of the BOD is conducted through a process with clearly defined and thoroughly considered assessment criteria to determine the effectiveness of the activities and efforts of each BOD member and committees accurately, completely and objectively.

Principle 5.3: The remuneration for the BOD in 2020 has been approved by the Company's AGM. The actual remuneration paid to each member shall be proposed by the Remuneration Committee to the BOD for approval based on the roles, tasks and performance results of each individual and the whole Company in the year, in order to create motivation for the BOD to lead the Company to achieve both short-term and long-term goals.

• Detailed remuneration of members of the BOD and the BOM (including those holding executive positions) for the financial year ended 31st December 2020 are presented as a percentage breakdown by the following types: (1) Salary, (2) Bonuses based on the Company's performance, and (3) BOD's remuneration. The Company has announced the BOD's remuneration as described below.

BOD member (executive member)	Salary	Bonus based on the Company's performance	BOD remuneration
Mrs. Mai Kieu Lien	29%	65%	6%
Mr. Le Thanh Liem	51%	39%	10%

BOD member (non-executive member)	Salary	Bonus based on the Company's performance	BOD remuneration
Mrs. Le Thi Bang Tam	-	-	100%
Mr. Alain Xavier Cany	-	-	100%
Mr. Nguyen Ba Duong (1)	-	-	100%
Mr. Michael Chye Hin Fah	-	-	100%
Mrs. Dang Thi Thu Ha	-	-	100%
Mr. Do Le Hung	-	-	100%
Mr. Lee Meng Tat	-	-	100%

Note: (1) This member officially resigned in September 2020.

Executive Director	Salary	Bonus based on the Company's performance
Mr. Mai Hoai Anh	54%	46%
Mr. Trinh Quoc Dung	55%	45%
Mrs. Nguyen Thi Thanh Hoa	51%	49%
Mrs. Bui Thi Huong	53%	47%
Mr. Nguyen Quoc Khanh	55%	45%
Mr. Phan Minh Tien	59%	41%
Mr. Tran Minh Van	55%	45%

PRINCIPLE 6: ESTABLISHING AND MAINTAINING AN ETHICAL CORPORATE CULTURE



Vinamilk issued a Code of Conduct in January 2010, which applies to all members of the BOD, of the BOM and all employees. After more than 10 years of practice, this Code of Conduct may contain certain changes in content to correspond to changes in the business environment and corporate practices. Therefore, the Company decided to establish a consultant team to assist the BOD in reviewing and updating this Code of Conduct so as to implement it in 2021. In this report, we would like to present the following content of the current Code of Conduct.

Principle 6.1: The Nomination Committee supervises the implementation of the Code of Conduct to establish a high standard of business culture throughout the Company. This Code of Conduct provides standards for professional and ethical behavior, as well as clarifies those behaviors and activities that are acceptable and unacceptable in internal and external relationships. The Code of Conduct has been disseminated appropriately to the BOD, the BOM and all employees (including those of Vinamilk's subsidiaries) and is published on the Company's website at: https://www.vinamilk.com.vn/vi/he-thong-quan-tri

Principle 6.2: The BOD ensures appropriate and effective implementation and monitors compliance with this Code of Conduct throughout the Company's operations. The BOD encourages the application of this Code of Conduct to all of Vinamilk's subsidiaries and associates.

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

B. CONTROL ENVIRONMENT

PRINCIPLE 7: ESTABLISHING A SOUND RISK MANAGEMENT POLICY AND CONTROL ENVIRONMENT

The BOD has successfully established an effective internal control system and risk management policy. The Board is ultimately responsible for the Company's risk management policy and oversees the operation of the Company's internal control system. The BOD established the Audit Committee, the Internal Audit Department, the Internal Control and Risk Management Department to control and monitor these functions.

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

Please refer to the Risk Management Report presented on page 124 of this report.

Principle 7.2: The BOD has established an internal audit function that provides objective and independent advice to add value to and improve the Company's operations, consisting of the following units:

- The Audit Committee, which oversees the Internal Audit function in terms of expertise, making sure that Internal Audit has sufficient authority and resources to ensure the independence, objectivity and professionalism of Internal Audit.
- The Internal Audit Department, established as an independent unit to assist the BOD, via the Audit Committee, in which it evaluates and improves the effectiveness of risk management, internal control and management processes.

 In the financial year ended 31 December 2020, the Internal Audit conducted audits as detailed in the internal audit plan submitted to and approved by the Audit Committee. Please refer to the Audit Committee's report for more details.

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

The BOD recognizes the responsibility to ensure a system of risk management and internal control to protect the investments of shareholders and the Company's assets. In this regard, the Audit Committee has each of its members oversee various areas to ensure the adequacy and effectiveness of financial, operational, compliance and information technology controls, including systematic risk management through the identification of subjects, structures, strategies and risks, and the monitoring of risk management results.

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



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

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

When selecting the Company's independent auditor, the Audit Committee considers independent auditor candidates in terms of qualifications, recognized achievements and independence in providing audit services with no relationship or interest with the Company, including non-audit services that shall affect the independence of the auditor. The bidding process for

selecting independent auditors has been implemented at the Company with high professionalism, publicity and transparency.

According to the authorization of the AGM, the BOD selected KPMG Vietnam Co., Ltd. (KPMG) as the Company's independent auditor for the financial year 2020.

The Audit Committee holds regular meetings with the independent auditor every quarter before publishing quarterly financial statements. In these meetings, the Audit Committee shall review all contents related to financial statements and recommendations of the independent auditor, if any.

The total non-audit service costs incurred in 2020 accounted for 53% of the audit service fees for the year. Non-audit consulting services include tax advisory services and compliance studies for related party transactions.



C. DISCLOSURE AND TRANSPARENCY

PRINCIPLE 8: STRENGTHENING COMPANY'S DISCLOSURE PRACTICES

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

Principle 8.1: Vinamilk has issued and applied the Regulations on Information Disclosure and since 2018. Accordingly, the Company commits to always comply with transparency and fairness in information disclosure to all shareholders and other stakeholders.

- CEO is the person who publishes the Company's information, and in 2020 the Company did not violate any laws on information disclosure;
- Information, when disclosed outside of the Company, is simultaneously sent to all members of the BOD, to the division in charge of corporate governance, and to the relevant functional departments to supervise the disclosure of this information.

Principle 8.2: In order to promote effective and optimal access to relevant information, Vinamilk always ensures easy and non-discriminatory access to information that has been published by various communication tools. In addition, Vinamilk has a department in charge of investor relations which is always ready to welcome shareholders and investors.

- Vinamilk commits to maintaining bilingual information disclosure in Vietnamese and in English, so that foreign shareholders and investors can update information as quickly as possible.
- Vinamilk maintains various channels for information disclosure such as:
- » On the Company's website at: https://www.vinamilk. com.vn/vi/thong-bao-co-dong
- » On the HOSE website at: https://www.hsx.vn/ Modules/Listed/Web/SymbolView/128
- » In the mass media
- » Through the Company's Investor Relations Unit (IR) as follows:
- Vietnam Dairy Products Joint Stock Company
- 10 Tan Trao, Tan Phu Ward, District 7, Ho Chi Minh City
- Investor relation page: https://www.vinamilk.com. vn/vi/lien-he-thong-tin-co-dong
- Or Mr. Dong Quang Trung IR Manager
- Email: dqtrung@vinamilk.com.vn
- Tel: (+84 28) 541 55555, Ext: 108247



Given the complication of the Covid-19 pandemic, the Company did not manage to welcome many investors and shareholders in person. As an alternative, Vinamilk actively participates in online conferences and meetings with domestic and foreign investors to provide information on the Company's business activities.

Principle 8.3: The BOD commits to ensuring the best possible disclosure of non-financial information, including environmental and social reports. Please refer to Principle 1 of this report.

D. RIGHTS OF SHAREHOLDERS

PRINCIPLE 9: ESTABLISHING A FRAMEWORK FOR EFFECTIVE EXERCISE OF SHAREHOLDERS' RIGHTS

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

Principle 9.1 Rights of shareholders:

- The Company recognizes and honors the rights of its shareholders and owners, including minority and foreign shareholders.
- The Company ensures fair and appropriate treatment for each shareholder through accurate, transparent and timely disclosure. The Company focuses on the adequacy of the disclosure so that shareholders can make informed decisions at the shareholders' meetings, including voting and expressing opinions about significant changes and electing BOD members based on accurately, completely, transparently, and fairly disclosed information.
- Shareholders' rights are also clearly defined in the Company's Charter and protected by Vietnamese law. In addition, the BOD also closely monitors these contents. Details of shareholders' rights in the Company's Charter are published on the Company's website at: https://www. vinamilk.com.vn/vi/he-thong-quan-tri

Principle 9.2: Every year, the BOD successfully holds Annual General Meeting of Shareholders.

- The AGMs are held in accordance with the agenda mentioned in the relevant meeting invitation. The Company sends shareholders full information related to the meeting in the meeting invitation and its attached documents. The Company also posted information related to the meeting on the websites of HOSE and Vinamilk so that shareholders have sufficient time to thoroughly study the information. In addition, at least ten days before the meeting date, the notice of the meeting and the full package of meeting documents shall be made public on Vinamilk's website in order to give shareholders sufficient time to prepare for the meeting as required by relevant laws and regulations.
- The Chairwoman, Heads of the Audit Committee, the Remuneration Committee, the Strategy Committee and the Nomination Committee, together with members of the BOD are usually present and ready to answer shareholders' questions at these meetings. The Company's independent auditor, KPMG Vietnam Co., Ltd., is also present to address shareholders' requests regarding the conduct of the audit and the preparation and content of the auditor's report. During the meetings, the Chairwoman

- allows shareholders, equally, to ask questions, express opinions and make recommendations.
- In the 2020 AGM, the Company invited representatives of the Internal Audit Department and the Control and Risk Management Department to join the Votecounting Committee and invited a representative of shareholders to witness the vote-counting as independent supervisors.
- The Chairwoman and the BOM also answer questions and provide sufficient information at the request of shareholders. Minutes of the meeting must be recorded accurately, fully and timely in accordance with the laws, submitted together with the AGM Resolution to HOSE and SSC and posted on Vinamilk's website within 24 hours after the meeting.
- In 2020, the Company was granted approval by the Department of Planning and Investment of HCMC to hold the 2020 AGM on 26th June 2020, which was later per regulations. The Company also asked shareholders for written approval to hold an online 2020 AGM as a result of Covid-19. All relevant documents to the AGM from not only 2020 but also from previous years are published on Vinamilk's website, available in both Vietnamese and English for easy access at the shareholders' convenience under the link: https://www.vinamilk.com.vn/vi/dai-hoidong-co-dong



D. RIGHTS OF SHAREHOLDERS (continued)

PRINCIPLE 9: ESTABLISHING A FRAMEWORK FOR EFFECTIVE EXERCISE OF SHAREHOLDERS' RIGHTS

Principle 9.3: Implementing a fair and consistent dividend policy.

- Vinamilk's dividend policy is approved by the AGM based on the Company's business results of the year. And normally, Vinamilk shall pay dividends to shareholders in 3 (three) installments.
- The AGM approved cash dividend payment for the financial year 2020 of at least 50% of consolidated net profit after tax, in which:
- » First advance payment in January 2020: VND 2,000/share, made in September 2020
- » The second advance payment in February 2020: VND 1,000/share, made in February 2021.
- » Payment of remaining dividends of 2020: To be decided by the 2021 AGM.
- Dividends of the financial year 2019: Total dividends of the financial year 2019 approved by the 2020 AGM were VND 7,836 billion, equivalent to 74% of the Company's consolidated net profit after tax.
- Dividends of the financial year 2020: The Company has paid dividends to shareholders in accordance with the above-mentioned resolution with a total amount of VND 5,572 billion, equivalent to 50% of consolidated net profit after tax. Particularly, the remaining dividends of 2020 will be submitted to the 2021 AGM for resolution.

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

- The Company has developed the risk management and conflict of interest management policies. Accordingly, all management levels must declare information for the purpose of controlling transactions to avoid conflicts of interests of insiders and related parties.
- In the financial year ended 31st December 2020, business transactions between Vinamilk and insiders and related parties are presented on page 187 of the attached financial statements.
- Stock trading transactions of the Company's insiders and insiders' related parties are announced as follows:
- » Stock trading transactions by insiders:

Insiders	Position at Vinamilk	beginning	Ownership at the Deginning of the year		Ownership at the end of the year		Explanation	
		Number of shares	%	Number of shares	%	Bought	Bonus shares	
1 Mai Kieu Lien	BOD member, CEO	4,933,704	0.28%	6,400,444	0.31%	400,000	1,066,740	
2 Nguyen Thi Thanh Hoa	Executive Director	903,487	0.05%	1,108,184	0.05%	20,000	184,697	
3 Tran Minh Van	Executive Director	739,364	0.04%	887,236	0.04%	_	147,872	
4 Mai Hoai Anh	Executive Director	427,093	0.02%	512,511	0.02%	_	85,418	
5 Le Thanh Liem	BOD member cum Executive Director	358,461	0.02%	493,381	0.02%	52,690	82,230	
6 Trinh Quoc Dung	Executive Director	201,625	0.01%	241,950	0.01%	_	40,325	
7 Bui Thi Huong	Executive Director	71,814	0.00%	134,176	0.01%	40,000	22,362	
8 Phan Minh Tien	Executive Director	96,430	0.01%	115,716	0.01%	_	19,286	
9 Nguyen Quoc Khanh	Executive Director	24,796	0.00%	29,755	0.00%	-	4,959	

» Stock trading transactions by related parties:

Related parties	Relationship with insiders	Owners at the beg of the y	inning	Ownership at the end of the year		Bought	Bonus
		Number of shares	%	Number of shares	%		shares
State Capital Investment Corporation	Nguyen Chi Thanh, Dang Thi Thu Ha, and Le Thanh Lien	627,063,835	36.00%	752,476,602	36.00%	-	125,412,767
2 F&N Dairy Investments Pte Ltd	Michael Chye Hin Fah and Lee Meng Tat	301,496,383	17.31%	369,752,859	17.69%	6.631.000	61,625,476
F&Nbev Manufacturing Pte. Ltd.	Michael Chye Hin Fah and Lee Meng Tat	47,026,980	2.70%	56,432,376	2.70%	_	9,405,396
4 Platinum Victory Pte. Ltd.	Alain Xavier Cany	184,880,461	10.62%	221,856,553	10.62%	_	36,976,092
5 Mai Quang Liem	Mai Kieu Lien's younger brother	30,079	0.00%	36,094	0.00%	_	6,015
6 Nguyen Minh An	Nguyen Thi Thanh Hoa's younger brother	209,768	0.01%	251,721	0.01%	_	41,953
7 Duong Thi Ngoc Trinh	Mai Hoai Anh's mother	229,980	0.01%	275,976	0.01%	-	45,996

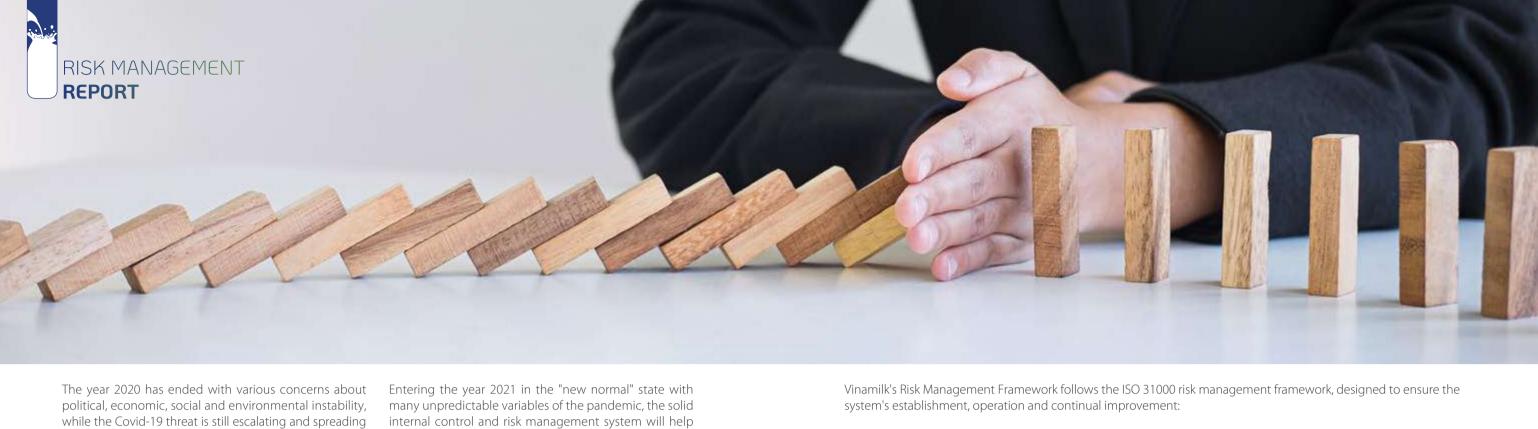
E. STAKEHOLDER RELATIONS

PRINCIPLE 10: BUILDING EFFECTIVE STAKEHOLDER ENGAGEMENT

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

- Vinamilk has been well applying the Company's Code of Conduct to stakeholders. This Code of Conduct is published on the Company's website at: https://www.vinamilk.com.vn/vi/he-thong-guan-tri
- In addition, the Company has also issued the policies on the management of related-party transactions. And during the year, no transactions having conflicts of interest with the Company were detected. The anti-corruption and anti-bribery policies are also strictly enforced by the Company.





The year 2020 has ended with various concerns about political, economic, social and environmental instability, while the Covid-19 threat is still escalating and spreading to every corner of the world. In that context, good corporate governance at Vinamilk has proven its key role in empowering the Company to keep ahead of change and fulfil the Company's targets.

Entering the year 2021 in the "new normal" state with many unpredictable variables of the pandemic, the solid internal control and risk management system will help the Company to anticipate changes, turn "risk" into "opportunity", maximize competitive advantages and use them as the key to open new horizons and reach new heights.

VINAMILK'S RISK MANAGEMENT FRAMEWORK

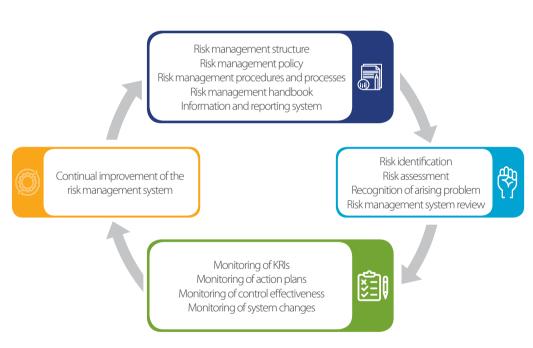
General Meeting of Shareholders Manage Enforce
Guarantee
Risk reporting channel
-- Two-way information exchange or joint risk management

Risk Management
Director

Risk Management
Director

Risk owners

RISK MANAGEMENT STRATEGY AND OBJECTIVES



Vinamilk's risk management system works in 3 layers of protection: Prevention - Detection - Correction. These layers have been maintained over the years to ensure effective control, management and monitoring of the Company's risk portfolio, and to achieve the targets set by the BOD and the AGM.

PREVENTION

Minimize probability of risk occurrence through thorough risk assessment and establishment of preventive controls

DETECTION

Reduce probability of risk occurrence through early detection by key risk indicators, and minimize impact/damage

CORRECTION

Minimize impact/damage when a risk actually occurs with specific action plans

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Implementation activities are regularly maintained to control the Company's risks following the process of risk identification - risk assessment - risk monitoring and reporting with the following highlights:

- The Company's risk portfolio is comprehensive in terms of Strategy, Operation, Finance and Compliance, always maintained, reviewed and controlled closely, with special emphasis on managing key risks by appropriate preventive and corrective controls. In particular, in 2020, facing the most prominent new risk, the Covid-19 Disease Risk, Vinamilk has identified and assessed the impact of the Covid pandemic on the Company's key risks, as well as proposed specific control measures and response actions accordingly. The disease risk is still being closely monitored for prompt response.
- Conducting risk assessment and reporting on a quarterly basis in all departments and divisions of the Company.
- Monitoring key risk indicators (KRIs) to monitor risks and take timely actions in response to external and internal fluctuations.

- Conducting periodic control self-assessment (CSA) for key risks, in order to ensure the effectiveness of the main controls against the Company's key risks.
- Communicating and consulting on risk topics through regular, ad-hoc and topical risk newsletters, with the aim of raising risk awareness, recognizing new risks, and supporting the risk management staff in identifying and assessing potential risks in the Company's daily operation.
- Executing the project "Vinamilk's risk management system upgrade" with an independent consulting company, in order to comprehensively review the current risk management system, continually improve the risk management system and processes according to the world's best practices, and enhance the staff's knowledge and competence in risk management.

RISK MANAGEMENT IN 2021

In 2021, risk management activities will continue to focus mainly on integration to increase the effectiveness of the risk management system through the following main activities:







SUSTAINABLE DEVELOPMENT REPORT

- Key focus at Vinamilk
- Vinamilk's sustainable development activities in 2020 in line with United Nations' 17 Sustainable Development Goals





With all that happened in 2020, the significant role of sustainable development, especially for enterprises, has been clearly demonstrated. In the context of global pandemic, trade war, stagnation of global supply chain, etc., Vinamilk has adopted flexible business strategies, stayed strong to the challenges and achieved positive growth. For Vinamilk, sustainable development and digital transformation are no longer an option but a must.

Not only that, the "new normal" state calls for finding a balance among new challenges for the further goal of sustainable development. Along with economic recovery and growth, the most critical element of sustainable development is humans, as humans are at the center of sustainable development, directly and intensively affected

by the Covid-19 pandemic. Accordingly, Vinamilk has focused more on the following orientations and initiatives in economic, social and environmental aspects: Setting specific targets for short- and long-term sustainable development goals; Comprehensively evaluating the current state of sustainable development throughout the Company; Participating specialized organizations, continuously training and raising awareness of sustainable development; thereby, Promoting multilateral integration of sustainable development into production and business activities.

Vinamilk believes in a new future where new opportunities are opening up for companies with good governance, flexible responses and especially, pioneering on the sustainable development roadmap.

KEY AREAS AT VINAMILK

Area	Sustainable development target	Key area	Link to SDGs
ECONOMY	Economic efficiency	Sustainable growth	1 Notes 2 and 8 contract on the state of the
	Indirect effects on	Creating decent jobs	9 restrictions 16 for a control 17 for some co
	economy	Local economic development	
		Salary, bonus and benefits	
		Labor relations on the basis of respect, endorsing meritocracy, equality, inclusiveness and diversity.	
	Labor and employment	Respect for human rights and no discrimination	3 memoration 4 memoration 5 memoration 4 memoration 5 memoration 10 mem
		Building a good working environment, ensuring occupational safety and health	M ÷
		Training and developing	
SOCIETY		Harmonizing business performance and sustainable development, complying with laws and business ethics, ensuring stakeholder benefits and bringing useful values to society.	
		Safe and quality products	
	Product responsibility	Accurate label information	2 mm 3 mm obsta 12 mm or obstante usermore)
		Responsible communication and marketing	
	Investment	Sustainable investment, embracing sustainable development-related criteria into evaluation of investment opportunities	
		Implementing reduce-reuse-recycle and circular economy solutions	
ENVIRONMENT	Material	Extending sustainable development activities to suppliers in the supply chain	
		Efficient use of energy	6 selection 7 contractor 8 solice sens
	Energy	Apply Industry 4.0 technologies in production and farming	9 torest-toronte 11 signature 11 12 contents 12 contents 13 contents 14 contents 15 feetings
		Use of green energy: solar energy, Biomass, CNG	
	Land	Sustainable management of land	
	Water	Efficient and responsible use of water	
	Emissions	Reducing CO ₂ emissions	
INDUSTRY STANDARDS	Animal welfare	Animal welfare for cows	2 mm 3 memorate 8 mm and
	Health and nutrients	Green, fresh and organic products	9 man months 12 cooperations of the second o
	Product diversification	Products for diverse needs	

DEVELOPMENT REPORT(continued)

VINAMILK'S SUSTAINABLE DEVELOPMENT ACTIVITIES IN 2020 IN LINE WITH UNITED NATIONS' 17 SUSTAINABLE DEVELOPMENT GOALS





























■ NO POVERTY

- Jobs for more than 9,361 employees
- Developing local economy



2 ZERO HUNGER

- Over 200 SKUs in Vinamilk's portfolio covering all 63/63 provinces
- More than 37 million glasses of milk brought to nearly 460,000 disadvantaged children



GOOD HEALTH AND WELL-BEING

- The best place to work in Vietnam in 2020 (ranked No. 1) (Nielsen & Anphabe)
- >50% product portfolio are food supplements
- Providing milk for school milk programs in 23 provinces and cities nationwide.
- 1,500 check-up and nutrition counseling sessions for the community
- 24 rounds of field nutrition communication



4 QUALITY EDUCATION

- 647 training courses with a participation of 27.396 attendees
- Providing local vocational training and apprenticeship in dairy farming



GENDER EQUALITY

- No gender discrimination
- Females account for 40% of senior executives



CLEAN WATER AND SANITATION

- 100% of production wastewater undergone standardized treatment process
- 100% compliance from member units regarding the permitted water consumption
- 100% of water used meeting standards



□ AFFORDABLE AND

- Rate of renewable energy/fuel: 89.17% (production)
- Adopting solar energy at farms and factories



O DECENT WORK AND (0) ECONOMIC GROWTH

- High-income jobs for over 9,361 employees
- Exporting to 55 countries and regions
- · Safety occupational management followed ISO 45001
- 'ASEAN Asset Class' Award
- Top 50 Listed Companies (Forbes Vietnam)
- Vietnam's Top 50 Brands (Forbes Vietnam)
- Top 2 Most Valuable Brands in Vietnam, valued at USD 2.4 billion (Forbes Vietnam)
- Leading Vietnam's Top 10 Strongest Local Brands, one of Asia's Top 1,000 Brands (Campaign Asia & Nielsen)



INDUSTRY, INNOVATION AND INFRASTRUCTURE

- Implementing 93 initiatives on energy savings and sustainable development
- 100% of 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



IN SUSTAINABLE CITIES AND COMMUNITIES **SUSTAINABLE CITIES**

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



RESPONSIBLE CONSUMPTION | / AND PRODUCTION

- The factories certified FSSC 22000, ISO 14001, ISO 50001, Organic EU and Organic China
- The farms certified Global G.A.P, Organic EU and Organic China
- Fulfilling social responsibilities based on SMETA Sedex 4 Pillars standards
- Transparency of information to stakeholders
- Good customer services
- The Best Overall CSR Excellence by Global CSR Awards 2020
- Top 10 Sustainable Companies in Vietnam (CSI100)



13 CLIMATE ACTION

- Implementing 93 initiatives on energy savings and sustainable development
- Application of renewable energy and circular economy
- Top 10 Best Environmental Activities by Global CSR Awards 2020



☐ ☐ LIFE BELOW WATER

• 100% of production wastewater properly treated before discharge



15 LIFE ON LAND

- The farms certified Global G.A.P certificate
- 3 Organic EU-certified farms
- 'One Million Trees for Vietnam' Fund: Over 1,121,000 trees with a total value of VND 12.5 billion



PEACE, JUSTICE AND STRONG INSTITUTIONS

- · Giving comments and feedbacks to the elaboration and amendment of legal documents
- Supporting and accompanying with the government towards 17 goals of sustainable development



The street of th

- Promoting and establishing the mechanism for Vietnam's dairy industry to export to China
- Being a trustful companion for suppliers, partners and farming households





FINANCIAL STATEMETNS

- Consolidated financial statement (VAS)
- Consolidated financial statement (IFRS)



Vietnam Dairy Products Joint Stock Company and its subsidiaries

CORPORATE INFORMATION

Business Registration

Certificate No. 4103001932 20th November 2003

0300588569 26th October 2020

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 26 October 2020. The business registration certificate and its updates were issued by Ho Chi Minh City

Planning and Investment Department.

Board of Directors Mdm. Le Thi Bang Tam Chairwoman

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. Nguyen Ba Duong Member (until 17th September 2020)

Mr. Do Le Hung Member
Mr. Alain Xavier Cany Member

Ms. Nguyen Thi Tham Member (from 26th June 2020)

Board of Management Mdm. Mai Kieu Lien Chief Executive Officer

Ms. Bui Thi Huong Executive Director – Human Resource – Administration and

Public Relation

Mr. Mai Hoai Anh Executive Director – Sales
Mr. Le Thanh Liem Executive Director – Finance
Mr. Phan Minh Tien Executive Director – Marketing
Ms. Nguyen Thi Thanh Hoa Executive Director – Supply chain
Mr. Tran Minh Van Executive Director – Production

Mr. Nguyen Quoc Khanh Executive Director – Research and Development
Mr. Trinh Quoc Dung Executive Director – Raw Materials Development

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

Auditor KPMG Limited Vietnam





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

Vietnam Dairy Products Joint Stock Company and its subsidiaries

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 31st December 2020 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 6 to 64 which give a true and fair view of the consolidated financial position of the Group as at 31st December 2020, 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



MAI KIEU LIEN
Chief Executive Officer

Ho Chi Minh City, 1st March 2021

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 31st December 2020, 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 26th February 2021, as set out on pages 6 to 64.

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.

KPMG Limited Branch in Ho Chi Minh City, A branch of KPMG Limited, a Vietnamese one member limited liability company and a member firm of the KPMG network of independent member firm affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

INDEPENDENT AUDITOR'S REPORT

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 31st December 2020 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.: 18-01-00231-21-20



Nelson Rodriguez Casihan

Practicing Auditor Registration Certificate No. 2225-2018-007-1 Deputy General Director

Ho Chi Minh City, 1st March 2021



Nguyen Thanh Nghi

Practicing Auditor Registration Certificate No. 0304-2018-007-1

Vietnam Dairy Products Joint Stock Company and its subsidiaries

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31st December 2020

FormB 01 - DN/HN

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

ASSETS	Code	Note	31/12/2020 VND	1/1/2020 VND
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		29,665,725,805,058	24,721,565,376,552
Cash and cash equivalents	110	V1	2,111,242,815,581	2,665,194,638,452
Cash	111		863,853,260,384	2,378,583,764,655
Cash equivalents	112		1,247,389,555,197	286,610,873,797
Short-term financial investments	120		17,313,679,774,893	12,435,744,328,964
Trading securities	121	V.4(a)	1,124,178,861	1,153,041,048
Allowance for diminution in the value of trading securities	122	V.4(a)	(936,520,806)	(840,586,787)
Held-to-maturity investments	123	V.4(b)	17,313,492,116,838	12,435,431,874,703
Accounts receivable – short-term	130		5,187,253,172,150	4,503,154,728,959
Accounts receivable from customers	131		4,173,563,213,813	3,474,498,518,959
Prepayments to suppliers	132		546,236,562,342	576,013,061,394
Short-term loans receivable	135		150,000,000	31,170,336,327
Other short-term receivables	136	V.3(a)	483,737,475,103	438,267,517,904
Allowance for doubtful debts	137	V.2	(16,434,079,108)	(16,794,705,625)
Inventories	140	V.5	4,905,068,613,616	4,983,044,403,917
Inventories	141	V.5	4,952,848,688,011	4,996,114,799,978
Allowance for inventories	149	V.5	(47,780,074,395)	(13,070,396,061)
Other current assets	150	***************************************	148,481,428,818	134,427,276,260
Short-term prepaid expenses	151	V.11(a)	57,414,707,597	68,634,341,838
Deductible value added tax	152		37,158,670,216	60,875,991,566
Taxes receivable from State Treasury	153		53,908,051,005	4,916,942,856

Vietnam Dairy Products Joint Stock Company and its subsidiaries

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31st December 2020 (continued)

Form B 01 - DN/HN

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

ASSETS	Code	Note	31/12/2020 VND	1/1/2020 VND
Long-term assets (200 = 210 + 220 + 230 + 240 + 250 +260)	200		18,766,754,868,571	19,978,308,009,482
Accounts receivable – long-term	210		19,974,111,715	21,169,968,995
Long-term loan receivables	215		-	545,312,000
Other long-term receivables	216	V.3 (b)	19,974,111,715	20,624,656,995
Fixed assets	220		13,853,807,867,036	14,893,540,216,703
Tangible fixed assets	221	V.6	12,717,306,878,414	13,743,909,618,601
Cost	222		27,037,635,338,368	26,227,436,154,249
Accumulated depreciation	223		(14,320,328,459,954)	(12,483,526,535,648)
Intangible fixed assets	227	V.7	1,136,500,988,622	1,149,630,598,102
Cost	228		1,338,628,984,267	1,297,664,982,735
Accumulated amortisation	229		(202,127,995,645)	(148,034,384,633)
Investment property	230	V.8	59,996,974,041	62,018,116,736
Cost	231		81,481,271,444	81,481,271,444
Accumulated depreciation	232		(21,484,297,403)	(19,463,154,708)
Long-term work in progress	240		1,062,633,519,957	943,845,551,903
Long-term work in progress	241	V.9	268,812,038,616	249,633,893,396
Construction in progress	242	V.10	793,821,481,341	694,211,658,507
Long-term financial investments	250		973,440,912,476	986,676,290,429
Investments in associates	252	V.4 (c)	686,485,729,063	688,112,587,059
Equity investments in other entities	253	V.4 (c)	101,924,299,081	104,537,010,212
Allowance for diminution in the value of long-term financial investments	254	V.4 (c)	(14,969,115,668)	(5,973,306,842)
Held-to-maturity investments	255	V.4 (b)	200,000,000,000	200,000,000,000
Other non-current assets	260		2,796,901,483,346	3,071,057,864,716
Long-term prepaid expenses	261	V.11 (b)	713,499,307,014	678,630,479,869
Deferred tax assets	262	V.12 (a)	24,854,170,720	26,367,280,852
Goodwill	269	V.13	2,058,548,005,612	2,366,060,103,995
TOTAL ASSETS (270 = 100 + 200)	270		48,432,480,673,629	44,699,873,386,034

Vietnam Dairy Products Joint Stock Company and its subsidiaries

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31st December 2020 (continued)

Form B 01 - DN/HN

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

RESOURCES	Code	Note	31/12/2020 VND	1/1/2020 VND
LIABILITIES (300 = 310 + 330)	300		14,785,358,443,807	14,968,618,181,670
Current liabilities	310		14,212,646,285,475	14,442,851,833,360
Short-term accounts payable to suppliers	311	V.14	3,199,186,016,787	3,648,445,576,699
Advances from customers	312		111,159,982,412	245,247,666,160
Taxes payable to State Treasury	313	V.16	659,550,222,596	619,393,665,850
Payables to employees	314		279,673,306,451	239,520,745,753
Short-term accrued expenses	315	V.17	1,910,213,748,076	1,738,321,908,844
Short-term unearned revenue	318		15,927,234,779	2,111,168,658
Other short-term payables	319	V.18	145,835,054,429	1,956,364,398,828
Short-term borrowings	320	V.15 (a)	7,316,497,078,307	5,351,461,260,191
Provision – short-term	321	V.19	15,278,019,908	8,048,885,766
Bonus and welfare fund	322	V.20	559,325,621,730	633,936,556,611
Long-term liabilities	330		572,712,158,332	525,766,348,310
Long-term accounts payable to suppliers	331		-	427,916,520
Other long-term payables	337	V.18	59,731,299,502	27,418,573,520
Long-term borrowings	338	V.15 (b)	167,421,748,884	122,992,982,893
Deferred tax liabilities	341	V.12 (b)	345,559,109,946	374,926,875,377
EQUITY (400 = 410)	400		33,647,122,229,822	29,731,255,204,364
Owners' equity	410	V.21	33,647,122,229,822	29,731,255,204,364
Share capital	411	V.22	20,899,554,450,000	17,416,877,930,000
Other capital	414		202,658,418,215	-
Treasury shares	415	V.22	(11,644,956,120)	(11,644,956,120)
Foreign exchange differences	417		10,647,239,612	23,174,494,894
Investment and development fund	418		3,286,241,911,090	2,200,188,373,195
Retained profits	421		6,909,725,668,453	7,875,462,401,924
- Retained profits brought forward	421a		1,578,060,922,710	4,543,346,786,755
- Profit for the current year	421b		5,331,664,745,743	3,332,115,615,169
Non-controlling interest	429		2,349,939,498,572	2,227,196,960,471
TOTAL RESOURCES (440 = 300 + 400)	440		48,432,480,673,629	44,699,873,386,034

1st March 2021

Prepared by:

Le Thanh Liem

Executive Director – Finance cum Chief Accountant



CONSOLIDATED STATEMENT OF INCOME

for the year ended 31 December 2020

Form B 02 - DN/HN

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

	Code	Note	2020 VND	2019 VND
Revenue from sales of goods and provision of services	01	VI.1	59,722,908,393,236	56,400,229,726,717
Revenue deductions	02	VI.1	86,622,167,689	82,106,963,973
Net revenue (10 = 01 - 02)	10	VI.1	59,636,286,225,547	56,318,122,762,744
Cost of sales	11	VI.2	31,967,662,837,839	29,745,906,112,117
Gross profit (20 = 10 - 11)	20		27,668,623,387,708	26,572,216,650,627
Financial income	21	VI.3	1,581,092,655,317	807,316,707,483
Financial expenses	22	VI.4	308,569,328,835	186,969,681,828
In which: Interest expense	23	•	143,818,465,177	108,824,893,987
Share of profit/(loss) in associates	24	V.4(c)	3,882,188,676	(5,716,591,103)
Selling expenses	25	VI.5	13,447,492,622,165	12,993,454,552,852
General and administration expenses	26	VI.6	1,958,155,456,285	1,396,302,416,955
Net operating profit {30 = 20 + (21 - 22) + 24 - (25 + 26)}	30		13,539,380,824,416	12,797,090,115,372
Other income	31	VI.7	212,386,195,135	249,446,259,179
Other expenses	32	VI.8	233,230,932,527	250,826,735,994
Results of other activities (40 = 31 - 32)	40		(20,844,737,392)	(1,380,476,815)
Profit before tax (50 = 30 + 40)	50		13,518,536,087,024	12,795,709,638,557
Income tax expense – current	51	VI.10	2,310,674,009,890	2,238,365,796,113
Income tax (benefit)/expense – deferred	52	VI.10	(27,870,156,991)	3,011,961,553
Net profit after tax (60 = 50 - 51 - 52) (carried forward to next page)	60		11,235,732,234,125	10,554,331,880,891
Attributable to:	•			
Equity holders of the Company	61		11,098,936,856,369	10,581,175,671,989
Non-controlling interest	62		136,795,377,756	(26,843,791,098)
Basic earnings per share	70	VI.11	4,770	4,565

1st March 2021

Prepared by:

Le Thanh Liem

Executive Director – Finance cum Chief Accountant

CÓ PHẨN SÜA Chief Executive Officer **Vietnam Dairy Products Joint Stock Company and its subsidiaries**

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2020 (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	2020 VND	2019 VND
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	01		13,518,536,087,024	12,795,709,638,557
Adjustments for				
Depreciation and amortisation	02		2,208,866,621,752	1,948,072,775,534
Allocation of goodwill	02	V.13	608,148,574,973	67,951,918,380
Allowances and provisions	03		49,503,861,013	7,332,833,362
Exchange losses arising from revaluation of monetary items denominated in foreign currencies	04		637,221,447	6,458,209,059
Gain on revaluation of investment in associate	05		(300,636,476,590)	-
Losses on disposals and write off of fixed assets and construction in progress	05		43,139,101,409	43,964,070,239
Dividends, interest income and other investment activities	05		(1,177,792,557,781)	(728,161,122,145)
Share of (profit)/loss in associates	05		(3,882,188,676)	5,716,591,103
Interest expense	06	VI.4	143,818,465,177	108,824,893,987
Operating profit before changes in working capital	08		15,090,338,709,748	14,255,869,808,076
Change in receivables	09		(714,954,818,416)	373,595,051,949
Change in inventories	10		(270,075,299,427)	401,995,429,191
Change in payables and other liabilities	11		(212,797,659,741)	(399,803,073,537)
Change in prepaid expenses	12		23,640,914,247	16,409,131,564
Change in trading securities	13		23,488,016	(4,480,040,000)
Interest paid	14		(212,768,515,107)	(227,916,555,489)
Income tax paid	15	V.16	(2,286,330,907,427)	(2,033,592,165,968)
Other payments for operating activities	17		(1,236,906,523,665)	(972,149,044,096)
Net cash flows from operating activities	20		10,180,169,388,228	11,409,928,541,690

FINANCIAL STATEMENTS (VAS) (continued)

Vietnam Dairy Products Joint Stock Company and its subsidiaries

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2020 (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	2020 VND	2019 VND
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets and other long- term assets	21		(1,264,816,995,703)	(2,158,249,206,676)
Collections on disposals of fixed assets	22		150,342,752,442	114,089,987,662
Payments for term deposits	23		(4,881,270,877,530)	(3,215,379,727,631)
Receipts from collecting loans	24		31,565,648,327	2,598,197,548
Payments for investments in other entities	25		(8,134,000)	-
Collections from investments in other entities	26		21,631,584,086	1,513,217,385
Receipts of interest and dividends	27		1,140,545,861,067	665,791,014,375
Net cash outflow from business acquisition	28		-	(2,158,238,334,831)
Net cash flows from investing activities	30		(4,802,010,161,311)	(6,747,874,852,168)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments for repurchase of treasury shares from non-controlling interest	32		(14,364,328,733)	-
Payments for repurchase of treasury shares	32		-	(1,159,248,760)
Proceeds from capital contribution from non-controlling interests	32		-	127,768,725,000
Proceeds from borrowings	33		7,769,144,505,494	10,426,775,268,658
Payments to settle loan principals	34		(5,753,602,224,085)	(6,233,112,646,051)
Payments of dividends	36	-	(7,927,711,544,061)	(7,836,250,770,500)
Net cash flows from financing activities	40		(5,926,533,591,385)	(3,515,978,671,653)
Net cash flows during the year $(50 = 20 + 30 + 40)$	50		(548,374,364,468)	1,146,075,017,869
Cash and cash equivalents at the beginning of the year	60		2,665,194,638,452	1,522,610,167,671
Effect of exchange rate fluctuations on cash and cash equivalents	61		(1,530,516,223)	(1,895,678,528)
Currency translation differences	62		(4,046,942,180)	(1,594,868,560)
Cash and cash equivalents at the end of the year $(70 = 50 + 60 + 61 + 62)$	70	V.1	2,111,242,815,581	2,665,194,638,452

1st March 2021

Prepared by:

Le Thanh Liem

Executive Director – Finance cum Chief Accountant

Approved by:

CONG TY

CO PHÁN
SUA

Chief Executive Officer

Vietnam Dairy Products Joint Stock Company and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2020

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.

naong mo ban) ractor), bretaer or acrea miniractor).

• 29 April 1993: Vietnam Dairy Products Company was established according to Decision No. 420/CNN/

TCLD issued by the Ministry of Light Industry in form of a State-owned Enterprise.

• 1 October 2003: The Company was equitised from a State-owned Enterprise of the Ministry of Industry

according to Decision No. 155/2003/QĐ-BCN.

• 20 November 2003: The Company was registered as a joint stock company and began operating under

Enterprise Laws of Vietnam and its Business Registration Certificate No. 4103001932 was

issued by Ho Chi Minh City Planning and Investment Department.

• 28 December 2005: The State Securities Commission of Vietnam issued Listed Licence No. 42/UBCK-GPNY.

• 19 January 2006: The Company's shares were listed on Ho Chi Minh City Stock Exchange.

• 12 December 2006: International Real Estates One Member Limited Company was established in accordance with the Business License No. 4104000260 issued by the Department of Investment and

Planning of Ho Chi Minh City.

• 14 December 2006: Vietnam Dairy Cow One Member Limited Company was established in accordance

with the Business License No. 150400003 issued by the Department of Planning and

Investment of Tuyen Quang Province.

• 26 February 2007: Lam Son Dairy Joint Stock Company was established in accordance with the Business

License No. 2603000521 issued by the Department of Planning and Investment of Thanh

Hoa Province.

• 24 June 2010: Lam Son Dairy Joint Stock Company was renamed as Lam Son Dairy One Member

Company Limited.

• 30 September 2010: Dielac Dairy One Member Company Limited was established based on the re-registration

of F&N Food Vietnam Limited Company in accordance with the Investment Certificate

No. 463041000209 issued by the Management of Vietnam – Singapore Industrial Park.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st December 2020 (continued)

• 30 May 2014:

• 19 May 2016:

• 31 July 2017:

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• 18 September 2012: The Company issued the Decision No. 2482/QD-CTS.KSNB/2012 on the liquidation of the Dielac Dairy One Member Limited Company to establish a dependent branch of Vietnam Dairy Products Joint Stock Company. On 25 September 2012, the Management of Vietnam – Singapore Industrial Park issued the Decision No. 37/QD-BQL on the termination of operating activities of Dielac Dairy One Member Limited Company. In July 2013, Dielac Dairy One Member Limited Company had finalised its process of liquidation.

• 21 October 2013: Thong Nhat Thanh Hoa Dairy Cow Limited Company was established in accordance to Business Registration Certificate No. 2801971744 issued by the Department of Investment and Planning of Thanh Hoa Province.

• 6 December 2013: The Company received Foreign Investment Certificate No. 663/BKHĐT-ĐTRNN issued by the Ministry of Investment and Planning, investing in Driftwood Dairy Holding Corporation in California, the United States of America. As at 31 December 2013, the Company completed a transfer of its investment of USD7 million and held 70% of ownership in Driftwood Dairy Holding Corporation.

• 6 January 2014: The Company received Foreign Investment Certificate No. 667/BKHÐT-ÐTRNN issued by the Ministry of Investment and Planning, investing in Angkor Dairy Products Co., Ltd. in Phnom Penh, Cambodia with 51% of ownership.

• 24 February 2014: The Company's Board of Management issued the resolution to liquidate International Real Estate One Member Limited Company. On 14 January 2015, the Department of Planning and Investment of Ho Chi Minh City issued Notice No. 14191/15 to liquidate International Real Estate One Member Limited Company.

> 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.

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%.

The Company received its 25th revised Business Registration certificate dated 18 January • 19 January 2017: 2017, issued by the Ho Chi Minh Department of Planning and Investment. Accordingly, Lam Son Dairy Products One member Company Limited was merged into the Company (prior to the merger, it was a 100% subsidiary owned by the Company). The Company completed the merger on 1 March 2017.

> 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%.

On 30 September 2017, the Company entered into an agreement to acquire the remaining • 21 October 2017: 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.

Vietnam Dairy Products Joint Stock Company and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st December 2020 (continued)

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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, the Company paid VND154,391 million to the former owners according to the Share Purchase Agreement.

12 September 2019: On 12 September 2019, the Company received the second revised Oversea Investment Registration Certificate no. 201600140 in which the Company's investment in its 100% owned subsidiary named Driftwood Dairy Holding Corporation in California, United States increased from USD10 million to USD20 million. As at 30 September 2019, the Company completed the transfer of its investment.

19 December 2019: The Company completed its acquisitions of 75% of equity interest of GTNFoods Joint Stock Company through various acquisition transactions.

10 August 2020: The Company received the first amendment of the foreign Investment Registration Certificate dated 10 August 2020 from the Ministry of Planning and Investment to increase the Company's investment capital in Lao-Jagro from USD25,411,924 to USD66,413,630.

19 November 2020: The Company's Board of Directors approved the resolution to close the subsidiary Vinamilk Europe Spóstka Z Ograniczona Odpowiedzialnoscia.

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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st December 2020 (continued)

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Normal operating cycle

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

Group structure

As at 31 December 2020, the Group had 10 subsidiaries and 9 associates (1/1/2020: 10 subsidiaries and 14 associates) and dependent units as follows:

Subsidiaries

News	Landan	Data da al antidata	Economic interest		
Name	Location	Principal activities	31/12/2020	1/1/2020	
Directly owned subsidiarie	S				
 Vietnam Cow Dairy 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,	Milk production	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. 	Milk production and cattle raising	Milk production	100.00%	100.00%	
 Vinamilk Europe Spóstka Z Ograniczona Odpowiedzialnoscia 	Ul, Gwiazdzista 7a/401-651 Warszawa, Poland	Dairy raw materials and animal trading	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	80.29%	51.00%	
GTNFoods Joint Stock Company	14th floor, A Tower, Handi Resco Building, 521 Kim Ma, Ngoc KhanhWard, Ba Dinh District, Ha Noi	Manufacturing and trading products from milk, tea and wine	75.30%	75.00%	

Vietnam Dairy Products Joint Stock Company and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st December 2020 (continued)

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Name	Location	Data da al a statis	Economic interest	
Name	Location	ation Principal activities		1/1/2020
Indirectly owned subsidia	ries through GTNFoods Joint S	tock Company		
Vietnam Livestock Corporation – Joint Stock Company	519 Minh Khai, Vinh Tuy Ward, Hai Ba Trung District, Ha Noi	Manufacturing, breeding, processing and trading of cattle and poultry products	56.09%	55.87%
Moc Chau Dairy Cattle Breeding Joint Stock Company	Km194 Moc Chau Farm Town, Moc Chau District, Phieng Luong, Moc Chau, Son La	Processing of milk and dairy products	28.61%	28.49%

Associates

Name	:	Duin aireal a stirritia	Economic interest	
Name Location		Principal activities	31/12/2020	1/1/2020
Directly owned associates				
Miraka Holdings Limited	108 Tuwharetoa, Taupo, New Zealand	Milk production	22.81%	22.81%
APIS Corporation	No. 18A, VSIP II-A, 27 Street, Viet Nam – Singapore II-A Industrial Zone, Vinh Tan Ward, Tan Uyen District, Binh Duong Province	Food raw materials trading	20.00%	20.00%
Asia Coconut Processing Joint Stock Company	Giao Long Industrial Zone, Phase II, An Phuoc Commune, Chau Thanh District, Ben Tre Province, Vietnam	Coconut- based products manufacturing and trading	25.00%	25.00%

Indirectly owned associates through GTNFoods Joint Stock Company

There are 6 associates indirectly owned through GTNFoods Joint Stock Company.

Dependent units

Sales branches:

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

Manufacturing factories:

- 1/ Thong Nhat Dairy Factory 12 Dang Van Bi, Thu Duc District, Ho Chi Minh City.
- 2/ Truong Tho Dairy Factory 32 Dang Van Bi, Thu Duc District, Ho Chi Minh City.
- 3/ Dielac Dairy Factory Bien Hoa I Industrial Park, Dong Nai Province.
- 4/ Can Tho Dairy Factory Tra Noc Industrial Park, Can Tho City.
- 5/ Sai Gon Dairy Factory Tan Thoi Hiep Industrial Park, District 12, Ho Chi Minh City.
- 6/ Nghe An Dairy Factory Sao Nam Street, Nghi Thu Commune, Cua Lo Town, Nghe An Province.
- 7/ Binh Dinh Dairy Factory 87 Hoang Van Thu, Quang Trung Ward, Quy Nhon City, Binh Dinh Province.

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for the year ended 31st December 2020 (continued)

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- 8/ Vietnam Beverage Factory My Phuoc II Industrial Park, Binh Duong Province.
- 9/ Tien Son Dairy Factory Tien Son Industrial Park, Bac Ninh Province.
- 10/ Da Nang Dairy Factory Hoa Khanh Industrial Park, Da Nang City.
- 11/ Vietnam Powdered Milk Factory 9 Tu Do Boulevard Vietnam-Singapore Industrial Park, Thuan An District, Binh Duong Province.
- 12/ Vietnam Dairy Factory My Phuoc II Industrial Park, Binh Duong Province.
- 13/ Lam Son Dairy Factory Le Mon Industrial Zone, Thanh Hoa City, Thanh Hoa Province.

Warehouses:

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

Clinic:

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

Raw milk center:

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

As at 31 December 2020, the Group had 9,361 employees (1/1/2020: 9,483 employees).

ACCOUNTING PERIOD AND ACCOUNTING CURRENCY

Annual accounting period 1.

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

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.

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.

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.

Vietnam Dairy Products Joint Stock Company and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st December 2020 (continued)

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Basis of consolidation

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.

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.

Loss of control

When the Group losses 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.

Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies, generally evidenced by holding 20% to 50% of voting rights in these entities. Associates are accounted for using the equity method. The consolidated financial statements include the Group's share of the income and expenses of the associates, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st December 2020 (continued)

Form B 09 – DN/HN (Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

(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 are eliminated against the investment to the extent of the Group's interest in the associate.

(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 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 reporting date.

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

(b) Foreign operations

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

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

3. Cash and cash equivalents

Cash comprises cash balances and call deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amount of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

4. Investments

(a) Trading securities

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

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

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

Vietnam Dairy Products Joint Stock Company and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st December 2020 (continued)

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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 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.

(d) Investment in equity instruments of other entities

Investment in equity instruments of other entities are 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 values if the investee has suffered a loss, except where such a loss was anticipated by the Group's Board of Management before making the investment. 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 has 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st December 2020 (continued)

Form B 09 – DN/HN

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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 direct selling expenses.

The Group applies the perpetual method of accounting for inventories.

7. Tangible fixed assets

(a) Cost

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition for its intended use, and the costs of dismantling and removing the asset and restoring the site on which it is located. Expenditure incurred after tangible fixed assets have been put into operation, such as repair and maintenance and overhaul cost, is charged to the consolidated statement of income in the year in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

(b) Depreciation

Depreciation is computed on a straight-line basis over the estimated useful lives of tangible fixed assets. The estimated useful lives are as follows:

buildings and structures 5 - 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

Land use rights comprise:

- those granted by the State for which land use payments are collected;
- those acquired in a legitimate transfer;
- rights to use leased land obtained before the effective date of Land Law (2003) for which payments have been made in advance for more than 5 years and supported by land use rights certificate issued by competent authority; and
- land lease right acquired through business combination.

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.

Vietnam Dairy Products Joint Stock Company and its subsidiaries

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(b) Trademark

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

(c) Raw material area

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

(d) Software

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

(e) Others

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

9. Investment property

(a) Cost

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

(b) Depreciation

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

definite life land use rights 13 – 50 years
 infrastructure 8 – 10 years
 buildings 6 – 50 years

Indefinite life land use rights are not amortised.

10. Construction in progress

Construction in progress represents the costs of construction and machinery which have not been fully completed or installed. No depreciation is provided for construction in progress during the year of construction and installation.

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for the year ended 31st December 2020 (continued)

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1. 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 Circular No. 45/2013/TT-BTC dated 25 April 2013 of the Ministry of Finance providing guidance on management, use and depreciation of fixed assets, and other costs incurred in conjunction with securing the use of leased land. These costs are recognised in the consolidated statement of income on a straight-line basis over the term of the lease.

(b) Tools and instruments

Tools and instruments include assets held for use by the Group in the normal course of business whose costs of individual items are less than VND30 million and therefore not qualified for recognition as fixed assets under prevailing regulation. Costs of tools and instruments are amortised on a straight-line basis over 1 – 5 years.

(c) Others

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

12. Goodwill

Goodwill arises on the acquisition of subsidiaries, associates. 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 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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15. Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Severance allowance

Under the Vietnamese Labour Code, when an employee who has worked for 12 months or more ("the eligible employees") voluntarily terminates his/her labour contract, the employer is required to pay the eligible employee severance allowance calculated based on years of service and employee's compensation at termination. Provision for severance allowance has been provided based on employees' years of service and their average salary for the sixmonth period prior to the end of the 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)

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of tax effects, is recognised as a reduction from equity. Repurchased shares are classified as treasury shares under equity. When treasury shares are reissued subsequently, the cost of shares reissued are calculated on weighted average basis, any surplus or deficit of proceed over cost is recorded in share premium.

17. Taxation

Income tax on the consolidated profit or loss for the year comprises current and deferred tax. Income tax is recognised in the consolidated statement of income except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the end of the 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 accounting period.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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for the year ended 31st December 2020 (continued)

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Revenue and other income

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.

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 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.

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.

Dividend income

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

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).

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 period 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.

Vietnam Dairy Products Joint Stock Company and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st December 2020 (continued)

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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.

Borrowing costs 22.

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 year of construction are capitalised as part of the cost of the assets concerned.

Dividend distribution

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

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

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

 Bonus and welfare fund 10% of profit after tax

10% of profit after tax Investment and development fund

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.

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.

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.

Related parties

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

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for the year ended 31st December 2020 (continued)

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

1. Cash and cash equivalents

	31/12/2020 VND	1/1/2020 VND
Cash on hand	1,347,052,417	2,104,240,925
Cash in bank	862,506,207,967	2,376,479,523,730
Cash equivalents	1,247,389,555,197	286,610,873,797
	2,111,242,815,581	2,665,194,638,452

2. Allowance for doubtful debts

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

	2020 VND	2019 VND
Opening balance	(16,794,705,625)	(11,263,181,092)
Increase in allowance during the year	(2,405,219,918)	(3,106,480,618)
Increase from business acquisition	-	(6,808,032,855)
Allowance written back during the year	1,885,733,814	546,079,319
Allowance utilised during the year	851,765,474	3,831,045,005
Currency translation differences	28,347,147	5,864,616
Closing balance	(16,434,079,108)	(16,794,705,625)

3. Other receivables

(a) Other short-term receivables

	31/12/2020 VND	1/1/2020 VND
Interest income from deposits and dividends	323,737,214,017	294,654,536,498
Receivables from employees	1,911,386,028	1,439,352,746
Advances to employees	40,530,325,166	46,455,711,459
Short-term deposits	4,636,064,550	8,068,620,202
Import tax refundable	900,657,091	947,730,977
Rebate income receivable from suppliers	20,395,323,959	16,220,762,319
Others	91,626,504,292	70,480,803,703
	483,737,475,103	438,267,517,904

Vietnam Dairy Products Joint Stock Company and its subsidiaries

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(b) Other long-term receivables

	31/12/2020 VND	1/1/2020 VND
Collateral, deposits	15,721,340,815	16,119,656,995
Others	4,252,770,900	4,505,000,000
	19,974,111,715	20,624,656,995

4. Investments

(a) Trading securities

		31/12/2020	/12/2020		1/1/2020	
	Carrying amount VND	Fair value VND	Allowance for diminu- tion in value VND	Carrying amount VND	Fair value VND	Allowance for diminu- tion in value VND
Short-term investments in shares	1,124,178,861	187,658,055	(936,520,806)	1,153,041,048	312,492,361	(840,586,787)

(b) Held-to-maturity investments

	31/12/2020 VND	1/1/2020 VND
Held-to-maturity investments – short-term		
• term deposits	17,313,492,116,838	12,435,431,874,703
Held-to-maturity investments – long-term		
• term deposits	200,000,000,000	200,000,000,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Investments in other entities

ΰ

		31/12/2020				1/1/2020	0.	
	% 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	% of equity owned and Equity accounted/ voting cost rights VND	Fair value VND	Allowance for diminution in value VND
Investments in associates								
• Miraka Holdings Limited	22,81%	359,933,689,425	*	1	22,81%	368,041,190,003	*	1
• APIS Corporation	20,00%	30,674,569,203	*	I	20,00%	27,129,550,095	*	1
 Asia Coconut Processing Joint Stock Company 	25,00%	86,870,895,709	*)	I	25,00%	83,857,374,574	*	ı
 Indirectly owned associates through GTNFoods Joint Stock Company 		209,006,574,726	*)	1		209,084,472,387	*)	1
		686,485,729,063		1		688,112,587,059		1
Equity investments in other entities								
 Asia Saigon Food Ingredients Joint Stock Company 	14,71%	69,261,607,154	*	I	14,71%	69,261,607,154	*	1
• An Khang Clinic – Pharmacy		300,000,000	*	1		300,000,000	*	1
• Others		32,362,691,927	*	(14,969,115,668)		34,975,403,058	*	(5,973,306,842)
		101,924,299,081		(14,969,115,668)		104,537,010,212		(5,973,306,842)
		788,410,028,144		(14,969,115,668)		792,649,597,271		(5,973,306,842)

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

	2020 VND	2019 VND
Opening balance	688,112,587,059	497,498,739,617
Investments	-	1,630,761,731,739
Increase from business acquisition	-	209,084,472,387
Other increases	2,270,219,533	-
Dividends received	(121,500,000)	-
Disposal	(7,657,766,205)	-
Deemed disposal	-	(1,643,515,765,581)
Share of profit/(loss) in associates	3,882,188,676	(5,716,591,103)
Closing balance	686,485,729,063	688,112,587,059

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

	2020 VND	2019 VND
Opening balance	(840,586,787)	(605,728,258)
Increase in allowance during the year	(100,563,091)	(236,103,624)
Currency translation differences	4,629,072	1,245,095
Closing balance	(936,520,806)	(840,586,787)

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

	2020 VND	2019 VND
Opening balance	(5,973,306,842)	(921,571,652)
Increase in allowance during the year	(4,752,980,411)	(366,306,689)
Increase from business acquisition	-	(4,685,428,501)
Others	(4,242,828,415)	-
Closing balance	(14,969,115,668)	(5,973,306,842)

FINANCIAL STATEMENTS (VAS) (continued)

Vietnam Dairy Products Joint Stock Company and its subsidiaries

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Inventories

	31/12/	2020	1/1/2	2020
	Cost VND	Allowance VND	Cost VND	Allowance VND
Goods in transit	503,903,375,198	-	749,979,994,029	-
Raw materials	2,923,632,361,907	(12,307,783,410)	2,661,481,393,725	(10,038,265,185)
Tools and supplies	58,380,347,644	(34,115,719)	36,772,262,332	-
Work in progress	217,923,916,830	(14,845,850,302)	170,681,379,523	-
Finished goods	1,185,827,459,309	(20,463,190,100)	1,340,143,116,595	(3,032,130,876)
Merchandise inventories	52,957,999,917	(129,134,864)	29,311,606,981	-
Goods on consignment	10,223,227,206	-	7,745,046,793	-
	4,952,848,688,011	(47,780,074,395)	4,996,114,799,978	(13,070,396,061)

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

2020	2019
VND	VND
(13,070,396,061)	(12,458,389,626)
(58,607,152,943)	(29,790,124,288)
19,335,886,062	28,237,030,891
4,468,035,818	941,086,962
93,552,729	-
(47,780,074,395)	(13,070,396,061)
	(13,070,396,061) (58,607,152,943) 19,335,886,062 4,468,035,818 93,552,729

VND	VND	VND	VND	VND	VND	VND
Total	Others	Livestock	equipment	vehicles	equipment	structures
			Office	Motor	Machinery and	Buildings and
stry of Finance	er 2014 of the Minis	dated 22 Decemb				

		Macililei y alla	MICHOLO	Ollice			
	structures VND	equipment VND	vehicles VND	equipment VND	Livestock VND	Others VND	Total VND
Cost							
Opening balance	5,219,430,942,320	17,817,352,159,485	1,217,353,397,778	704,976,051,847	1,248,752,246,495	19,571,356,324	26,227,436,154,249
Additions	33,013,047,545	196,797,944,459	42,757,266,929	18,295,834,459	104,947,938,821	1	395,812,032,213
Transfer from construction in progress	335,888,641,343	284,339,430,419	7,361,649,946	3,401,332,394	-	1	630,991,054,102
Transfer from inventories	1	-	-	1	308,379,491,898	1	308,379,491,898
Transfer to intangible fixed assets		1	1	(72,900,000)	1	1	(72,900,000)
Transfer to prepaid expenses	(6,834,814,390)	(4,451,449,496)	-	1	1	ı	(11,286,263,886)
Reclassification	2,689,734,274	7,265,054,614	1,166,996,508	(10,077,494,896)	ı	(1,044,290,500)	
Disposals/write off	(10,404,626,573)	(72,508,321,220)	(11,624,343,045)	(59,187,436,693)	(320,867,051,559)	(11,648,942,680)	(486,240,721,770)
Other decreases			-	1	(20,918,860,787)	ı	(20,918,860,787)
Currency translation differences	(1,000,733,601)	(4,633,026,201)	(399,803,742)	(40,011,225)	(391,444,389)	371,507	(6,464,647,651)
Closing balance	5,572,782,190,918	18,224,161,792,060	1,256,615,164,374	657,295,375,886	1,319,902,320,479	6,878,494,651	27,037,635,338,368
Accumulated depreciation							
Opening balance	1,919,973,990,771	8,980,673,313,432	661,654,957,104	505,765,713,054	408,560,151,566	6,898,409,721	12,483,526,535,648
Charge for the year	273,912,718,070	1,476,432,031,685	134,627,026,346	52,293,247,378	213,340,296,099	1,099,739,517	2,151,705,059,095
Transfer to intangible fixed assets	1	1	1	(4,860,000)	1	1	(4,860,000)
Transfer to prepaid expenses	(1,351,126,179)	(4,401,059,751)	1	1	1	1	(5,752,185,930)
Reclassification	1,013,131,341	5,082,935,744	175,671,684	(6,271,738,769)	1	1	
Disposals/write off	(8,895,553,121)	(68,206,969,916)	(8,433,649,243)	(59,179,372,131)	(150,555,736,812)	(1,774,274,286)	(297,045,555,509)
Other increases/(decreases)	1	21,360,510	(21,360,609)	1	(8,239,484,601)	1	(8,239,484,700)
Currency translation differences	(395,800,112)	(2,741,419,564)	(413,895,125)	(87,106,935)	(222,905,664)	78,750	(3,861,048,650)
Closing balance	2,184,257,360,770	10,386,860,192,140	787,588,750,157	492,515,882,597	462,882,320,588	6,223,953,702	14,320,328,459,954
Net book value							
Opening balance	3,299,456,951,549	8,836,678,846,053	555,698,440,674	199,210,338,793	840,192,094,929	12,672,946,603	13,743,909,618,601
Closing balance	3,388,524,830,148	7,837,301,599,920	469,026,414,217	164,779,493,289	857,019,999,891	654,540,949	12,717,306,878,414

FINANCIAL STATEMENTS (VAS) (continued)

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Intangible fixed assets

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Vietnam Dairy Products Joint Stock Company and its subsidiaries

72,900,000 (1,263,868,509) 1,338,628,984,267 55,140,419,962 (878,578,540) 43,033,548,581 49,931,700,000 (238,700,000) 124,275,417,881 123,060,162,544 2,032,483,952 72,900,000 (11,550,075) 95,506,351,675 12,076,286,581 (878,578,540) 164,964,058,635 164,964,058,635 10,997,603,909 276,413,594,392 276,413,594,392 16,259,623,199 723,044,213,359 15,806,906,273 683,056,767,164 41,001,064,629 (1,013,618,434) 18,541,632,958 Land use rights Transfer from tangible fixed assets Accumulated amortisation Transfer from tangible Currency translation Charge for the year Disposals/write off Disposals/write off Closing balance Opening balance

ncluded in the cost of intangible fixed assets were assets costing VND83,092 million which were fully amortised as at 31 December 2020 (1/1/2020: VND56,267 million), but which are still in use.

1,149,630,598,102

16,184,000,000

27,553,810,869 17,577,888,575

164,964,058,635

276,413,594,392 260,153,971,193

664,515,134,206

Opening balance Net book value

Closing balance

16,107,000,000

202,127,995,645

106,697,529,306

(173,090,410)

(161,700,000)

(11,390,410)

Currency translation differences

Closing balance

Vietnam Dairy Products Joint Stock Company and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st December 2020 (continued)

Form B 09 - DN/HN (Issued under Circular No. 202/2014/TT-BTC

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Investment property

	Land use rights VND	Infrastructure VND	Buildings VND	Total VND
Cost				
Opening and closing balances	39,821,793,375	469,928,364	41,189,549,705	81,481,271,444
Accumulated depreciation				
Opening balance	5,476,584,047	469,928,364	13,516,642,297	19,463,154,708
Charge for the year	865,672,684	-	1,155,470,011	2,021,142,695
Closing balance	6,342,256,731	469,928,364	14,672,112,308	21,484,297,403
Net book value				
Opening balance	34,345,209,328	-	27,672,907,408	62,018,116,736
Closing balance	33,479,536,644	-	26,517,437,397	59,996,974,041

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 VND3,875 million which were fully depreciated as at 31 December 2020 (1/1/2020: VND470 million), but which are still in active use.

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.

Construction in progress

	2020 VND	2019 VND
Opening balance	694,211,658,507	653,847,678,004
Additions	804,687,483,899	1,360,141,492,392
Transfer to tangible fixed assets	(630,991,054,102)	(1,253,412,331,640)
Transfer to intangible fixed assets	-	(1,796,970,000)
Transfer to inventories	(7,465,976,084)	(5,507,091,233)
Transfer to short-term prepaid expenses	(1,760,555,092)	(13,371,239,438)
Transfer to long-term prepaid expenses	(40,232,557,176)	(30,607,848,661)
Disposals	(4,585,064,945)	(3,005,364,532)
Other decreases	(18,698,614,871)	(11,991,087,321)
Currency translation differences	(1,343,838,795)	(85,579,064)
Closing balance	793,821,481,341	694,211,658,507

Major constructions in progress at the companies within the Group were as follows::

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for the year ended 31st December 2020 (continued)

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	31/12/2020 VND	1/1/2020 VND
Vietnam Dairy Products Joint Stock Company	172,902,613,971	158,002,285,957
Vietnam Dairy Cow One Member Limited Company	321,520,100,900	133,837,220,407
Lao-Jagro Development Xiengkhouang Co., Ltd.	194,824,183,791	43,305,725,200
Others	104,574,582,679	359,066,426,943
	793,821,481,341	694,211,658,507

11. Prepaid expenses

Short-term prepaid expenses

	31/12/2020 VND	1/1/2020 VND
Software deployment and networks maintenance	13,444,591,545	9,572,209,173
Advertising	3,073,357,070	9,658,640,649
Operating lease	2,775,891,081	5,626,854,948
Tools and supplies	11,644,154,656	14,812,274,870
Renovation and repair	2,467,885,300	8,718,925,773
Other short-term prepaid expenses	24,008,827,945	20,245,436,425
	57,414,707,597	68,634,341,838

Long-term prepaid expenses

	Prepaid land cost VND	Tools and instruments VND	Other prepaid cost VND	Total VND
Opening balance	304,887,582,562	245,659,909,842	128,082,987,465	678,630,479,869
Additions	959,579,661	215,846,407,313	16,534,702,904	233,340,689,878
Transfer from construction in progress	21,191,514,014	13,343,463,321	5,697,579,841	40,232,557,176
Amortisation for the period	(14,002,127,971)	(183,509,306,674)	(38,962,585,042)	(236,474,019,687)
Other decreases	(1,976,604,520)	(141,577,594)	111,965,146	(2,006,216,968)
Reclassification	49,466,825,577	22,456,186,141	(71,923,011,718)	-
Currencytranslation differences	(148,179,720)	(75,318,125)	(685,409)	(224,183,254)
Closing balance	360,378,589,603	313,579,764,224	39,540,953,187	713,499,307,014

Vietnam Dairy Products Joint Stock Company and its subsidiaries

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for the year ended 31st December 2020 (continued)

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Deferred tax assets and liabilities

Deferred tax assets

	31/12/2020 VND	1/1/2020 VND
Deferred tax assets		
Foreign exchange differences	303,463,416	3,257,402,544
Accrued expenses and provisions	24,550,707,304	23,109,878,308
Net deferred tax assets	24,854,170,720	26,367,280,852

Deferred tax liabilities - net

	31/12/2020 VND	1/1/2020 VND
Deferred tax assets		
Accounts receivable	1,492,658,700	1,526,659,840
Inventories	834,802,800	909,887,600
Tax losses carry forwards	41,085,965,700	29,950,457,200
Accrued expenses	5,396,236,170	6,864,189,280
Others	3,702,654,150	2,854,973,200
Total deferred tax assets	52,512,317,520	42,106,167,120
Deferred tax liabilities		
Fixed assets	(373,762,052,764)	(392,607,456,097)
Others	(24,309,374,702)	(24,425,586,400)
Total deferred tax liabilities	(398,071,427,466)	(417,033,042,497)
Net deferred tax liabilities	(345,559,109,946)	(374,926,875,377)

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st December 2020 (continued)

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13. Goodwill

	2020 VND	2019 VND
Opening balance	2,366,060,103,995	538,340,102,319
Increase due to the completion of provisional accounting of business combination transaction (Note VII.1)	300,636,476,590	-
Increase from business combination	-	1,573,025,317,423
Pre-existing goodwill of the acquiree	-	322,646,602,633
Charge for the year	(608,148,574,973)	(67,951,918,380)
Closing balance	2,058,548,005,612	2,366,060,103,995

Accounts payable to suppliers

Accounts payable to related parties

	31/12/2020 VND	1/1/2020 VND
Associates		
Miraka Holdings Limited	15,801,851,520	-
APIS Corporation	11,757,967,902	12,362,064,763
Asia Coconut Processing Joint Stock Company	2,964,852,019	1,776,358,247

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

Vietnam Dairy Products Joint Stock Company and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Short-term borrowings

(a)

	1/1/2020 VND	Incurred VND	Paid VND	Foreign exchange differences VND	change Currency translation nces differences VND	31/12/2020 VND
Short-term borrowings	5,330,653,260,191	7,918,382,941,256	(5,948,145,671,063)	(5,170,000,000)	67,547,923	7,295,788,078,30
Current portion of long-term 20,000,000 20,000,000 (20,000,000) (20,000,000) (30,000,000)	20,000,000	20 020 500 000	(20 830 500 000)		(00,000,000)	20 000 007

Corporation, Ho Chi Minh City Branch

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

5,351,461,260,191

7,939,222,441,256

(5,968,985,171,063)

(5,170,000,000)

(31,452,077)

7,316,497,078,307

The Bank of Tokyo – Mitsubishi UFJ Ltd., Ho Chi Minh City Branch DBS Bank, Singapore Joint Stock Commercial Bank for Investment and Development of Vietnam, Khanh Hoa Branch Joint Stock Commercial Bank for Foreign Trade of Vietnam, Ho Chi Minh City Branch 7,295,788,078,307 2,071,058,149,400 2,554,200,000,000

This borrowing was secured by assets with carrying amount of VND819,579 million as at 31 December 2020 (1/1/2020: VND750,071 million).

399999 31/12/2020 VND 2,130,220,000,000

2,320,900,000,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

188,130,748,884 (20,709,000,000) **167,421,748,884** 117,351,000,000 70,735,156,050 44,592,834 (876,245,225) 15,803,109,941 31/12/2020 VND 2022 2022 2039 50,341,401,275 (20,839,500,000) Paid VND USD Điều khoản và điều kiện của các khoản vay dài hạn hiện còn số dư như sau: 122,992,982,893 1/1/2020 VND g-term borrowings rent portion of long-term borrowings

188,130,748,884 This borrowing was secured by assets with carrying amount of VND819,579 million as at 31 December 2020 (1/1/2020: VND750,071 million).

143,800,982,893

These borrowings were unsecured. \equiv

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Taxes payable to State Treasury

	1/1/2020 VND	Incurred VND	Paid VND	Currency translation differences VND	31/12/2020 VND
Value added tax	142,973,049,479	2,550,899,797,250	(2,549,896,810,225)	5,673,307	143,981,709,811
Corporate income tax	448,267,946,159	2,310,674,009,890	(2,286,330,907,427)	4,339,360	472,615,387,982
Personal income tax		295,384,945,777	(274,326,738,309)	(1,717,782)	36,154,993,512
Import tax	9,010,997,736	123,379,970,238	(127,097,179,963)	(17,618,595)	5,276,169,416
Other taxes	4,043,168,650	33,253,156,729	(35,774,101,881)	(261,623)	1,521,961,875
	619,393,665,850	5,313,591,879,884	(5,273,425,737,805)	(9,585,333)	659,550,222,596

Vietnam Dairy Products Joint Stock Company and its subsidiaries

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for the year ended 31st December 2020 (continued)

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17. Accrued expenses

	31/12/2020 VND	1/1/2020 VND
Sale incentives, promotion	1,109,541,836,461	772,113,174,851
Advertising expenses	371,838,819,801	528,630,512,164
Interest expenses	42,782,929,048	111,732,978,978
Transportation expenses	80,137,873,178	80,462,406,538
Expenses for outsourced employees	116,189,367,411	75,439,919,727
Rental fees	27,254,550,442	11,421,374,844
Repair and maintenance expenses	33,408,621,034	27,555,234,704
Fuel expenses	6,393,229,218	9,088,689,260
Others	122,666,521,483	121,877,617,778
	1,910,213,748,076	1,738,321,908,844

Other payables

	31/12/2020 VND	1/1/2020 VND
Short-term deposits received	20,961,514,946	23,018,045,907
Insurance and trade union fees	8,372,563,407	6,257,352,031
Dividend payables	19,526,250	1,790,475,448,000
Mutual fund collected and managed on behalf of farmers	55,771,446,244	53,845,326,860
Others	120,441,303,084	110,186,799,550
	205,566,353,931	1,983,782,972,348
Of which:		
Short-term	145,835,054,429	1,956,364,398,828
Long-term	59,731,299,502	27,418,573,520

Vietnam Dairy Products Joint Stock Company and its subsidiaries

Long-term borrowings

(p

CONSOLIDATED FINANCIAL STATEMENTS (VAS) (continued)

Vietnam Dairy Products Joint Stock Company and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st December 2020 (continued)

Form B 09 – DN/HN

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Provision – short-term

	31/12/2020 VND	1/1/2020 VND
Provision for severance allowance (*)	4,769,394,680	5,223,048,135
Provision for regular fixed assets maintenance	-	1,680,238,911
Others	10,508,625,228	1,145,598,720
	15,278,019,908	8,048,885,766

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

	2020 VND	2019 VND
Opening balance	5,223,048,135	7,014,989,703
Increase in provision during the year	5,181,648,257	5,135,186,530
Provision used during the year	(5,313,217,982)	(4,408,869,921)
Provision written back during the year	(322,083,730)	(2,518,258,177)
Closing balance	4,769,394,680	5,223,048,135

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:

	2020 VND	2019 VND
Opening balance	633,936,556,611	507,013,437,050
Appropriation	1,154,191,473,898	1,042,687,225,216
Increase from business acquisition	-	58,057,048,774
Other increases	329,712,625	-
Utilisation	(1,229,132,121,404)	(973,821,154,429)
Closing balance	559,325,621,730	633,936,556,611

	Share capital VND	Other capital VND	Treasury shares VND	Foreign exchange differ- ences VND	Investment and development fund VND	Retained profits VND	Non-controlling interest VND	Total VND
As at 1 January 2019	17,416,877,930,000		(10,485,707,360)	27,635,831,784	27,635,831,784 1,191,672,373,593	7,155,434,314,256	490,234,549,654	26,271,369,291,927
Increase from business acquisition	1	1			1		1,671,828,944,895	1,671,828,944,895
Capital contribution		1	1		1	1	127,768,725,000	127,768,725,000
Purchase of treasury shares	1	1	(1,159,248,760)	1	1	1	1	(1,159,248,760)
Net profit for the year		1		1		10,581,175,671,989	(26,843,791,098)	10,554,331,880,891
Appropriation to equity funds	1	1	1	1	1,008,515,999,602	(1,008,515,999,602)	1	ı
Appropriation to bonus and welfare fund (Note V,20)	ı	1	1	ı	1	(1,042,687,225,216)	ı	(1,042,687,225,216)
Other increases/(decreases)	1	1	1		1	26,276,249,997	(35,791,467,980)	(9,515,217,983)
Dividends by cash (Note V,23)		1		1		(7,836,220,609,500)		(7,836,220,609,500)
Currency translation differences	1	1	1	(4,461,336,890)	1		1	(4,461,336,890)
Shares issued to existing shareholders (Note V,22)	3,482,676,520,000	1				(3,482,676,520,000)		
Increase capital from retained earnings of a subsidiary		202,658,418,215	ı	ı		(202,658,418,215)	ı	ı
Capital contribution to a subsidiary	1	1		1	1	(67,033,233,495)	67,033,233,495	ı
A subsidiary purchases treasury shares from non-controlling interest			-	1		1	(14,364,328,733)	(14,364,328,733)
Net profit for the year	1	ı	1	1	1	11,098,936,856,369	136,795,377,756	11,235,732,234,125
Appropriation to equity funds	1	1	1	1	1,086,053,319,442	(1,086,053,319,442)	1	1
Appropriation to bonus and welfare fund (Note V,20)				1	1	(1,131,165,414,048)	(23,026,059,850)	(1,154,191,473,898)
Other increases/(decreases)		-		1	218,453	(264,755,640)	(1,304,258,887)	(1,568,796,074)
Dividends by cash (Note V,23)	1	1	1	1	1	(6,094,821,929,000)	1	(6,094,821,929,000)
Dividends of a subsidiary to non-controlling interest		ı	ı	1	1		(42,391,425,680)	(42,391,425,680)
Currency translation differences	ı	1	1	(12,527,255,282)	1	1	1	(12,527,255,282)
As at 31 December 2020	20,899,554,450,000	202,658,418,215	(11,644,956,120)	10,647,239,612	10,647,239,612 3,286,241,911,090	6.909.725.668.453	2,349,939,498,572	33,647,122,229,822

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for the year ended 31st December 2020 (continued)

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Share capital

The Company's authorised and issued share capital are:

	31/12/2	31/12/2020		020
	Number of shares	VND	Number of shares	VND
Authorised share capital		20,899,554,450,000		17,416,877,930,000
Issued shares				
Ordinary shares		20,899,554,450,000	1,741,687,793	17,416,877,930,000
Treasury shares				
Ordinary shares	(310,099)	(11,644,956,120)	(310,099)	(11,644,956,120)
Shares currently in circulation				
Ordinary shares		20,887,909,493,880		17,405,232,973,880

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:

	31/12/2020		1/1/2020	
	VND	%	VND	%
The State Capital Investment Corporation	7,524,766,020,000	36.00%	6,270,638,350,000	36.00%
Other shareholders' capital	13,374,788,430,000	64.00%	11,146,239,580,000	64.00%
	20,899,554,450,000	100.00%	17,416,877,930,000	100.00%

Movements of share capital during the year were as follows:

	2020 VND	2019 VND
Balance at beginning of the year	17,416,877,930,000	17,416,877,930,000
Shares issued to existing shareholders	3,482,676,520,000	-
Balance at end of the year	20,899,554,450,000	17,416,877,930,000

On 26 June 2020, at the Company's Annual General Meeting, shareholders of the Company approved to issue shares to its existing shareholders from retained profits. Accordingly, each existing shareholder who own 5 shares as at 30 September 2020 (the date of finalisation of shareholder list) received 1 additional share. On 5 October 2020, the Company reported the result of the above share issuance program to the State Securities Commission, in which 348,267,652 shares have been successfully issued to existing shareholders.

Vietnam Dairy Products Joint Stock Company and its subsidiaries

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Dividends 23.

Pursuant to the Resolution of the Company's Annual General Meeting dated 26 June 2020, the Board of Management of the Company resolved to distribute dividends in relation to 2019 and 2020 profits, in total amounting to VND6,094,822 million (VND1,500 per share for the remaining distribution for the fiscal year 2019 and VND2,000 per share for the first advance distribution for the fiscal year 2020) (for year ended 31 December 2019: VND7,836,221 million (VND1,500 per share for the remaining distribution for the fiscal year 2018, VND2,000 per share for the first distribution for the fiscal year 2019 and VND1,000 per share for the second advance distribution for the fiscal year 2019)).

On 7 December 2020, the Board of Management of the Company resolved to advance the second dividends for 2020 amounting to VND1,000 per share. The final registration date for this dividend was 6 January 2021, therefore, estimated dividend payable of VND2,089,676 has not been recorded in these consolidated financial statements.

24. Off balance sheet items

(a) Leases

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

	31/12/2020 VND	1/1/2020 VND
Within one year	36,565,727,595	26,573,411,505
Within two to five years	93,592,232,777	61,288,770,406
More than five years	510,017,011,707	372,475,927,006
	640,174,972,079	460,338,108,917

Foreign currencies

	31/12/202	0	1/1/20	20
	Original currency	equivalent VND	Original currency	equivalent VND
• USD	7,111,150	163,627,566,102	18,849,582	427,479,136,071
• EUR	16,390	458,275,294	1,070	27,562,961
		164,085,841,396		427,506,699,032

Capital commitments

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

	31/12/2020 VND	1/1/2020 VND
Approved and contracted	893.004.471.215	2.250.010.458.648

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SUPPLEMENTARY INFORMATION TO ITEMS DISCLOSED IN THE CONSOLIDATED STATEMENT OF INCOME

Revenue from sales of goods and provision of services

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

Net revenue comprised:

	2020 VND	2019 VND
Total revenue		
Sales of finished goods	57,113,912,829,752	53,648,443,679,006
Sales of merchandise goods	2,390,241,370,776	2,505,069,964,691
Other services	48,194,896,963	57,429,475,380
Rental income from investment property	8,820,628,654	11,081,348,335
• Others	161,738,667,091	178,205,259,305
	59,722,908,393,236	56,400,229,726,717
Less revenue deductions		
Sale discounts	47,989,924,856	35,320,204,853
Sale returns	38,632,242,833	46,786,759,120
	86,622,167,689	82,106,963,973
Net revenue	59,636,286,225,547	56,318,122,762,744

In which revenue from sales to a related party was as follows:

	2020 VND	2019 VND
Associates		
APIS Corporation	632,878,546	302,263,750

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Cost of sales

	2020 VND	2019 VND
Total cost of sales		
• Finished goods sold	29,083,357,351,405	27,292,770,814,412
Merchandise goods sold	2,194,365,115,120	2,066,080,846,371
Costs of promotional goods	523,113,088,263	245,378,295,206
Operating costs of investment property	2,021,142,695	4,285,651,543
Other services	12,581,009,761	7,175,585,374
Allowance for inventories	39,271,266,881	1,553,093,397
• Other cost of sales	112,953,863,714	128,661,825,814
	31,967,662,837,839	29,745,906,112,117

Financial income

	2020 VND	2019 VND
Interest income from deposits	1,148,535,809,815	724,201,948,913
Foreign exchange gains	53,635,725,251	45,677,155,030
Dividends	18,021,315,215	26,388,617
Gain on disposal of financial investment	11,945,412,881	1,523,144,012
Gain on revaluation to fair value of 40.53% shares of GTNFoods Joint Stock Company when it becomes a subsidiary	300,636,476,590	-
Others	48,317,915,565	35,888,070,911
	1,581,092,655,317	807,316,707,483

Financial expenses

	2020 VND	2019 VND
Interest expense on borrowings	143,818,465,177	108,824,893,987
Interest expense on deposits received	211,599,639	209,154,467
Foreign exchange losses	42,096,477,192	60,074,270,250
Allowance for diminution in value of financial investments	4,853,543,502	602,410,313
Payment discounts for customers	18,515,111,685	16,644,639,654
Others	99,074,131,640	614,313,157
	308,569,328,835	186,969,681,828



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for the year ended 31st December 2020 (continued)

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5. Selling expenses

	2020 VND	2019 VND
Staff costs	627,519,692,964	662,893,692,363
Materials expenses	76,467,628,324	58,598,092,914
Tools and supplies expenses	94,364,884,488	101,797,093,375
Depreciation expenses	63,401,882,859	32,209,218,234
Expenses of damaged goods	41,951,650,192	47,010,411,525
Transportation expenses	654,398,362,889	656,573,934,636
Outside service expenses	680,756,723,230	538,070,812,541
Advertising and market research expenses	1,439,912,629,179	2,099,837,013,737
Promotion, product display expenses, support and commission expenses for distributors	9,768,719,168,040	8,796,464,283,527
	13,447,492,622,165	12,993,454,552,852

6. General and administration expenses

	2020 VND	2019 VND
Staff costs	577,934,438,889	593,317,535,442
Materials expenses	36,992,500,615	40,456,896,979
Office supplies	20,689,042,010	21,033,022,257
Depreciation expenses	100,595,000,203	91,973,691,054
Taxes, fees and duties	21,238,023,841	17,487,095,595
Allowance for doubtful debts and provision for	5,379,050,631	7,541,515,077
severance allowance	37,394,278,075	42,897,711,789
Transportation expenses	352,697,363,079	319,849,426,955
Outside service expenses	30,596,558,141	30,064,181,864
Loading expenses	39,968,855,820	56,796,678,410
Per-diem allowances	11,449,788,958	14,954,730,837
Bank charges	608,148,574,973	67,951,918,380
Goodwill amortisation	115,071,981,050	91,978,012,316
Others	1,958,155,456,285	1,396,302,416,955

Vietnam Dairy Products Joint Stock Company and its subsidiaries

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for the year ended 31st December 2020 (continued)

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7. Other income

	2020 VND	2019 VND
Proceeds from disposals of fixed assets and construction in progress	150,657,740,381	115,441,098,773
Rebate income from suppliers	38,926,748,666	91,200,000,000
Compensations received from other parties	5,915,739,507	6,090,919,888
Tax refunded	-	4,532,009,470
Others	16,885,966,581	32,182,231,048
	212,386,195,135	249,446,259,179

8. Other expenses

	2020 VND	2019 VND
Book value of fixed assets and construction in progress disposed and written off	193,780,231,206	158,054,057,901
Others	39,450,701,321	92,772,678,093
	233,230,932,527	250,826,735,994

9. Production and business costs by element

	2020 VND	2019 VND
Raw material costs included in production costs	24,697,908,977,731	23,085,598,914,758
Labour costs and staff costs	2,554,790,095,717	2,461,783,667,411
Depreciation and amortisation	2,195,909,047,456	1,937,044,165,899
Outside services	2,923,270,919,069	2,714,954,382,152
Other expenses	12,978,185,551,898	11,839,165,502,615

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for the year ended 31st December 2020 (continued)

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10. Income tax

(a) Recognised in the consolidated statement of income

	2020 VND	2019 VND
Current tax expense	2,310,674,009,890	2,238,365,796,113
In which: Current tax (income)/expense relating to taxable income of prior years	(2,442,466,867)	124,920,226,014
Deferred tax (benefit)/expense		
Origination and reversal of temporary differences	(27,870,156,991)	3,011,961,553
Income tax expense	2,282,803,852,899	2,241,377,757,666

(b) Reconciliation of effective tax rate

	2020 VND	2019 VND
Accounting profit before tax	13,518,536,087,024	12,795,709,638,557
Tax at the Company's tax rate	2,703,707,217,405	2,559,141,927,711
Tax rate differential applied to Company's subsidiaries, branches and factories	(65,019,245,734)	(61,723,882,243)
Tax exempt income	(3,604,263,043)	(5,277,723)
Non-deductible expenses	11,445,580,837	15,588,846,243
Tax incentives	(428,544,736,036)	(398,961,695,578)
Changes in deferred tax assets not recognised	67,261,766,337	2,417,613,242
Current tax (income)/expense relating to taxable income of prior years	(2,442,466,867)	124,920,226,015
	2,282,803,852,899	2,241,377,757,666

(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 its factories and branches, on taxable profits. The Company and its subsidiaries incurred the income tax charges.

Vietnam Dairy Products Joint Stock Company and its subsidiaries

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for the year ended 31st December 2020 (continued)

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11. Basic earnings per share

The calculation of earnings per share for the year ended 31 December 2020 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

	2020 VND	2019 VND
Net profit for the year – attributable to ordinary shareholders before appropriation to bonus and welfare fund	11,098,936,856,369	10,581,175,671,989
Appropriation to bonus and welfare fund attributable to ordinary shareholders	(1,131,165,414,048)	(1,042,687,225,216)
Net profit for the year attributable to ordinary shareholders after appropriation to bonus and welfare fund	9,967,771,442,321	9,538,488,446,773

(b) Weighted average number of ordinary shares

	2020 Số cổ phiếu	2019 Số cổ phiếu (Điều chỉnh lại)
Issued ordinary shares at the beginning of the year	1,741,377,694	1,741,411,583
Effect of treasury shares purchased during the year	-	(20,259)
Effect of bonus shares issues during the year (Note V.22)	348,273,880	348,278,265
Weighted average number of ordinary shares for the year ended 31 December	2,089,651,574	2,089,669,589

As at 31 December 2020, the Group did not have potentially dilutive ordinary shares.

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for the year ended 31st December 2020 (continued)

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VII. OTHER INFORMATION

1. Completion of the provisional accounting relating to the business combination

During the year and until 30 September 2019, the Company acquired, through various transactions, a 40.53% equity interest of GTNFoods Joint Stock Company ("GTN") for a consideration of VND1,478,191 million. In November and December 2019, the Company acquired an additional 34.47% equity interest of GTN for a consideration of VND1,969,141 million, increasing its ownership in this entity to 75%. As at the time of preparation of the consolidated financial statements for the year ended 31 December 2019, the Group used temporary available information to account for this business combination transaction.

In December 2020, the provisional accounting was completed, the changes between the provisional fair value and the finalised fair value were as follows:

	Provisional fair value VND	Adjustments VND	Finalised fair value VND
Cash and cash equivalents	1,289,093,610,006	-	1,289,093,610,006
Short-term investments	689,953,475,500	-	689,953,475,500
Accounts receivable – short-term	102,549,756,276	=	102,549,756,276
Inventories	263,952,522,120	-	263,952,522,120
Other current assets	17,557,465,861	-	17,557,465,861
Accounts receivable – long-term	5,000,000	=	5,000,000
Fixed assets – net	1,062,324,709,093	-	1,062,324,709,093
Long-term work in progress	33,274,624,556	-	33,274,624,556
Long-term investments	236,853,426,944	-	236,853,426,944
Goodwill	322,646,602,633	-	322,646,602,633
Other long-term assets	8,977,954,624	-	8,977,954,624
Current liabilities	(288,060,294,100)	-	(288,060,294,100)
Deferred tax liabilities	(177,326,047,360)	=	(177,326,047,360)
Long-term liabilities	(2,913,200,000)	-	(2,913,200,000)
Non-controlling interests	(1,042,808,724,476)	-	(1,042,808,724,476)
Net identifiable assets and liabilities	2,516,080,881,677	-	2,516,080,881,677
Share of net assets acquired (75%)	1,887,060,661,257	-	1,887,060,661,257
Goodwill on acquisition (Note V.13)	1,573,025,317,423	300,636,476,590	1,873,661,794,013
Total considerations	3,460,085,978,680	300,636,476,590	3,760,722,455,270
Share of profit from GTN as an associate	(12,754,033,843)	-	(12,754,033,843)
Gain from revaluation of investment in GTN as an associate	-	(300,636,476,590)	(300,636,476,590)
Cash acquired	(1,289,093,610,006)	-	(1,289,093,610,006)
Net cash outflow	2,158,238,334,831	-	2,158,238,334,831

Vietnam Dairy Products Joint Stock Company and its subsidiaries

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for the year ended 31st December 2020 (continued)

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2. 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	2020 VND	2019 VND
Miraka Holdings Limited	Associate	Purchases of goods	325,836,306,170	71,979,909,120
APIS Corporation	Associate	Purchases of goods and services	77,113,561,028	86,589,779,905
Asia Coconut Processing Joint Stock Company	Associate	Purchases of services	24,243,112,320	14,275,545,286
Asia Saigon Food Ingredients Joint Stock Company	Other investment	Dividends	18,000,000,000	-
The State Capital Investment Corporation	Shareholder	Dividends	2,194,723,422,500	2,821,787,257,500
Members of Board of Management and Board of Directors		Compensation	133,708,261,443	107,144,571,099

3. Post balance sheet event

In January 2021, the Company, GTNFoods Joint Stock Company and Vietnam Livestock Corporation – Joint Stock Company has completed the acquisition of 9.7 million, 29.5 million and 1.7 million additional shares issued by Moc Chau Dairy Cattle Breeding Joint Stock Company, respectively.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st December 2020 (continued)

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4. 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) Year ended		Overseas (Customers located in countries other than Vietnam) Year ended		Total Year ended	
	2020 VND	2019 VND	2020 VND	2019 VND	2020 VND	2019 VND
Net revenue	50,841,840,213,844	47,554,538,149,171	8,794,446,011,703	8,763,584,613,573	59,636,286,225,547	56,318,122,762,744
Cost of sales	(27,342,508,032,054)	(25,120,703,133,945)	(4,625,154,805,785)	(4,625,202,978,172)	(31,967,662,837,839)	(29,745,906,112,117)
Segment gross profit	23,499,332,181,790	22,433,835,015,226	4,169,291,205,918	4,138,381,635,401	27,668,623,387,708	26,572,216,650,627

1st March 2021

Prepared by:

Le Thanh Liem

Executive Director – Finance cum Chief Accountant

Applicated by:

CONG TY

CO PHÁN
SUA

VIET NAM

Chief Executive Officer





CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2020

	31/12/2020 VND million	31/12/2019 VND million
Current assets	29,632,809	24,690,283
Cash and cash equivalents	2,111,243	2,665,195
Other investments	17,313,680	12,435,744
Trade and other receivables	5,335,735	4,637,582
Inventories	4,872,151	4,951,762
Non-current assets	19,356,366	20,384,251
Trade and other receivables	423,820	435,833
Right of use assets	615,053	517,088
Other investments	286,955	298,564
Property, plant and equipment	12,866,139	13,810,973
Biological assets	1,158,775	1,121,205
Intangible assets	3,236,282	3,426,086
Investment property	59,997	62,018
Investment in equity accounted investees	686,486	688,112
Deferred tax assets	22,859	24,372
TOTAL ASSETS	48,989,175	45,074,534

Vietnam Dairy Products Joint Stock Company and its subsidiaries

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2020 (continued)

	31/12/2020 VND million	31/12/2019 VND million
LIABILITIES AND EQUITY		
LIABILITIES	15,248,015	15,390,489
Current liabilities	14,209,236	14,438,986
Borrowings	7,316,497	5,351,461
Trade and other payables	6,122,029	8,222,883
Income tax payable	472,615	448,268
Other taxes payable	186,935	171,126
Advances from customers	111,160	245,248
Non-current liabilities	1,038,779	951,503
Borrowings	167,422	122,993
Trade and other payables	59,731	27,846
Lease liabilities	315,844	258,642
Severance allowance obligations	150,223	167,095
Deferred tax liabilities	345,559	374,927
EQUITY	33,741,160	29,684,045
Equity attributable to equity holders of the Company	31,379,697	27,456,848
Share capital	20,899,554	17,416,878
Share premium	1,883,570	1,883,570
Other capital	202,658	-
Treasury shares	(11,645)	(11,645)
Fair value reserve	(6,450)	(1,601)
Translation reserve	10,654	23,186
Other reserve	3,286,242	2,200,188
Retained earnings	5,115,114	5,946,272
Non-controlling interest	2,361,463	2,227,197
TOTAL LIABILITIES AND EQUITY	48,989,175	45,074,534



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2020

	2020 VND million	2019 VND million
I. PROFIT OR LOSS		
Revenue	52,355,220	49,822,326
Cost of sales	(32,564,525)	(30,306,791)
Gross profit	19,790,695	19,515,535
Other income	61,728	134,005
Selling expenses	(6,464,055)	(6,823,427)
General and administration expenses	(2,080,370)	(1,610,443)
Other gains/(losses) – net	190,792	(118,622)
Results from operating activities	11,498,790	11,097,048
Finance income	1,166,557	724,228
Finance cost	(158,783)	(120,250)
Net finance income	1,007,774	603,978
Share of profit/(loss) of equity accounted investees	3,882	(5,717)
Profit before tax	12,510,446	11,695,309
Income tax	(2,282,804)	(2,241,378)
Net profit	10,227,642	9,453,931

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 2020 (continued)

	2020 VND million	2019 VND million
II. OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss		
Equity investments at FVOCI – net change in fair value	(4,849)	(601)
Items that are or may be reclassified subsequently to profit or loss		
Foreign operations – foreign currency translation differences	(12,532)	(4,463)
Total comprehensive income	10,210,261	9,448,867
Net profit attributable to:		
Equity holders of the Company	10,102,350	9,480,775
Non-controlling interest	125,292	(26,844)
Net profit	10,227,642	9,453,931
Total comprehensive income attributable to:		
Equity holders of the Company	10,084,969	9,475,711
Non-controlling interest	125,292	(26,844)
Total comprehensive income	10,210,261	9,448,867
Earnings per share		
Basic earnings per share (in VND)	4,834	4,537
Basic earnings per share from continuing operations (in VND)	4,834	4,537



CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2020

	2020 VND million	2019 VND million
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	12,510,446	11,695,309
Adjustments for		
Depreciation and amortisation	2,230,732	1,965,537
Exchange losses arising from revaluation of monetary items denominated in foreign currencies	637	6,458
Losses on disposals of property, plant and equipment and biological assets	43,139	43,962
Interest expense	144,030	109,034
Dividends, interest income and other investment activities	(1,177,792)	(725,741)
Share of (profit)/loss of equity accounted investees	(3,882)	5,717
Impairment of goodwill	478,807	-
Gain on revaluation of investment in associate	(300,636)	-
Impacts of shares issued under Employees Stock Option Plan ("ESOP")	-	94,863
Operating profit before changes in working capital	13,925,481	13,195,139
Change in receivables	(471,926)	151,881
Change in inventories	85,500	818,874
Change in payables and other liabilities	(576,365)	64,400
	12,962,690	14,230,294
Interest paid	(212,980)	(228,126)
Income tax paid	(2,286,331)	(2,033,592)
Net cash generated from operating activities	10,463,379	11,968,576

Vietnam Dairy Products Joint Stock Company and its subsidiaries

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2020 (continued)

	2020 VND million	2019 VND million
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment, intangible assets and biological assets	(1,525,720)	(2,704,592)
Collections on disposals of property, plant and equipment and biological assets	150,343	114,090
Receipts from collecting loans	31,565	2,599
Payments for investments in other entities	(8)	-
Collections from investments in other entities	21,632	1,513
Payments for term deposits – net	(4,881,271)	(3,215,380)
Receipts of interest and dividends	1,140,546	665,791
Net cash outflow from business acquisition	-	(2,154,390)
Net cash used in investing activities	(5,062,913)	(7,290,369)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment for repurchase of treasury shares from non-controlling interest by a subsidiary	(14,364)	-
Payment for repurchase of treasury shares by the parent company	-	(1,159)
Proceeds from capital contribution from non-controlling interests	-	127,769
Proceeds from borrowings	7,769,145	10,426,775
Payments to settle loan principals	(5,753,602)	(6,233,113)
Payments of lease liabilities	(22,306)	(16,152)
Payments of dividends	(7,927,712)	(7,836,251)
Net cash flow from financing activities	(5,948,839)	(3,532,131)
Net cash flows during the year	(548,373)	1,146,076
Cash and cash equivalents at the beginning of the year	2,665,195	1,522,610
Effect of exchange rate fluctuations on cash and cash equivalents	(1,531)	(1,896)
Currency translation differences	(4,048)	(1,595)
Cash and cash equivalents at the end of the year	2,111,243	2,665,195



HEAD OFFICE

Address

Tel Fax

SALES BRANCHES

HANOI BRANCI	Н
Address	: Floor 11, Tower B, Handi
	Resco Building, 521 Kim
	Ma, Ngoc Khanh Ward, Ba
	Dinh District, Hanoi City

: (+84, 24) 37 246 019

Tel Fax : (+84. 24) 37 246 005

DA NANG BRANCH

Fax

: 7th floor, Post Office Building, Address 271 Nguyen Van Linh, Vinh Trung Ward, Thanh Khe District, Da Nang City Tel : (+84. 236) 3 584 848

CAN THO BRANCH

: Floor 4-5-6 at 77-77B Vo Address Van Tan Street, Tan An Ward, Ninh Kieu District, Can Tho City Tel : (+84. 292) 6 256 555 Fax : (+84, 292) 6 255 969

DEPENDENT UNITS

: (+84, 236) 3 897 223

CAN THO DAIRT FACTORS		
Address	: Tra Noc Industrial Park, Tra	
	Noc Ward, Binh Thuy District,	
	Can Tho City Vietnam	

Can Tho City, Vietnam : (+84. 292) 6 258 555

Tel : (+84. 292) 6 255 998 Fax

TRUONG THO DAIRY FACTORY

Address : 32 Dang Van Bi, Truong Tho Ward, Thu Duc City,

Ho Chi Minh City Tel : (+84. 28) 62 527 555 : (+84. 292) 6 255 998 Fax

Address : 12 Dang Van Bi, Truong Tho Ward, Thu Duc City,

Ho Chi Minh City Tel : (+84. 28) 62 529 555 : (+84. 28) 62 885 727 Fax

SAIGON DAIRY FACTORY

CAN THO DAIDY EACTORY

: Lot 1-18, Area G1, Tan Address Thoi Hiep Industrial Park, Communal Road 80, Hiep Thanh Ward, District 12, Ho Chi Minh City

Tel : (+84. 28) 62 528 555 Fax : (+84. 28) 37 176 353

DIELAC DAIRY FACTORY

: Bien Hoa 1 Industrial Park, Address Hanoi Highway, An Binh Ward, Bien Hoa City, Dong Nai Province

: (+84. 251) 6 256 555 : (+84. 251) 3 836 015

: Lot A, Road NA7, My Phuoc

2 Industrial Park, My Phuoc

Ward, Ben Cat District, Binh

Duong Province

: (+84, 274) 3 556 839

: (+84. 274) 3 556 890

Tel Fax

VIETNAM BEVERAGE FACTORY

VIETNAM POWDERED MILK FACTORY

THONG NHAT DAIRY FACTORY

Address : No. 9, Tu Do Boulevard, Vietnam - Singapore Industrial Park 1, Binh Hoa Ward, Thuan An Town, Binh Duong Province

Tel : (+84. 274) 3 799 628 Fax : (+84. 274) 3 799 625

VIETNAM DAIRY FACTORY

Address	: Lot A-4,5,6,7-CN, Road NA7,		
	My Phuoc 2 Industrial Park, My		
	Phuoc Ward, Ben Cat District,		
	Binh Duong Province		
Tel	: (+84. 274) 3 559 988		

: (+84. 274) 3 559 960 Fax

BINH DINH DAIRY FACTORY : 87 Hoang Van Thu, Quang

Address Trung Ward, Quy Nhon City, Binh Dinh Province Tel : (+84. 256) 6 253 555

: (+84. 256) 3 746 065

NGHE AN DAIRY FACTORY

Address

Tel

Fax

: Sao Nam Street, Nghi Thu Address Ward, Cua Lo Town, Nghe An Province Tel : (+84. 238) 6 259 555 Fax : (+84. 238) 3 824 717

DA NANG DAIRY FACTORY

Address Lot Q, Street 7, Hoa Khanh Industrial Park, Hoa Khanh Bac Ward, Lien Chieu District, Da Nang City Tel : (+84, 236) 6 259 777 Fax : (+84. 236) 6 259 555

TIEN SON DAIRY FACTORY

Tien Son Industrial Park, Hoan **Address** Son Commune, Tien Du District, Bac Ninh Province Tel : (+84, 222) 3 739 568 Fax : (+84. 222) 3 714 814

LAM SON DAIRY FACTORY

Address : Le Mon Industrial Park, Thanh Hoa City, Thanh Hoa

Province

Tel : (+84. 237) 3 912 540 Fax : (+84, 237) 3 912 541

HO CHI MINH WAREHOUSING AND TRANSPORTATION SERVICES ENTERPRISE

Address : 32 Dang Van Bi, Truong Tho Ward, Thu Duc City, Ho Chi

Minh City

Tel : (+84, 28) 62 526 555 : (+84. 28) 38 960 804 Fax

HANOI WAREHOUSING AND TRANSPORTATION **SERVICES ENTERPRISE**

: Km 10, Highway 5, Duong Xa **Address** Commune, Gia Lam District,

Hanoi City

: (+84, 24) 36 789 489 Tel Fax : (+84. 24) 38 276 966

AN KHANG CLINIC

Address : 184-186-188 Nguyen Dinh Chieu, Ward 6,

District 3, Ho Chi Minh City

Tel : (+84. 28) 39 302 785 : (+84. 28) 39 302 708 Fax

CU CHI RAW MILK CENTER

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

Tel : (+84. 28) 37 350 001 : (+84, 28) 37 350 003 Fax

DOMESTIC SUBSIDIARIES AND ASSOCIATES

VIETNAM DAIRY COW ONE MEMBER CO., LTD.

Address : 10 Tan Trao, Tan Phu Ward, District 7, Ho Chi Minh City Tel : (+84, 28) 54 155 555 : (+84. 28) 54 161 226 Fax

THONG NHAT THANH HOA DAIRY COW ONE MEMBER CO., LTD.

Address : Sao Do Quarter, Thong Nhat Town, Yen Dinh District, Thanh Hoa Province

Tel : (+84. 237) 3 514 888 Fax : (+84. 237) 3 599 455

VIETNAM SUGAR JSC

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

: (+84. 258) 3 745 453

(+84, 258) 3 745 424 : (+84. 258) 3 744 440

Website : www.vietsugar.com.vn

ASIA COCONUT PROCESSING JSC

: Lot El-2, El-3 and El-4, Giao Address

Long Industrial Park, Phase II, An Phuoc Commune, Chau Thanh District, Ben Tre Province

Tel : (+84. 275) 3 656 999 Fax : (+84. 275) 3 626 999 Website : www.acp.com.vn

APIS JSC

Address : 77 Hoang Van Thai, Tan Phu Ward, District 7, Ho Chi Minh

Tel : (+84, 274) 54 165 166 Fax : (+84. 274) 54 111 066 Website : www.apis-corp.com

GTNFOODS JSC

Tel

Fax

Address : Floor 9, Vinatea Building, 92 Vo Thi Sau, Thanh Nhan Ward,

Hai Ba Trung District, Hanoi

City

Tel : (+84. 24) 6276 6366 Fax : (+84. 24) 6276 6466 Website : www.gtnfoods.com.vn

OVERSEAS SUBSIDIARIES AND ASSOCIATES

DRIFTWOOD DAIRY HOLDING CORPORATION

: 10724 E. Lower Azusa Road. Address El Monte, California 91734, United States of America

Tel : (+1) 1 800 864 6455 : www.driftwooddairy.com Fax

VINAMILK EUROPE SPÓSTKA Z OGRANICZONA ODPOWIEDZIALNOSCIA

Address : Gwiazdzista 7a/4, 01-065 Warszawa, Poland

Tel : (+48) 22 118 59 76 : (+48) 22 416 48 29 Fax

Website : http://vinamilk.pl

ANGKOR DAIRY PRODUCTS CO., LTD.

: Lot P2-096 and P2-097, Phnom Penh Special Economic Zone

(PPSEZ), Highway 4, Sangkat, Phleung Chhes Totes, Khan PoSenChey, Phnom Penh, Cambodia

: (+855) 24683 9999 Website : www.angkormilk.com.kh

MIRAKA HOLDINGS LIMITED

Website

Address : 108 Tuwharetoa St, Po Box 740, Taupo 3351, New Zealand : (+64) 7 376 0075 Tel Fax : (+64) 7 377 0694

: www.miraka.co.nz

LAO-JAGRO DEVELOPMENT XIENGKHOUANG CO., LTD.

Address : Unit.04, Ven and Phanh Village, Paek District, Xiengkhouang Province, Lao P.D.R.

Tel : (+856) 21563053 : (+856) 21563054 Fax Email : laojagro@yahoo.com

Fax



VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY

10 Tan Trao, Tan Phu Ward, District 7, Ho Chi Minh City, Vietnam Tel: (+84 28) 54 155 555

Fax: (+84 28) 54 161 226

Email: vinamilk@vinamilk.com.vn

www.vinamilk.com.vn