



SUSTAINABLE QUALITY TOWARDS A STRONG FUTURE

ANNUAL REPORT 2024



EDITORIAL TEAM'S STATEMENT

Dear Valued Shareholders, Investors,
Partners, Customers and all employees,

2024 marked an important milestone in the development journey of Moc Chau Dairy Cattle Breeding Joint Stock Company "Moc Chau Milk" when we continued our journey of building a prestigious milk brand, improving product quality and expanding sustainable values to the community. With quality-centric culture, we always believe that a good product not only ensures consumer health but also creates a sustainable future.

Therefore, **"Sustainable quality towards a strong future"** was chosen as guideline for our annual report in 2024. The stylized windmill image is a symbol of constant motion reflecting flexible and agile operating model of Moc Chau Milk. The constant rotation of windmill symbolizes an unwavering willpower to go further, constant innovation to reach new heights. The power button is a symbol of internal strength, affirming a consistent commitment to ensuring superior product quality. On the blades of the windmill, an image of modern milk processing lines, livestock farm, transportation means and other symbols illustrating a closely-knit supply chain of Moc Chau Milk. It also demonstrates strong investment of Moc Chau Milk in advanced technologies to optimize productivity, maintain the highest product quality towards consumer health, sustainable and environmentally friendly development.

It is not only Moc Chau Milk's commitment to maintaining superior quality in each drop of milk, but also presents our long-term vision of sustainable development, steadfast growth and positive contributions to the community.

2024 Annual Report was a summation of achieved results in the past year, providing a comprehensive overview of development strategy, orientation and potential of Moc Chau Milk in the future. We always put transparency and accuracy first, providing the most complete and updated information about the Company's operations as well as prospects of the dairy industry.

We could not achieve our successes without your trust, companionship and contributed opinions. We highly appreciate every one of your comments because it is a motivation for Moc Chau Milk to constantly innovate, develop and bring the best values to consumers and community.

Thank you very much, wish you all good health and success!

Annual Report Editorial Team 2024!



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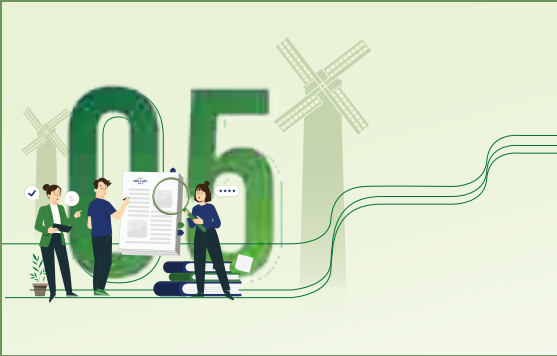
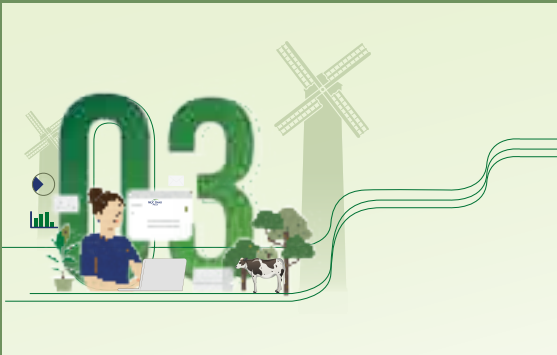
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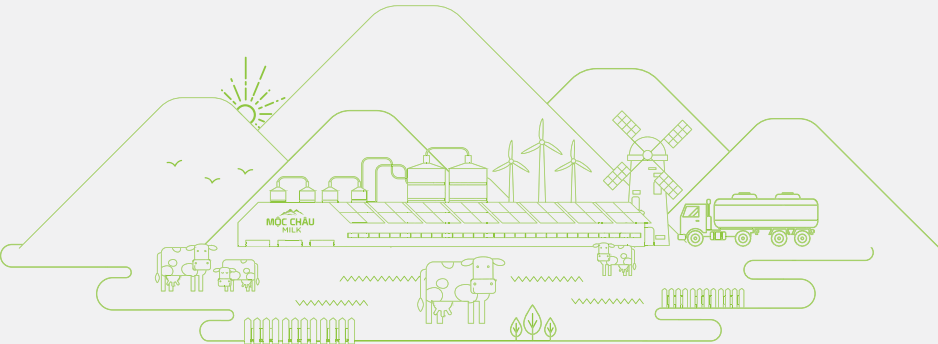
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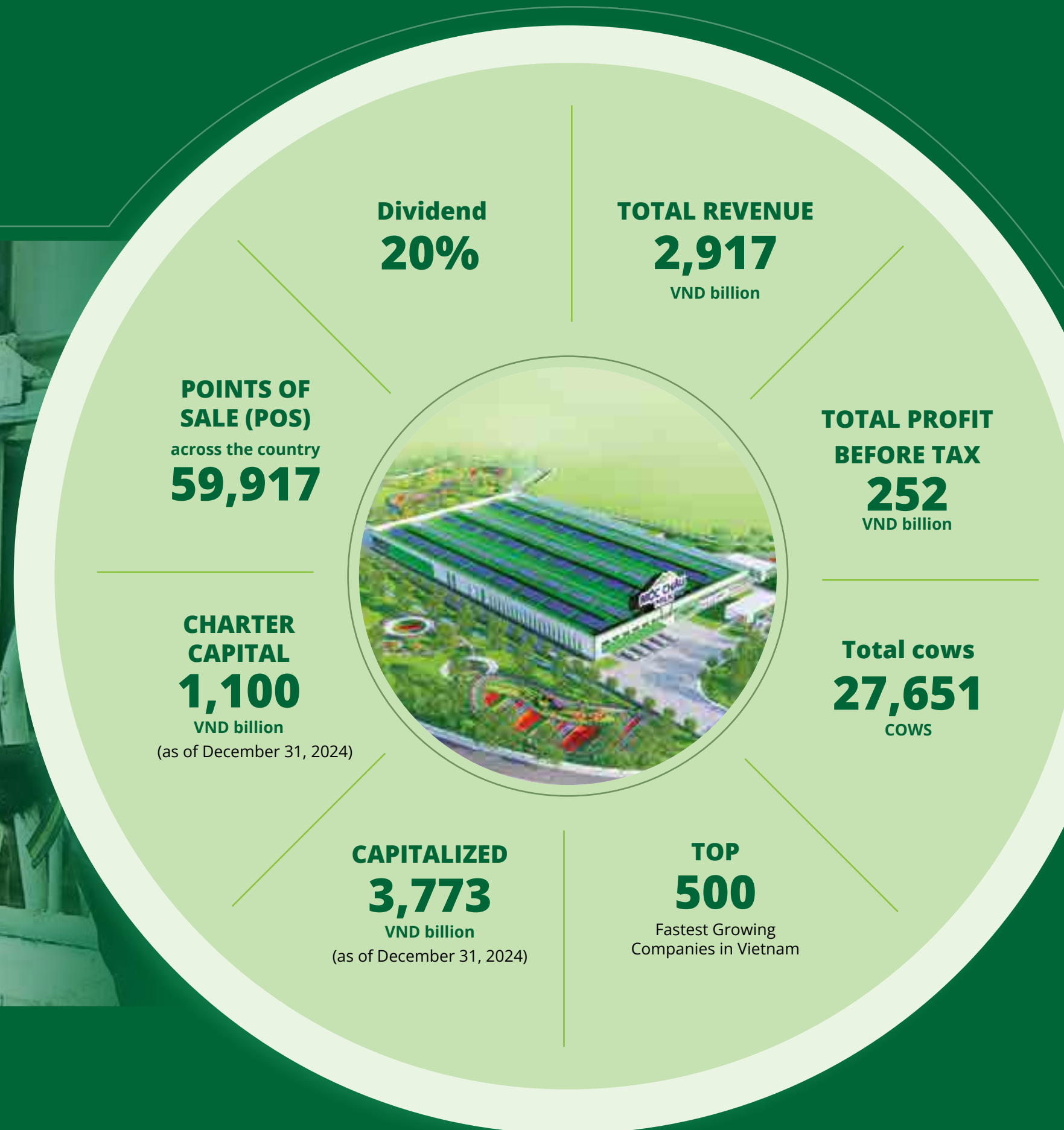
LIST OF ABBREVIATIONS

MCM/ Moc Chau Milk/ The Company	MocChau Dairy Cattle Breeding Joint Stock Company
JSC	Joint Stock Company
GMS	General Meeting of Shareholders
BoD	Board of Directors
BoE	Board of Executives
EPS	Earnings per share
DE	Debt to equity
Dept.	Department
HR	Human resources
PAT	Profit after tax
PBT	Profit before tax
POS	Point on sales
ROE	Return on equity
ROS	Return on sales
ROA	Return on assets
HSX, HOSE	Ho Chi Minh City Stock Exchange
EBITDA	Earnings Before Interest, Tax, Depreciation, and Amortization





FINANCIAL HIGHLIGHT





CHAIRWOMAN'S MESSAGE



Toward the future, we believe that Moc Chau Milk, with a solid foundation, clear strategic orientation and companionship of Valued Shareholders, Investors, Partners, Customers and all Employees, will continue affirming its position as one of leading dairy companies in Vietnam, bringing sustainable values to the community and contributing to well-being of Vietnamese people.

Dear Valued Shareholders, Investors, Partners, Customers and all employees

2024 was a year of global socio-political challenges. Geopolitical competition between major economies, prolonged inflation, tightened monetary policies in many countries and climate change posed big challenges to the commodity market, supply chain and global economic recovery. Vietnam's economy still maintained stable growth thanks to the Government's support policies, favorable investment environment and recovery of domestic consumption. However, companies faced many challenges such as rising input costs, fierce competition and consumer demand differentiation.

In that context, dairy industry continued to affirm its important role in improving nutrition and community health. The trend in dairy products of natural origin, high quality with international standards has been increasing. At the same time, dairy industry must adapt to consumer behavior change, requirements of sustainable development and application of technology in production. These factors pose both opportunities and challenges, requiring dairy companies to constantly innovate to maintain their positions and sustainable development.

MOC CHAU MILK – A MILESTONE OF BEING LISTED ON HOSE, AFFIRMING LONG-TERM VISION

2024 marked an important milestone in the development journey of Moc Chau Milk when the Company officially listed its shares on Ho Chi Minh City Securities Exchange (HOSE). It was not only an important financial step but also a clear proof of business maturity, affirming a long-term vision and commitment to sustainable development. The event opened up a new opportunity for Moc Chau Milk to enhance transparency, attract investment capital and increase the scale of operations and values for shareholders and related parties.

With a sustainable development strategy, Moc Chau Milk continues to focus on improving product quality, expanding farming system and plants according to international standards, developing nutritional product lines that meet the market demand. At the same time, the Company also strengthens application of technology in production and distribution system to optimize operational efficiency and improve customer experience.

Toward the future, we believe that Moc Chau Milk, with a solid foundation, clear strategic orientation and companionship of Valued Shareholders, Investors, Partners, Customers and all Employees, will continue affirming its position as one of leading dairy companies in Vietnam, bringing sustainable values to the community and contributing to well-being of Vietnamese people.

On this special occasion, on behalf of Board of Directors, I would like to express my deep gratitude to all Valued Shareholders, Investors, Partners, Customers and all Employees who have always trusted, accompanied Moc Chau Milk in the past time. We commit to making our best efforts to bring high quality products and promote business development towards sustainability with increased values to shareholders.

Best regards,



MAI KIEU LIEN

CHAIRWOMAN

MocChau Dairy Cattle Breeding Joint Stock Company
(Moc Chau Milk)

CHAPTER 01

General information



FROM GRASS TO GREATNESS
A JOURNEY BEYOND LIMITS



GENERAL INFORMATION

MOCCHAU DAIRY CATTLE BREEDING JOINT STOCK COMPANY

Transaction name : Moc Chau Dairy Cattle Breeding Joint Stock Company

Company name in abbreviation : Moc Chau Milk

English name : MocChau Dairy Cattle Breeding Joint Stock Company

Business Registration Certificate and tax code: 5500154060

Issued by the Department of Planning and Investment of Son La province for the first time on December 29, 2004, the 15th certification on February 6, 2025

Stock code : MCM

Listed at Ho Chi Minh City Stock Exchange

according to Decision No. 273/QD-SGDHCM dated May 24, 2024.

Charter capital : VND **1,100,000,000,000**

Tel : 0212 3866 065

Fax : 02123 866184

Email : mocchaumilk@mcmilk.com.vn

Website : www.mcmilk.com.vn

Address : No. 912, Thao Nguyen Street, Thao Nguyen Ward, Moc Chau
Township, Son La Province, Vietnam

Legal representative : Pham Hai Nam



MOC CHAU MILK IN A BRIEF

1958

MOC CHAU MILK'S INCORPORATION

On April 8, 1958, Moc Chau Military Farm was incorporated with main objectives to raise dairy cows, provide dairy breeds, produce and carry out processing dairy products and produce animal feed.

On May 8, 1959, Uncle Ho visited Moc Chau Farm.



2003

FIRST UHT (ULTRA HIGH TEMPERATURE) MILK PROCESSING PLANT

In 2003, Moc Chau Milk successfully established its first UHT milk processing plant. A first "Beauty Contest" of Miss Milk Cow was held in Moc Chau Farm town, Moc Chau district, Son La province. This is an event honoring the dairy farming industry, and is also a traditional festival with the unique cultural beauty of Moc Chau land.

1983 - 1985

OUTSTANDING DEVELOPMENT

This was a period of Moc Chau Milk's outstanding development with a peak of 2,800 cows and 3,200 tons of milk.

1974 - 1976

A GIFT FROM CUBA

Cuban President Fidel Castro donated Moc Chau Milk 884 cows and helped to build 10 cow farms, 1 calf farm and milking farms.



2005

CONVERSION INTO A JOINT STOCK COMPANY

Moc Chau Milk began converting the management model from a state-owned enterprise to a joint stock company according to Decision No. 3306/QD/BNN-TTCB dated September 28, 2004 of the Ministry of Agriculture and Rural Development. The charter capital at the time of equitization was VND 7.1 billion, of which Vietnam Livestock Corporation JSC (a 100% state-owned enterprise at that time) held 51% of the charter capital.

MocChau Dairy Cattle Breeding Joint Stock Company has been officially operated as a joint stock company under the Joint Stock Company Business Registration Certificate No. 2403000046 dated December 29, 2004 issued by the Department of Planning and Investment of Son La province.

1989 - 1990

DECISION TO "BREAK THROUGH WITH INNOVATION"

Moc Chau Milk adopted the policy of contracting dairy cows to each household, and was successful with many outstanding results. The household contracting model was replicated; the herd of cows increased sharply in quantity and quality.



2001

LIVESTOCK INSURANCE FUND

Moc Chau Milk developed the "Livestock Insurance Fund" to help farmers feel secure in investing in production, increasing their herd of cows and expanding their scale.



2010

BREEDING CENTER NO. 1

In 2010, Moc Chau Milk inaugurated a Breeding Center No. 1 with total of 500 cows.

2012

BREEDING CENTER NO. 2

In 2012, Moc Chau Milk inaugurated Breeding a Center No. 2 with total of 1,000 cows.





MOC CHAU MILK IN A BRIEF (CONTINUED)

2013**INAUGURATION OF TOTAL MIXED RATION (TMR) CATTLE FEED PLANT**

In 2013, Moc Chau Milk inaugurated the first Total Mixed Ration (TMR) Cattle Feed plant in Vietnam to ensure the feed for cows.

2021**START OF HIGH-TECH DAIRY FARMING PROJECT**

The Company continued to promote the core strengths of the sustainable agricultural value chain, started to implement high-tech dairy farming projects, invested in liquid milk production lines, and upgraded dairy farms and offered good products for health and improved the quality of life in Vietnamese families.

2017**BRAND REPOSITIONING**

In 2017, Moc Chau Milk focused on repositioning its brand to reach a national brand, strong development on its longstanding background.

2014**BREEDING CENTER NO. 3**

In 2014, Moc Chau Milk inaugurated Breeding Center No. 3 with total of 500 cows.

2019**COOPERATION WITH VINAMILK**

On December 19, 2019, Vietnam Dairy Products Joint Stock Company (Vinamilk) announced its ownership of 75% of the charter capital of GTNfoods Joint Stock Company - the parent company of Moc Chau Milk in this period. This means that Moc Chau Milk officially becomes a member company of Vinamilk. Joining the Vinamilk's member companies has created favorable conditions for Moc Chau Milk to take advantage of its strengths in management, finance, technology and distribution channels from Vinamilk to gradually grow and develop comprehensively.

2020**OFFICIAL TRANSACTION OF STOCKS ON UPCOM**

In December 2020, Moc Chau Milk officially traded on the UPCOM with the stock code of MCM.

2022**COMMENCEMENT OF MOC CHAU DAIRY PARADISE COMPLEX**

On May 28, 2022, Moc Chau Milk and Vinamilk officially launched and commenced "Commencement of Moc Chau Dairy Paradise Complex" project to welcome Prime Minister Pham Minh Chinh to visit.

2023**RECOGNITION OF HIGH-TECH AGRICULTURAL REGION IN MOC CHAU DAIRY FARMING**

On February 2, 2023, Moc Chau Milk was awarded the Decision No. 165/QĐ-UBND by the People's Committee of Son La province: Decision to recognize a high-tech agricultural region in Moc Chau dairy farming.











2024**MOC CHAU MILK'S SHARES WERE OFFICIALLY TRADED ON HO CHI MINH CITY SECURITIES EXCHANGE**

Listing on Ho Chi Minh City Securities Exchange according to Decision No 273/QĐ-SGDHCM dated 24th May 2024. First trading date: 25th June 2024.



BUSINESS MODEL

BUSINESS ACTIVITIES

Business line	Code
 Processing of milk and dairy products	1050 (Main)
 Production of animal, poultry and aquatic feed Details: Animal feed processing.	1080
 Wholesale of agricultural and forestry raw materials (except wood, bamboo) and live animals Details: Wholesale of animal feed and raw materials for animal feed.	4620
 Retail of food, beverages, cigarettes, and tobacco in form of mobile sale or at markets Details: Retail of milk and dairy products and meat.	4781
 Other specialized wholesale not elsewhere classified Details: (Except for wholesale which requires a practicing certificate) <ul style="list-style-type: none">Wholesale of veterinary drugs.Wholesale of machine cleaning chemicals.	4669
 Production of fertilizers and nitrogen compounds Details: Production of biological fertilizer.	2012
 Wholesale of food Details: <ul style="list-style-type: none">Wholesale of milk and dairy products and meat.	4632
 Wholesale of agricultural machinery, equipment and spare parts	4653
 Raising of buffaloes and cows and the production of buffalo and cow breeds Details: <ul style="list-style-type: none">Raising of dairy cows and beef cows.Production and supply of cow breeds.	0141
 Retail of other goods in form of mobile sale or at markets <ul style="list-style-type: none">Retail of veterinary supplies and drugs.Retail of machinery cleaning chemicals.	4789

BUSINESS PLACES

- Currently, Moc Chau Milk is active in markets in the Northwest, Northeast, Red River Delta, Hanoi and neighboring cities, Central Region and Central Highlands. Moc Chau Milk owns now 59,917 POSs across the Northern provinces such as Bac Kan, Ha Giang, Ha Tinh, Hoa Binh, Quang Ninh and Thanh Hoa. Moc Chau Milk is actively expanding its market presence in the southern region. As of the end of 2024, the Company has established over 4,000 points of sale across provinces such as Phu Yen, Quang Ngai, Lam Dong, Long An, Dong Nai, Ho Chi Minh City, Binh Duong, Dong Thap, and Ba Ria – Vung Tau.
- Moc Chau Milk currently owns 59 product display stores in major provinces and cities such as Hanoi, Bac Ninh, Hai Phong, Son La, Hoa Binh, Nam Dinh, Ha Nam, Phu Tho, Hung Yen, Vinh Phuc, Thai Nguyen, Ninh Binh, Quang Ninh, Thanh Hoa and Dien Bien.
- Moc Chau Milk's products are currently displayed in nearly 1,400 supermarkets such as AEON, BIG C, WINMART, T-MART and CO-OPMART,...across the country.



**MOC CHAU MILK
CURRENTLY OWNS
59,917
POSs**
evenly across the Northern
provinces

**MOC CHAU MILK IS NOW
DISPLAYED IN
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in AEON, BIG C, WINMART,
T-MART and CO-OPMART,...
across the country

**MOC CHAU MILK HAS
ESTABLISHED OVER
4,000
POINTS**
of sale across Southern provinces.



PRODUCTS OF MOC CHAU MILK

PASTEURIZED FRESH MILK



Sweetened pasteurized fresh milk

- 450ml
- 880ml
- 900ml



Unsweetened pasteurized fresh milk

- 450ml
- 880ml
- 900ml



Less sugar pasteurized fresh milk

- 450ml
- 880ml
- 900ml

UHT FRESH MILK



Sweetened UHT fresh milk

• 110ml • 180ml • Fino 220ml • 1 liter



Unsweetened UHT fresh milk

• 180ml • Fino 220ml • 1 liter



Less sugar UHT milk

• 110ml • 180ml • 1 liter



Chocolate UHT fresh milk

• 110ml • 180ml



Natural strawberry UHT milk

• 110ml • 180ml



Natural orange UHT milk

• 110ml • 180ml



Natural coconut UHT milk

• 110ml • 180ml



Matcha chocolate UHT milk

• 110ml • 180ml



MC Colos Milk

• 110ml



PRODUCTS OF MOC CHAU MILK (CONTINUED)

YOGURT



Sweetened yogurt
MC Kool



Coconut jelly yogurt



Sweetened - unsweetened
yogurt



Aloe vera yogurt



Black sugar pearl yogurt



Black Sticky Rice Yogurt



Protein Plus sweetened
yogurt



Fruit yogurt



Coconut nugget
Yogurt

FRUIT MILK



Strawberry
MC Kidz fruit milk



Orange
MC Kidz fruit milk



Mix MC Kidz
fruit milk

DRINKABLE YOGURT



Strawberry Yo Mocha
yogurt
♦ 110ml ♦ 170ml



Orange Yo Mocha
yogurt
♦ 110ml ♦ 170ml



YoPro yogurt
♦ 65ml

OTHERS



Butter



Cheese



• Milk cake
• Red bean milk cake
• Matcha milk cake



PRODUCTS OF MOC CHAU MILK (CONTINUED)

NEW PRODUCTS IN 2024



Less sugar yogurt



Less sugar yogurt
MC Kook Plus



Fruit milk Tamarind, Apple,
Pineapple Flavor MC Kidz

♦ 110ml ♦ 180ml



Barley-cocoa drinks
MC MALT

♦ 180ml



Less sugar UHT fresh milk

♦ 220ml ♦ 1 liter



Passion Fruit Flavor UHT
drinkable yogurt

♦ 170ml



Mixed-Flavor
milk cake



VALUE CHAIN

UPSTREAM

Research and development: Our marketing and R&D teams have a deep understanding of consumers and expertise to develop products suitable to the consumers' demand.



Raw material area: The infrastructure is applied DeLaval's Delpro farm management platform; manages the health and reproduction of cows with SCR software - Israel; for automatic milking of international standards, DeLaval technology is equipped. Cows are milked 3 times/day for concentrated farms, 2 times/day for farmer households. 15 milk collection points are formed to ensure to cover within 1km of any household. Milk is preliminarily tested on 10 quality criteria before purchasing. The milk is immediately refrigerated and taken to the production plant. Milk is transferred to 2 sterilization and pasteurization plants, produced and packaged using modern Tetra Pak and Korean technology. Moc Chau Milk cooperates with farmers who grow corn and grass, proactively and stably stabilize local food raw material areas for cows. Food ingredients are harvested from farmers and farms, then marinated according to advanced processes in the world. The food is then processed at feed processing plant factories using TMR technology - Korea with a capacity of 150 tons/day per plant.

Production: We implement a standardized safe production process in accordance with international standards. We also strive to achieve eco-efficient processes that maximize efficiency without polluting the environment.



DOWNSTREAM

Distribution: Currently, Moc Chau Milk has activities in the following regional markets Northwestern, Central region, Northeastern, Highlands, Red river delta, Hanoi and neighboring cities.

Marketing and Sales: Moc Chau Milk demonstrates its responsibility to consumers and society by providing products that are increasingly better in quality and more transparent in information on packaging. Moc Chau Milk also collects the customers' feedback to create sustainable value for consumers and businesses.





VISION, MISSION AND CORE VALUES

Vision: With the desire to dominate the Vietnamese dairy market, with love and dedication to the homeland, proper investment and methodical strategies, Moc Chau Milk strives to become the No.1 brand in Vietnam, trusted by every family and loved by everyone.

Mission: Moc Chau Milk has been providing the highest quality, freshest and most delicious products from its hometown of Moc Chau - Son La to the hands of Vietnamese people. With the message "Green Steppe - Fresh Milk", Moc Chau Milk is contributing to improving the life, physical and intellectual quality in Vietnam.

Core Values:

- ◆ **Pure fresh milk:** Moc Chau Milk is proud of its products made 100% from safe, reliable and nutritious fresh milk from its hometown of Moc Chau - Son La
- ◆ **Trust:** Moc Chau Milk is built and developed by the consumers' trust in quality and seriousness and sincerity with partners
- ◆ **Sustainable development:** Each step of Moc Chau Milk's development always involves the most optimal planning and investment to ensure the benefits and position of the Company
- ◆ **Culture:** Being proud of corporate culture and homeland culture, Moc Chau Milk products are the quintessential connection between Vietnamese farmers - businesses and consumers
- ◆ **Tradition, creativity, innovation and modernity:** Moc Chau Milk is constantly learning, selecting the essence, accessing modern science and technology to produce the most quality, safe, and natural products
- ◆ **Environmental friendliness:** Every step in Moc Chau Milk's development journey is guided by strategic planning and optimal investment, aiming to safeguard the Company's long-term interests and affirm its stature in the industry.

MESSAGE

*"Green steppe - Fresh milk",
Moc Chau Milk is contributing to
improving the life, physical and
intellectual quality in Vietnam.*



SUMMARY OF FINANCIAL INFORMATION IN 2020 – 2024

Unit: Billion VND, %

Item	2020	2021	2022	2023	2024
Income statement					
Revenue (billion VND)	2,558.4	2,925.7	3,133.1	3,135.4	2,917.0
Gross profit (billion VND)	486.5	898.5	1,017.8	1,008.6	848.5
Profit after tax (billion VND)	166.9	319.1	346.5	374.4	219.9
Balance sheet					
Total assets (billion VND)	1,222.6	2,487.0	2,455.2	2,606.1	2,686.7
Equity (billion VND)	911.9	2,173.4	2,210.3	2,327.3	2,305.2
Liabilities (billion VND)	310.7	313.6	245.0	278.8	381.5
Financial indicators					
Return on equity (ROE) (%)	18.3%	14.7%	15.7%	16.1%	9.5%
Debt to Equity (DE) Ratio (%)	34.1%	14.4%	11.1%	12.0%	16.5%
Shares					
EPS (VND)	2,499	4,777	3,150	3,404	1,999
Outstanding shares	66,800,000	66,800,000	110,000,000	110,000,000	110,000,000
Capitalized (billion VND)	4,756	6,270	4,642	4,070	3,773



REVENUE
2,917
BILLION VND



GROSS PROFIT
849
BILLION VND



PROFIT AFTER TAX
220
BILLION VND



TOTAL ASSETS
2,687
BILLION VND



EQUITY
2,305
BILLION VND



CAPITALIZED
3,773
BILLION VND



ORGANIZATIONAL STRUCTURE

MocChau Dairy Cattle Breeding Joint Stock Company (MCM) is incorporated and operates as the joint stock company model. A current organizational structure of the Company is as follows:

Parent company

VIETNAM LIVESTOCK CORPORATION - JSC

- ◆ **Head office address:** No. 519 Minh Khai, Hai Ba Trung District, Hanoi
- ◆ **Business Registration Certificate** No. 0100104443 issued by Hanoi Authority for Planning and Investment for the first time on June 30, 2010 and subsequent adjustments
- ◆ **Charter capital:** VND 2,124,916,110,000
- ◆ **Current shareholding:** 59.30% of MCM's charter capital
- ◆ **Tel:** (024) 3862 6769 | **Fax:** (024) 3862 3645
- ◆ **Website:** <https://www.vilico.vn/> | **Email:** vilico@vilico.vn

Subsidiaries, joint ventures, and associates

None

Affiliated accounting entity

Hanoi branch

Address: No. 29 Cat Linh, Cat Linh Ward, Dong Da District, Hanoi





SHARES AND SHAREHOLDERS



Stock code	MCM
Listed at Ho Chi Minh City Stock Exchange according to Decision No. 273/QD-SGDHCM dated May 24, 2024	
Independent auditor	KPMG Limited
Shares (As of December 31, 2024)	
Registered charter capital	VND 1,100,000,000
Paid-in capital	VND 1,100,000,000
Shares issued and listed	110,000,000 shares
Class of shares	Ordinary
Ordinary share, par value	10,000 VND/share
Outstanding shares	110,000,000 shares
Market capitalization	VND 3,773 billion (as of December 31, 2024)

Shareholder structure: according to the list of shareholders as of November 15, 2024

OWNERSHIP STRUCTURE BY TYPES OF SHAREHOLDERS

No.	Shareholder	Number of shares	Ownership (%)	Number of shareholders	Shareholder structure	
					Institutional investors	Individuals
1	State owned shareholders					
2	Founding Shareholder/ FDI Shareholder					
3	Major shareholders (owning 5% or more of share capital)	74,967,761	68.15%	2	2	
	- Domestic	74,967,761	68.15%	2	2	
	- Foreign					
4	Trade Union Share owners					
5	Treasury Stock					
6	Shareholders owning preferred stock (if any)					
7	Other	35,032,239	31.85%	2,330	15	2,315
	- Domestic	34,005,009	30.91%	2,314	10	2,304
	- Foreign	1,027,230	0.93%	16	5	11
	Total	110,000,000	100%	2,332	17	2,315
	Including: - Domestic	108,972,770	99.07%	2,316	12	2,304
	- Foreign	1,027,230	0.93%	16	5	11

SHAREHOLDER OWNERSHIP STRUCTURE BY TYPE OF SHARES

Subjects	Number of transferable restricted shares	Number of freely tradable shares	Total	Ownership (%)
I. Insider	75,747,568		75,747,568	68.86%
II. Treasury stock				
III. Trade Union				
IV. Shareholders owning preferred stock (if any)				
V. Other shareholders		34,252,432	34,252,432	31.14%
1. Domestic		33,225,202	33,225,202	30.21%
1.1 Individuals		28,462,623	28,462,623	25.88%
1.2 Institutional investors		4,762,579	4,762,579	4.33%
- Including: State owned shareholders				
2. Foreign		1,027,230	1,027,230	0.93%
2.1 Individuals		24,420	24,420	0.02%
2.2 Institutional investors		1,002,810	1,002,810	0.91%
TOTAL	75,747,568	34,252,432	110,000,000	100%



SHARES AND SHAREHOLDERS (CONTINUED)

DETAILS OF SHARE OWNERSHIP OF INSIDERS

No.	Full name	Position	Transferable restricted shares	Freely tradable shares	Total	Ownership (%)
1	Vietnam Livestock Corporation JSC	Parent Company of Moc Chau Dairy Cattle Breeding Joint Stock Company	65,229,971	-	65,229,971	59.30%
2	Vietnam Dairy Products Joint Stock Company	Parent Company of Vietnam Livestock Corporation – JSC	9,737,790	-	9,737,790	8.85%
3	Pham Hai Nam	General Director	130,641	-	130,641	0.12%
4	Nguyen Sy Quang	Deputy General Director	335,300	-	335,300	0.30%
5	Nguyen Anh Tu	Chief Accountant	200,000	-	200,000	0.18%
6	Pham Quang Thuy	Member of Supervisory Board	113,866	-	113,866	0.10%
TOTAL			75,747,568	-	75,747,568	68.86%

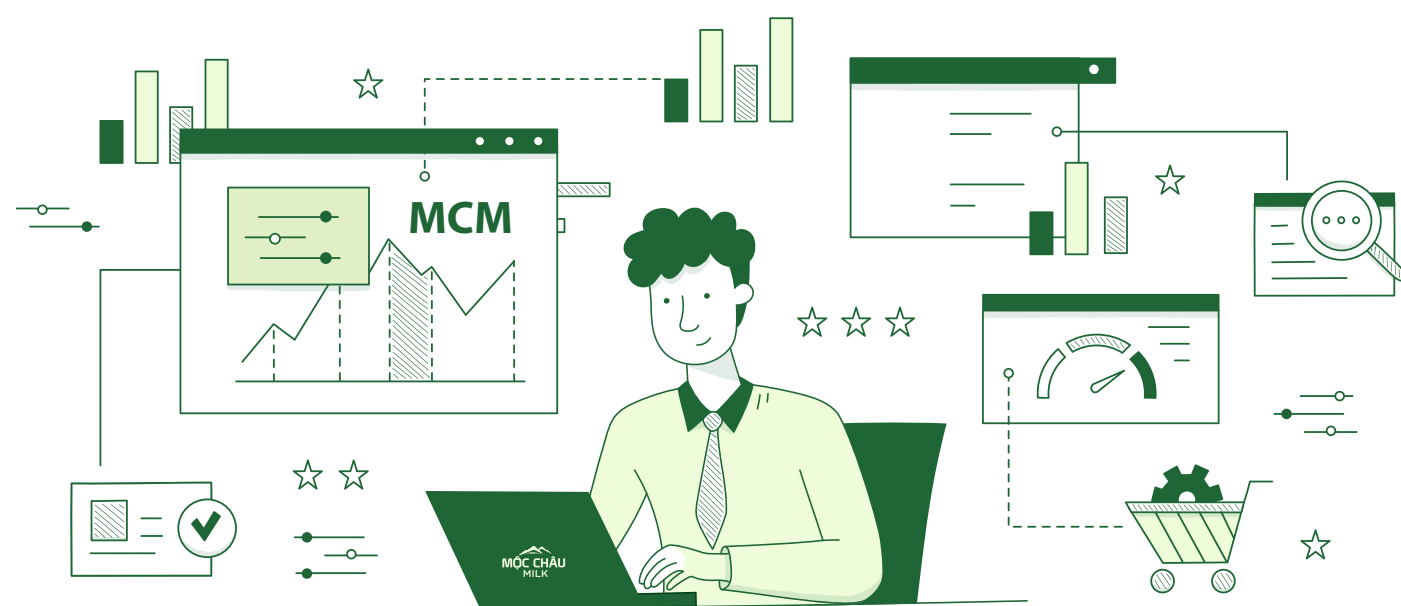




SHARES AND SHAREHOLDERS (CONTINUED)

HISTORY OF DIVIDEND PAYMENT OF MOC CHAU MILK OVER YEARS

Last registration date	Annual dividends	Form	Ratio	Reason and purpose
29/12/2020	1 st installment 2020	Cash	10%	Payment of Cash Dividends
21/05/2021	2 nd installment 2020	Cash	15%	Payment of Cash Dividends
30/11/2021	1 st installment 2021	Cash	10%	Payment of Cash Dividends
20/05/2022	2 nd installment 2021	Cash	15%	Payment of Cash Dividends
30/11/2022	1 st installment 2022	Cash	10%	Payment of Cash Dividends
26/05/2023	2 nd installment 2022	Cash	10%	Payment of Cash Dividends
20/11/2023	1 st installment 2023	Cash	10%	Payment of Cash Dividends
27/05/2024	2 nd installment 2023	Cash	10%	Payment of Cash Dividends
15/11/2024	1 st installment 2024	Cash	10%	Payment of Cash Dividends





SHARES AND SHAREHOLDERS (CONTINUED)

HISTORY OF CAPITAL INCREASE OF MOC CHAU MILK

Date	No.	Charter capital (VND)		Number of Shares (shares)		Number of Shareholders (shareholders)		Content
		Before capital increase	After capital increase	Pre-issuance	Post-issuance	Pre-issuance	Post-issuance	
Capital increase Phase 1 2007	Phase 1	7,100,000,000	17,100,700,000	710,000	1,710,070	561	583	Issuing 591,170 shares to existing shareholders. Issuing 408,900 individual shares to strategic shareholders. Authority to approve for issuing shares: Department of Planning and Investment of Son La Province.
Capital increase Phase 2 2007	Phase 2	17,100,700,000	34,100,700,000	1,710,070	3,410,070	392	420	Issuing 1,403,300 shares to existing shareholders. Issuing 296,700 individual shares to strategic shareholders. Authority to approve for issuing shares: Department of Planning and Investment of Son La Province.
Capital increase Phase 1 2010	Phase 3	34,100,700,000	68,201,400,000	3,410,070	6,820,140	424	424	Issuing 3,410,070 shares to existing shareholders. Authority to approve for issuing shares: Department of Planning and Investment of Son La Province.
Capital increase Phase 1 2011	Phase 4	68,201,400,000	168,460,460,000	6,820,140	16,846,046	411	411	Issuing 10,025,906 shares to existing shareholders. Authority to approve for issuing shares: Department of Planning and Investment of Son La Province.
Capital increase Phase 1 2012	Phase 5	168,460,460,000	268,460,460,000	16,846,046	26,846,046	420	420	Issuing 10,000,000 shares to existing shareholders. Authority to approve for issuing shares: Department of Planning and Investment of Son La Province.
Capital increase Phase 1 2013	Phase 6	268,460,460,000	368,460,360,000	26,846,046	36,846,036	423	423	Issuing 10,000,000 shares to existing shareholders. Authority to approve for issuing shares: Department of Planning and Investment of Son La Province.
Capital increase Phase 1 2015	Phase 7	368,460,360,000	568,460,460,000	36,846,036	56,846,046	460	460	Issuing 20,000,000 shares to existing shareholders. Authority to approve for issuing shares: Department of Planning and Investment of Son La Province.
Capital increase Phase 1 2019	Phase 8	568,460,460,000	668,000,000,000	56,846,046	66,800,000	480	480	Issuing 10,000,000 shares to existing shareholders. Authority to approve for issuing shares: Department of Planning and Investment of Son La Province.
Capital increase Phase 1 2021	Phase 9	668,000,000,000	1,100,000,000,000	66,800,000	110,000,000	782	952	Issuing 3,340,000 shares to existing shareholders. Issuing 39,190,000 individual shares to strategic investors. Issuing 668,000 shares to employees. Authority to approve for issuing shares: State Securities Commission.



TYPICAL EVENTS

Top 500 Fastest Growing Companies in Vietnam (organized by VNR)



GBDA Awards – “Golden Brand for sustainable development” (organized by Product Brand Magazine and BASACO)



“Vietnamese Goods Loved by Consumers” (organized by the Vietnam Fatherland Front Committee of Hanoi and the Hanoi Department of Industry and Trade)



“Vietnam National Brand” (organized by Ministry of Trade and Trade Promotion Agency as assigned by the Government)



Listed at Ho Chi Minh City Stock Exchange according to Decision No. 273/QD-SGDHCM dated May 24, 2024. First transaction date: 25 June 2024

SWOT ANALYSIS

S STRENGTHS



- Long history of formation: Moc Chau Milk was incorporated in 1958 as a pioneering company to develop the industrial livestock farming and milk production industry in Vietnam.
- Moc Chau Milk's strengths come from its closed supply chain. Moc Chau (Son La) is blessed with fertile land and a cool temperate climate, making it a rare land in Southeast Asia suitable for developing large-scale dairy herds. According to Moc Chau Milk's livestock experts, the temperature in Moc Chau only fluctuates around 9-24°C with humidity above 60%, helping to reduce the energy needed for physical activity and improve fertility and give cows' milk. In Moc Chau farm, the cows only use 50% of the food for physical activity, the rest is used for pregnancy and milk production - this is usually 75% in the tropics. Currently, the milk production yield of Moc Chau Milk's cows is 26 liters/cow/day.
- Total cows of Moc Chau Milk of nearly 27,000 cows on 2 centralized farms and with 500 collaborative households.
- From 2019 up to now, Moc Chau Milk has been certified as a disease-free breeding facility by Son La Sub-Department of Livestock, Veterinary and Fisheries, a dairy farming zone that fully meet strict procedures on disease prevention and ensure the health of cows to produce the best raw milk.
- Moc Chau Milk is a brand trusted by Vietnamese consumers especially in the North, and is reviewed as one of the top 4 dairy enterprises in Vietnam. According to Kantar, Moc Chau Milk is also among 05 businesses with strong brand identity and is popular in rural areas because the products have good taste, high nutritional value, and prices are often stable.

W WEAKNESSES



- Market expansion: Moc Chau Milk's main markets are the Northwest, Northeast, Red River Delta, Hanoi and neighboring cities. It still has a long way to go to enter the Southern market, and moreover the export market.
- Marketing activities still have many limitations: Moc Chau Milk provide good products but the marketing is still not strong to bring an effective message to promote to consumers the Company's strengths in its products. Its fresh milk accounts for 70-99% but exploiting the brand is not good; Moc Chau Milk so still does not place any highlights to the let consumers know more about fresh milk compared to reconstituted and sterilized milk.
- Saturated liquid milk market: The fresh milk market in Vietnam currently has more and more brands providing products at many prices with different segments. It leads to an extremely large amount of products displayed on supermarket shelves, causing many difficulties in consumer decision-making process. This is a difficult problem for Moc Chau Milk to solve in a long time. It requires always to make plans and strategies to reach the customers and increase product identity in a new and creative way.

SWOT ANALYSIS (CONTINUED)

O OPPORTUNITIES



- Increasing health care issues: Vietnam is a faster growing country compared to other countries in the region. Hence, the people's income have also been improved in recent years. As a result, more and more people care more about their health and are willing to pay to buy the best products for their families. With such social trends, Moc Chau Milk may fully invest in product quality and production lines to improve product safety and reputation in the view of consumers.
- Increasing market share: With only exploiting mainly in the North, Moc Chau Milk still has a lot of space to develop in markets such as the Central and Southern regions. In addition, Moc Chau Milk may consider exporting milk to neighboring countries.

T CHALLENGES



- Constant competition: Competition in Vietnam's dairy market is one of the challenging factors to Moc Chau Milk in the future. Furthermore, Vietnam's accession to world trade organizations such as the WTO has led to an increase in the foreign enterprises participating in the Vietnamese dairy market. This causes more competitive pressure of the milk market on Moc Chau Milk.
- Emergence of healthy drinks: Milk is an important source of nutrition but not the only one. Nowadays, in addition to milk, the consumers also enjoy healthy drinks other than milk, such as tea, fruit smoothies and nutritional drinks, etc. Due to too many choices, the consumers increasingly tend to consider purchasing products other than milk. It is so required Moc Chau Milk to build campaigns to improve consumers' understanding of the importance of milk as well as its effects in daily life.



RISKS

ECONOMIC RISK

Economic environment with basic factors such as economic growth rate, inflation index, interest rate and exchange rate, etc. is an objective factor but directly impacts the development of all production and service industries as well as all businesses. Moc Chau Milk is a food production and trading company; so its activities are also directly affected by changes in the domestic economic environment and the trade situation of Vietnam and the world.



LEGAL RISK

The Company's business activities are governed by legal documents prescribed by the State with main legal provision of the Law on Enterprises, Securities Law, Food Safety Law, Intellectual Property Law, Occupational Safety and Health Law, Tax and Finance Law, Environmental Protection Law, Consumer Rights Protection Law and other legal documents related to the Company's business activities. In addition, the Company is also governed by the Commercial Law when carrying out export activities.



COMPETITIVE RISK

The Company is under a great competitive pressure from domestic dairy companies and international brands. Especially when bilateral and multilateral trade agreements have taken effect or will take effect in the near future, they will also make imported dairy products at lower prices and greater competitive advantages. The EU-Vietnam Free Trade Agreement (EVFTA) was effect in August 1, 2020, a “wave” of milk from European Union (EU) countries have entered into Vietnam, causing a great pressure on domestic businesses. Although the EU eliminated all tariffs on Vietnamese dairy products, Vietnamese dairy businesses receive almost no benefits because the EU has not yet licensed the import of milk originating from Vietnam.



RAW MATERIAL RISK

Moc Chau Milk's main raw materials are milk from the Company's dairy farms and purchased from dairy farmers. Therefore, the risk is the raw material cost increase due to fluctuations in economic factors and inflation in general or because domestic fresh milk purchasing sources cannot keep up with demand leading to a shortage of raw materials for production. To reduce these risks, in the long-term development strategy, Moc Chau Milk always proactively plans to invest in new dairy farms and support the farmers to develop their cows and improve milk productivity and thereby controlling the costs to lower the milk prices.



PRODUCT QUALITY RISK

Dairy products are foods that bring good health to the consumers. Therefore, the product quality is a key factor that the Company always maintain and commit to the highest responsibility for consumers. To ensure the product quality at the highest, Moc Chau Milk always applies advanced production technologies in the world, modern production processes and the strictest quality control. The Company was awarded ISO 2000 Certificate for food safety management system. The application of modern production technology along with strict quality control processes will minimize possible product quality risks.



GOVERNANCE RISK

The governance risk of each company may arise due to two main reasons: (i) the vacancy without timely fulfillment of one or more key leaders and (ii) the harmonization of interests and responsibilities between management positions. To limit governance risk, Moc Chau Milk should comply with corporate governance regulations stipulated in the Law on Enterprises, Securities Law and guiding documents and apply strictly the report and information disclosure.



RISK OF CHANGING CONSUMER TREND

Firstly, the market tends to increase a plant milk consumption. In fact, soy milk and barley milk are considered the best alternatives to dairy milk due to their high protein and vitamin content.

Secondly, the spending amount on fast-moving consumer goods of Vietnamese consumers in general tends to level off when their basic needs are met. Instead, the consumers often change to spend on hobbies to satisfy higher needs (such as eating/drinking outside) and spending on non-essential items for the general purpose of improving quality of life. While the milk demand in the urban market seems to be saturated, consumption in the rural market fluctuates greatly due to increasing dependence on agricultural prices, depending on the disposable income in this market for deciding the fast-moving consumer products.

From the risks of changing consumer trends, the leadership of Moc Chau Milk has flexibly responded, conducted comprehensive market research and built product diversification strategies to suit customers' future demand.





DEVELOPMENT ORIENTATION

The Company plans to invest in more modern fresh milk product production lines at Milk Processing Plant to expand the size of the cows at Moc Chau Milk's existing farm from 1,600 cows to 6,000 cows (including upgrading the existing farm to 2,000 cows and investing in a dairy farm of 4,000 cows combined with ecotourism). The farms are oriented to international standards in dairy management and farming.

The Company will continue to promote the successes of the cooperative farmers model and support the local farmers in applying scientific and technical advances to improve productivity and milk quality of the cows. The Company aims to develop the households to create a chain of farm satellites to increase the size of cows, develop concentrated livestock farming, improve breeding processes better and more effectively, and increase the herd of cows from 25,000 to 35,000 cows. In addition, Moc Chau Milk will develop a high-tech dairy farm complex projects meeting international standards in combination with eco-tourism. In addition, Moc Chau Milk plans to build a new modern milk processing factory on the Moc Chau plateau with a total estimated investment capital of more than VND 1,600 billion.

EXPANDING HERD SIZE TO

6,000

DAIRY COWS

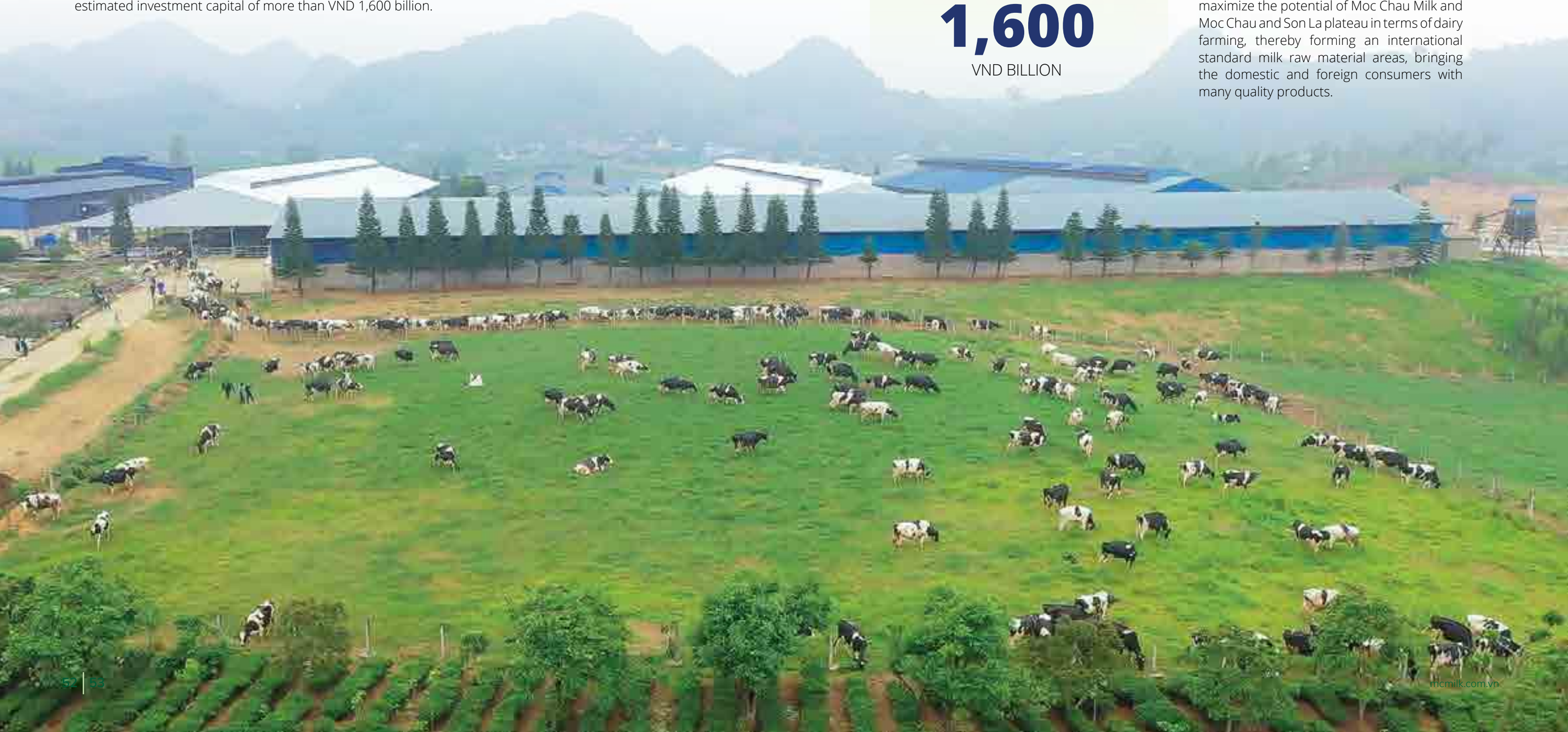
BUILDING A FACTORY WORTH

1,600

VND BILLION

In addition, the Company combines with Vinamilk to build a development strategy for the period 2020-2025, with a vision to 2030 towards making Moc Chau and Son La into the high-tech dairy key zone of Vietnam, combine the agriculture with eco-tourism to create jobs for ethnic farmers, develop agriculture, farmers and rural areas in a sustainable way and contribute the revenue to the local budget.

These strategic plans are expected to maximize the potential of Moc Chau Milk and Moc Chau and Son La plateau in terms of dairy farming, thereby forming an international standard milk raw material areas, bringing the domestic and foreign consumers with many quality products.

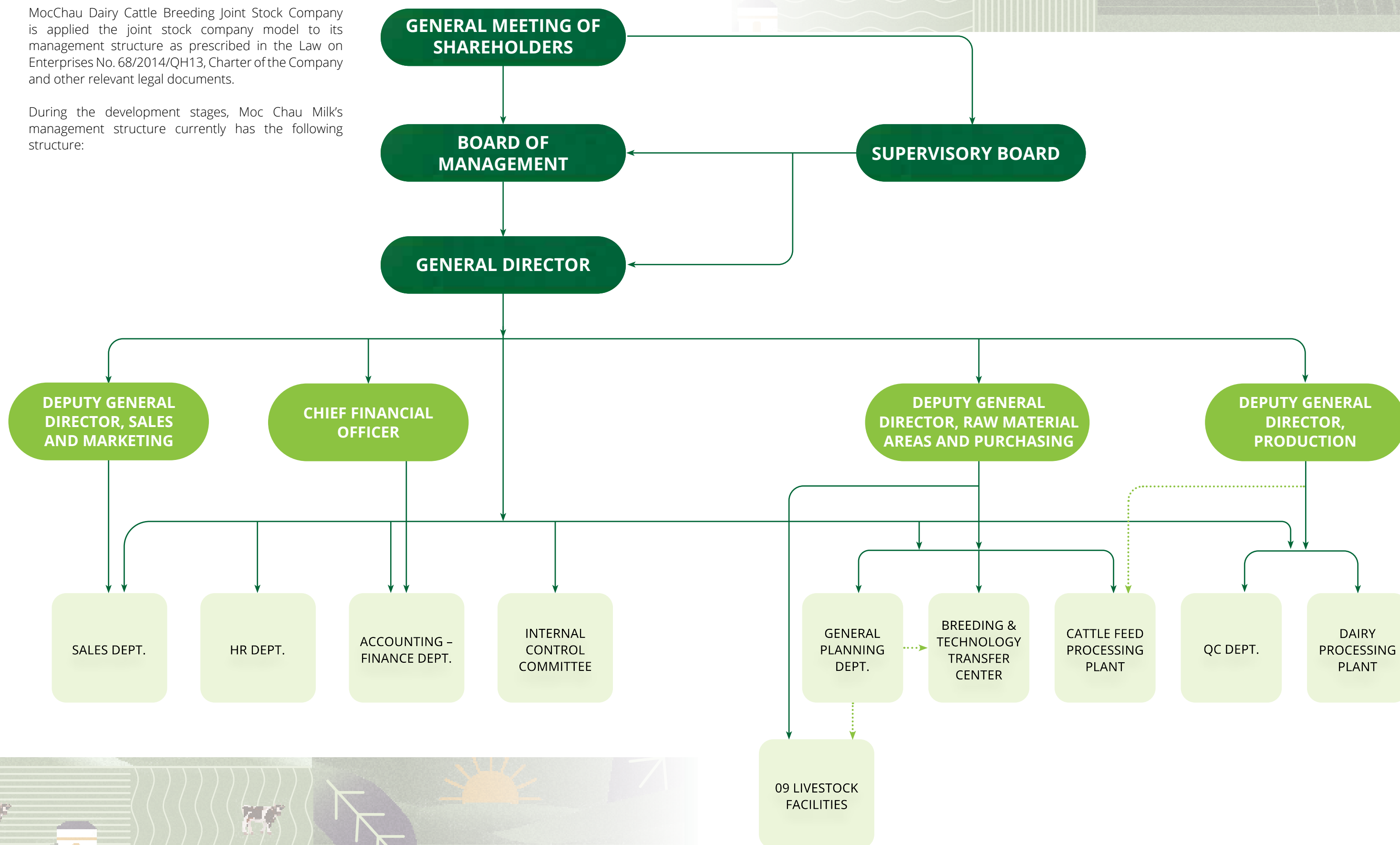




ORGANIZATIONAL CHART AND MANAGEMENT STRUCTURE

MocChau Dairy Cattle Breeding Joint Stock Company is applied the joint stock company model to its management structure as prescribed in the Law on Enterprises No. 68/2014/QH13, Charter of the Company and other relevant legal documents.

During the development stages, Moc Chau Milk's management structure currently has the following structure:





KEY PERSONNEL

INTRODUCTION TO BOARD OF DIRECTORS



Ms. MAI KIEU LIEN - Chairwoman

- Gender: Female
- Year of birth: 1953
- Nationality: Vietnamese

Professional qualifications: Milk and dairy product processing technology engineer, Moscow institute of technology of the meat and dairy industry

Working process:

- 1976 - 1982: held positions in many areas, departments in many plants
- 1982 - 1983: Deputy Technical Director – Thong Nhat Dairy Plant
- 1984 - 1992: Deputy General Director - Vietnam Dairy Products JSC (Vinamilk), economic division
- 1992 - present: General Director of Vinamilk
- February 2020 - present: Chairwoman of the Board MocChau Dairy Cattle Breeding Joint Stock Company

Current job positions at Moc Chau Milk:

- Chairwoman of the Board

Position at other companies:

- Vietnam Dairy Products JSC - BoD member, General Director
- Vietnam Dairy Cow One-member Company Limited - Chairwoman
- Thong Nhat Thanh Hoa Dairy Cow Company Limited – Chairwoman
- Driftwood Dairy Holding Corporation - BoD member
- Laos - Jagro Development Xieng Khouang Co., Ltd. - Chairwoman
- Vietnam Livestock Corporation - JSC - Chairwoman
- Del Monte - Vinamilk Dairy Philippines, Inc. - Chairwoman of the Members' Council



Mr. LE HOANG MINH - BoD Member

- Gender: Male
- Year of birth: 1964
- Nationality: Vietnamese

Professional qualifications: Electrical - automatic control engineer, Hanoi University of Science and Technology

Working process:

- 1992 - 2009: held different positions at Plants and Projects: Electrical Engineer, Deputy Factory Manager, Head of Tien Son Dairy Plant expansion project
- 2009 - 2022: held managerial positions in the Project and Production Division of Vinamilk: Factory Technical Director, Asset Management Director of the Production Division, Mechanical and Electrical Technical Director of the Project Division, Director of Mechanical and Electrical Engineering and Production Construction, Production Director of Plant and Director of Plant
- February 2022 - present: Production Director at Vietnam Dairy Products Joint Stock Company
- April 2023 - present: Member of the Board of Directors of Moc Chau Milk

Current job positions at Moc Chau Milk:

- BoD member

Position at other companies:

- Vietnam Dairy Products Joint Stock Company - Production Director



KEY PERSONNEL (CONTINUED)

INTRODUCTION TO BOARD OF DIRECTORS (continued)



MR. PHAM HAI NAM - BoD Member, General Director

- Gender: Male
- Year of birth: 1969
- Nationality: Vietnamese

Professional qualifications: Livestock engineer

Working process:

- October 1992 - 2010: Employee of Production and Sales Department - Moc Chau Milk
- October 2010 - September 2014: Deputy Director of Breeding and Technical Transfer Center - Moc Chau Milk
- September 2014 - June 2015: Production and Sales Manager, Director of Breeding and Technical Transfer Center - Moc Chau Milk
- June 2015 - January 2020: Deputy General Director and Production and Sales Manager, Director of Breeding and Technical Transfer Center - Moc Chau Milk
- February 2020 - present: BoD Member, General Director of Moc Chau Milk

Current job positions at Moc Chau Milk:

- BoD Member, General Director



MR. DOAN QUOC KHANH - BoD Member

- Gender: Male
- Year of birth: 1974
- Nationality: Vietnamese

Professional qualifications:

- Engineer in Automation, Moscow State University of Applied Biotechnology (1998)
- He was part of the first batch of international students sent to personnel training program by Vinamilk

Working process:

- 1999 - 2006: Held different positions at Plants and Project of Vinamilk including Head of Angkor dairy processing plant in Cambodia, Head of Technical Department, Head of Electrical Department - Electromechanical Department and coordinator for the project of installation of milk powder filling lines at Dielac dairy processing plant, in charge of technical issues, procurement, installation and operation of equipment of Saigon Coffee Factory
- 2016 - 2023: General Director of AngkorMilk, a 100% Vinamilk owned subsidiary in Cambodia, supporting AngkorMilk to achieve impressive growth for many consecutive years.
- September 2023 - present: Executive Director, raw material areas of Vinamilk
- April 2024 - present: BOD member of Moc Chau Milk

Current job positions at Moc Chau Milk:

- BoD member

Position at other companies:

- Executive Director, raw material areas - Vinamilk
- BOD member cum General Director of Vietnam Livestock Corporation - JSC
- BOD member of Angkor Milk Co., Ltd



KEY PERSONNEL (CONTINUED)

INTRODUCTION TO BOARD OF DIRECTORS (continued)

**MR. HOANG VAN CHAT - Independent BoD member**

- ◆ Gender: Male
- ◆ Year of birth: 1959
- ◆ Nationality: Vietnamese

Professional qualifications:

- ◆ Agricultural engineer: Hanoi University of Agriculture 1
- ◆ Bachelor of political theory: Ho Chi Minh National Academy of Political Theory

Working process :

- ◆ 1981 - 1995: Technical officer, Deputy Director at Na San Camp, Son La
- ◆ 1995 - April 1999: Member of the Executive Committee of Mai Son District Party Committee, Son La; Deputy Director, Director of Party Committee Secretary at To Hieu Son La Farm
- ◆ November 1999 - August 2000: Secretary of the District Party Committee of Mai Son District, Son La
- ◆ February 2001 - May 2002: Member of the Standing Committee, Head of the Organization Committee of Son La Provincial Party Committee
- ◆ June 2002 - July 2003: Member of the Standing Committee, Standing Committee of the Provincial Party Committee, Head of the Organization Committee of the Provincial Party Committee of Son La Province
- ◆ August 2003 - June 2011: Deputy Secretary of the Provincial Party Committee, Head of the Provincial Party Committee's Organization Committee; Head of the Economic and Budget Committee of the People's Council of Son La province
- ◆ July 2011 - January 2015: Standing Deputy Secretary of the Provincial Party Committee; Chairman of the People's Council of Son La province
- ◆ February 2015 - August 2019: Secretary of the Provincial Party Committee; Chairman of the People's Council of Son La province
- ◆ March 2022 - present: Independent member of the Board of Directors of Moc Chau Dairy Cow Breed Joint Stock Company

Current job positions at Moc Chau Milk: Independent BoD member

Position at other companies: None

INTRODUCTION TO SUPERVISORY BOARD

**MS. TRAN THAI THOI TRAN – Head of Supervisory Board**

- ◆ Gender: Female
- ◆ Year of birth: 1985
- ◆ Nationality: Vietnamese

Professional qualifications: Bachelor in Accounting-Audit

Working process:

- ◆ May 2007 - July 2008: Audit Assistant, CPA Ha Noi – Ho Chi Minh City Office
- ◆ August 2008 - September 2010: Auditor, E&Y Company
- ◆ September 2010 - June 2014: Internal Control Specialist – Vinamilk
- ◆ June 2014 - April 2019: Head of System Control Department – Vinamilk
- ◆ April 2019 - present: Director of Internal Control & Risk Management Department – Vinamilk
- ◆ April 2024 - present: Head of Supervisory Board of Moc Chau Milk

Current job positions at Moc Chau Milk:

- ◆ Head of Supervisory Board

Position at other companies:

- ◆ Director of Internal Control and Risk Management Department – Vinamilk



KEY PERSONNEL (CONTINUED)

INTRODUCTION TO SUPERVISORY BOARD (continued)



MR. TRINH CONG SON - Member of Supervisory Board

- Gender: Male
- Year of birth: 1992
- Nationality: Vietnamese

Professional qualifications:

- Bachelor of Economics
- Certified Auditor, Member of the British Association of Certified Public Accountants

Working process:

- 2014 - 2017: Audit team leader at PwC Company Limited (Vietnam)
- 2017 - March 2022: Head of General Accounting and Financial Statements - Vietnam Dairy Products Joint Stock Company
- February 16, 2020 - present: Member of the Supervisory Board of Moc Chau Milk
- March 2022 - present: Chief Financial Officer, Del Monte Joint Venture Company - Vinamilk Dairy Philippines Inc
- April 2022 - present: Head of Investment Finance Department - Financial Management Department, Vinamilk

Current job positions at Moc Chau Milk: Member of the Supervisory Board

Position at other companies:

- Head of Investment Finance Committee - Financial Management Department - Vinamilk
- Member of the Supervisory Board - Vietnam Livestock Corporation - Joint Stock Company (Vilico)
- Chief Financial Officer - Del Monte-Vinamilk Dairy Philippines Joint Venture Company Inc



MR. PHAM QUANG THUY - Member of Supervisory Board

- Gender: Male
- Year of birth: 1962
- Nationality: Vietnamese
- Ethnicity: Kinh

Professional qualifications: Bachelor of Economics

Working process :

- December 1985 - March 1995: Worked at Moc Chau Tea Company
- April 1995 - June 1997: Vice Captain of Team 96 of Moc Chau Tea Company
- 07/1997 - 05/2005: Captain of Team 66 - Moc Chau Tea Company
- June 2005 - January 2010: Vice Chairman of Trade Union of Moc Chau Tea Company
- February 2010 - January 2012: Deputy Director of Dairy Factory, Chairman of Dairy Factory Union - Moc Chau Milk
- February 2012 - February 2013: Deputy of the Company's Project Management Committee. Deputy Secretary of Production and Business - Moc Chau Milk
- March 2013 - February 2020: Director of TMR Cattle Feed Plant, Moc Chau Milk
- February 16, 2020 - December 2022: Member of the Supervisory Board, Director of Cattle Feed Processing Plant, Moc Chau Milk
- January 2023: Retired according to policy
- January 2023 - present: Member of the Supervisory Board, Moc Chau Milk

Current job positions at Moc Chau Milk: Member of the Supervisory Board



KEY PERSONNEL (CONTINUED)

INTRODUCTION TO MEMBERS OF BOARD OF MANAGEMENT AND CHIEF ACCOUNTANT



MR. PHAM HAI NAM - BOD member cum General Director

♦ See details at Section of BOD members



MR. NGO CONG THANG - Deputy General Director

- ♦ Gender: Male
- ♦ Year of birth: 1981
- ♦ Nationality: Vietnamese

Professional qualifications:

- ♦ Bachelor of Biology
- ♦ Master of Business Administration

Working process:

- ♦ September 2005 - July 2006: QA Team Leader, Nghe An Dairy Processing Plant – Vinamilk
- ♦ July 2006 - June 2009: Head of Quality Control Department, Nghe An Dairy Processing Plant-Vinamilk
- ♦ July 2009 - August 2012: Production Director - Nghe An Dairy Processing Plant-Vinamilk
- ♦ August 2012 - January 2015: Acting Director of Nghe An Dairy Processing Plant-Vinamilk
- ♦ February 2015 - July 2024: Director of Nghe An Dairy Processing Plant-Vinamilk
- ♦ August 2024 - present: Deputy General Director of Moc Chau Milk

Current job positions at Moc Chau Milk:

- ♦ Deputy General Director, Production

Position at other companies: None



KEY PERSONNEL (CONTINUED)

INTRODUCTION TO MEMBERS OF BOARD OF MANAGEMENT AND CHIEF ACCOUNTANT (continued)



MR. NGUYEN SY QUANG – Deputy General Director

- ◆ Gender: Male
- ◆ Year of birth: 1968
- ◆ Nationality: Vietnamese
- ◆ Educational level: Livestock Engineer

Professional qualifications: Livestock - Veterinary Engineer

Working process :

- ◆ 1985 - 1990: Worker at Moc Chau Electromechanical Enterprise - Moc Chau Joint Enterprise
- ◆ 1990 - 1994: Student - Thai Nguyen University of Agriculture and Forestry
- ◆ 1995 - 2000: Technical officer - Moc Chau Milk
- ◆ 2001 - 2003: Staff of Production and Sales Department of Moc Chau Milk
- ◆ 2003 - July 2006: Deputy Production and Sales Manager of Moc Chau Milk
- ◆ August 2006 - July 2008: Deputy Director of Hanoi Branch cum Market Manager - Moc Chau Milk
- ◆ August 2008 - December 2020: Deputy General Director - Moc Chau Milk
- ◆ March 2020 - present: Deputy General Director, raw material areas and purchasing

Current job positions at Moc Chau Milk:

- ◆ Deputy General Director, Raw material areas and Purchasing

Position at other companies: None



MR. LE HUY BICH - Deputy General Director

- ◆ Gender: Male
- ◆ Year of birth: 1989
- ◆ Nationality: Vietnamese

Professional qualifications:

- ◆ Bachelor, Major in Foreign Economics
- ◆ Master, Major in Business Administration
- ◆ Master, Major in Computer Science

Working process:

- ◆ August 2011 - March 2013: Audit assistant at PwC Vietnam Limited
- ◆ 2016 - 2019: Price accounting specialist – Vinamilk
- ◆ January 2020 - February 2024: Chief Financial Officer of Vietnam Livestock Corporation
- ◆ January 2020 - March 2024: CFO - Vietnam Livestock Corporation
- ◆ April 2024 - present: Deputy General Director of Moc Chau Milk

Current job positions at Moc Chau Milk:

- ◆ Deputy General Director

Position at other companies: BoD Member - Hai Phong Livestock and Poultry Import-Export Investment Joint Stock Company



KEY PERSONNEL (CONTINUED)

INTRODUCTION TO MEMBERS OF BOARD OF MANAGEMENT AND CHIEF ACCOUNTANT (continued)

**MR. NGUYEN ANH TÚ - Chief Accountant**

- Gender: Male
- Year of birth: 1978
- Nationality: Vietnamese

Professional qualifications: Bachelor of Economics - Academy of Finance**Working process:**

- September 2000 - October 2005: Accountant - Moc Chau Milk
- November 2005 - December 2021: Deputy Accounting Department - Moc Chau Milk
- April 2007 - May 2019: Chief of Supervisory Board - Moc Chau Milk
- June 2019 - February 2020: Member of the Supervisory Board - Moc Chau Milk
- January 10, 2022 - present: Chief Accountant - Moc Chau Milk

Current job positions at Moc Chau Milk:

- Chief Accountant

Position at other companies: None

PERSONNEL STRUCTURE IN 2024

No.	Item	31/12/2023		31/12/2024	
		Number (people)	Ratio (%)	Number (people)	Ratio (%)
	Classified by professional qualifications	775	100.0%	772	100.0%
1	Graduate or post-graduate degrees	188	24.0%	194	25.1%
2	College and intermediate degrees	255	33.0%	280	36.3%
3	Unskilled workers	332	43.0%	298	38.6%
	Classified by functional departments, divisions	775	100.0%	772	100.0%
1	Management	50	6.5%	49	6.5%
2	Main production	505	65.2%	526	68.0%
3	Services	109	14.1%	81	10.5%
4	Others	111	14.3%	116	15.0%
	Labor structure by gender	775	100.0%	772	100.0%
1	Female	285	37.0%	275	64.4%
2	Male	490	63.0%	497	35.6%
	Labor structure by age	775	100.0%	772	100.0%
1	Under 18 years old	0	0.0%	0	0.0%
2	From 18 to 30 years old	144	18.6%	121	15.7%
3	From 31 to 40 years old	420	54.2%	420	54.4%
4	From 41 to 50 years old	179	23.1%	189	24.5%
5	Over 50 years old	32	4.1%	42	5.4%
	Labor structure by permanent residence	775	100.0%	772	100.0%
1	Inside the province (Son La)	639	82.5%	629	81.5%
2	Outside the province	136	17.5%	143	18.5%
	Leadership structure by gender	50	100.0%	49	100.0%
1	Female	8	16.0%	8	16.3%
2	Male	42	84.0%	41	83.7%

CHAPTER 02

Business performance
in 2024

PIONEERING INNOVATION
ELEVATING VIETNAMESE DAIRY





OVERVIEW OF THE DAIRY INDUSTRY IN 2024 AND DAIRY INDUSTRY FORECAST IN 2025

In 2024, the world witnessed a myriad of unpredictable events, risky and uncertain factors. Military conflicts continued escalating, the increasingly strategic competition between big countries, many countries around the world strengthened their protectionist policies, public debts and increasing budget deficit, economic decline in major countries, partial disruptions in global supply chain causing impacts on peace, stability and global economic growth. Additionally, natural disasters, extreme weather have had serious impacts on people's life and socio-economic development in many countries. However, the global economy is stabilizing when global trade is gradually improving, inflation is falling, financial conditions is becoming looser, positive recovery of labor market. By December 2024, a majority of international organizations maintained or raised the global economic growth to 0.3 percentage point from 0.1 percentage point compared to previous forecast from 2.7% to 3.2%, equivalent to growth rate of 2023. In 2024, GDP growth of Vietnam was projected at 7.09% compared to previous year, lower than growth rate of 2018, 2019 and 2020 in 2011-2024 period.

VIETNAM'S GDP GROWTH

 **7.09%**
year-on-year



POSITION IN THE MILK INDUSTRY

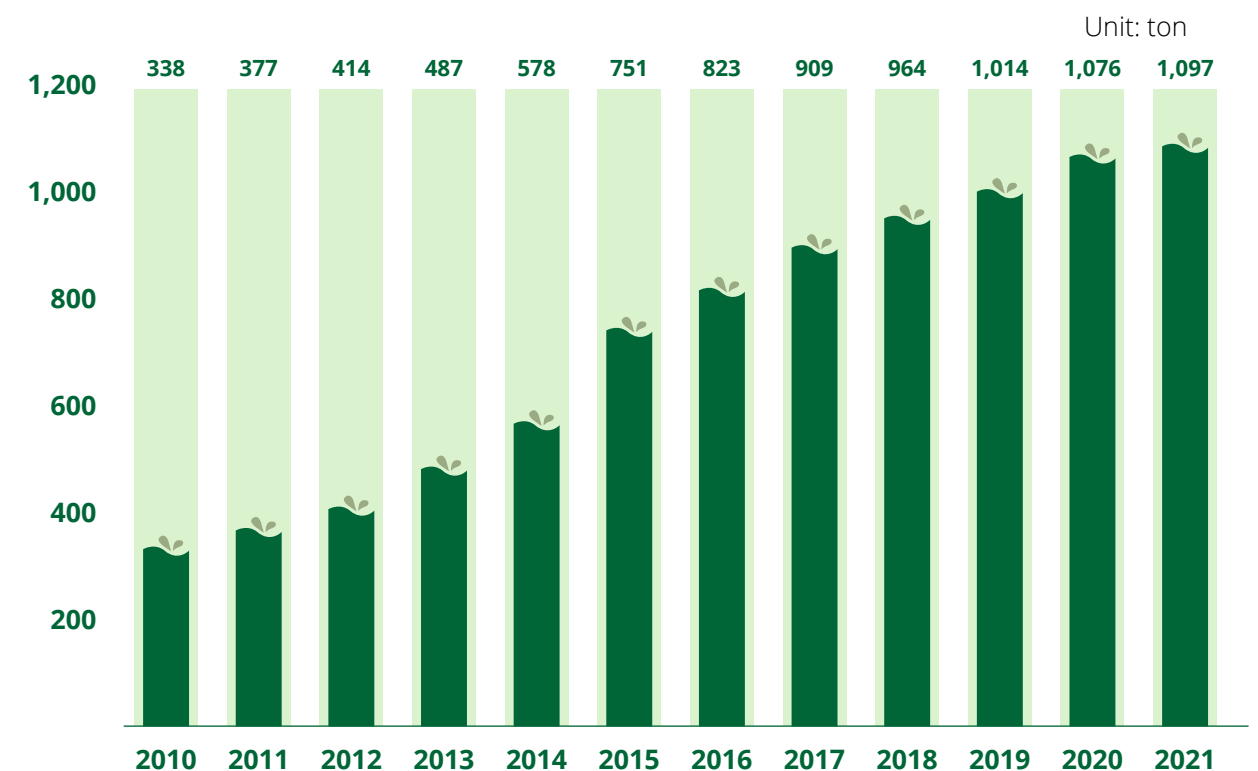
Moc Chau Dairy Cattle Breeding Joint Stock Company operates mainly in the Northern part of Vietnam, specifically in Northwestern, Northeastern, Red River Delta, Ha Noi and North Central Region. The biggest contributors to the Company's revenue include Northeastern/Northwestern region and Red River Delta.

The Company's market presence is still limited in comparison to other big milk brands (including Vinamilk, TH True Milk, FrieslandCampina), especially in the Southern market. However, the support of Parent Company - Vinamilk - will promote Moc Chau Milk's development in the Southern part of Vietnam in the future.

MILK INDUSTRY OUTLOOK

OVERVIEW OF VIETNAM MILK MARKET

Chart: Total milk production volume in Vietnam in 2010-2021



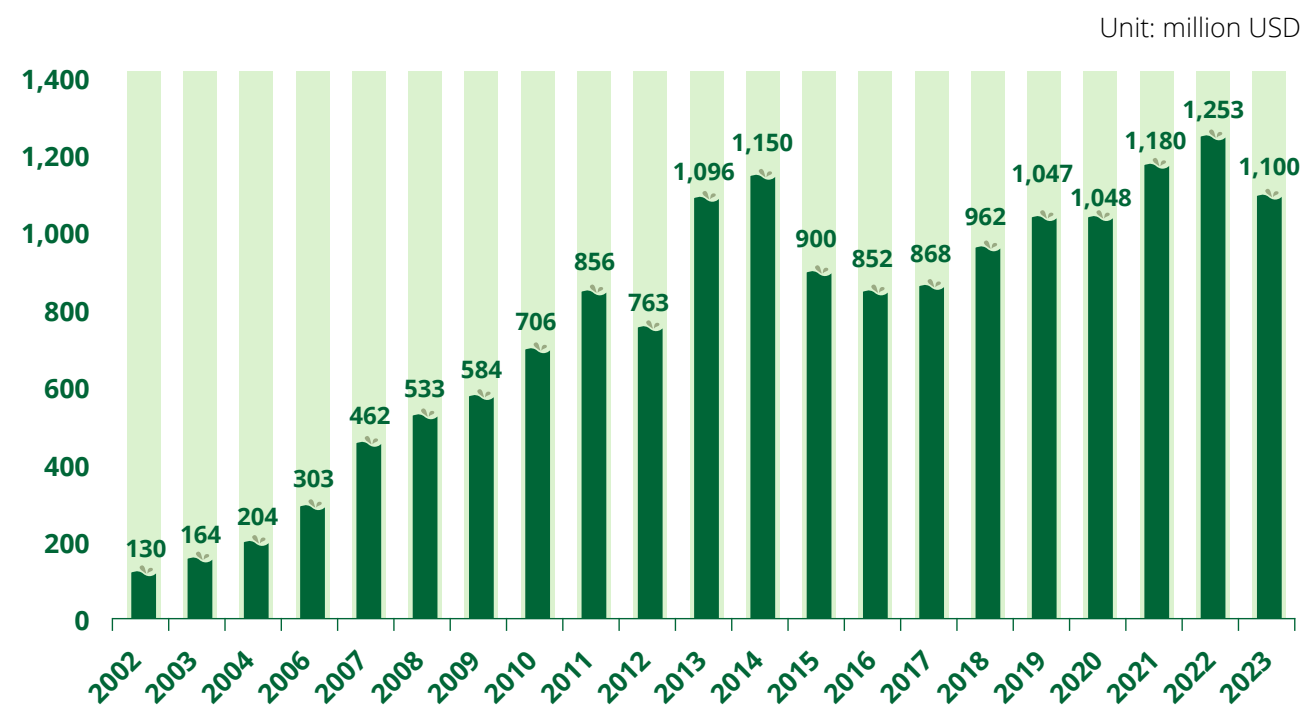
(Source: <https://ourworldindata.org/>)

In 2020-2023, despite unfavorable factors including Covid-19 pandemic outbreak, declined purchasing power, Vietnam milk market revenue increased stably. According to General Office of Statistics, Vietnam milk revenue was projected at 119,300 billion VND in 2021 and 135,000 billion VND in 2022. Milk revenue growth were mainly generated from 02 main segments: powdered milk and liquid milk. Vietnam liquid milk volume in 2022 reached 1,802 million liters, up 4.15% compared to 2021. Vietnam milk industry has been developing sustainably towards modern and synchronous production from raw materials to finished products which are competitive enough to integrate in regional and global markets, meeting increasing demand of society.



OVERVIEW OF THE DAIRY INDUSTRY IN 2024 AND DAIRY INDUSTRY FORECAST IN 2025 (CONTINUED)

Chart: Total milk and dairy product imports of Vietnam in 2002 -2023



(Source: General Office of Statistics)

Growth outlook

According to Vietnam milk production industry plan and a vision to 2025, locally produced fresh milk volume was projected at 1 billion liters, meeting 38% of local demand in 2020 and 1.4 billion liters meeting 40% of demand by 2025. Specific goals are as follows:

Criteria	Fresh milk volume	Average consumption	Locally produced fresh milk	Export value
2015	1.9 billion liters	21 liters/person/year	660 million liters meeting 35% of demand	90-100 million USD
2020	2.6 billion liters	27 liters/person/year	1 billion liters meeting 38% of demand	120-130 million USD
2025	3.4 billion liters	34 liters/person/year	1.4 billion liters meeting 38% of demand	150-200 million USD

¹ According to Decision No 3399/QĐ-BCT of Ministry of Industry and Trade on approval of Vietnam milk production industry plan by 2020 and a vision to 2025.

Sustainable growth potential of local milk industry are based on following factors:

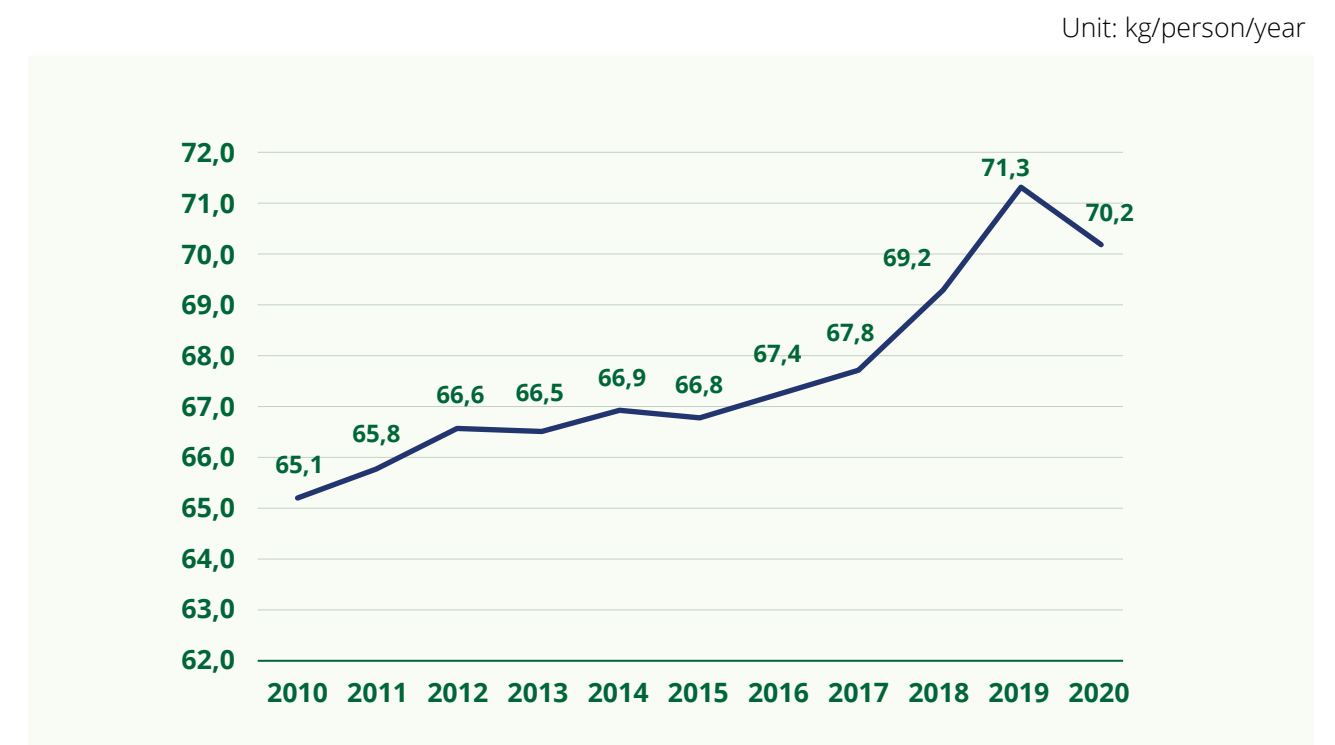
Population growth and increased awareness of health benefits of milk and improved demand of nutrition

Vietnam population continues growing. This can lead to increasing demand of milk products and related products, such as powdered milk and yoghurt to meet the increasing demand of nutrition. Besides, as society develops, global and local milk demands also increase due to huge room for Vietnam milk market. Favorable demographic factor, improved income, increasing concerns of consumers to their health and families plus improved awareness of nutritional products, etc. are “cradle” to promote the demand of milk and milk products in the long run. Then, consumers become more aware of nutritional values of milk and tend to consume more.

Average milk consumption per capita in Vietnam is lower than other regional countries

Average milk consumption per capital in Vietnam remains low: 27 liters/person/year compared to 35 liters/person/year and 45 liters/person/year in Thailand and Singapore respectively in 2021. There is a huge room for growth. As forecast by Research and Markets, average milk consumption per capita in Vietnam will reach 40liters/person/year by 2030, equivalent to double-growth of 4% y-o-y. There is still huge potential for export. As forecast by Fitch Solutions, spending on milk products will increase by an average of 14.9% in 2005-2025.

Chart: Global average milk consumption in 2010-2020

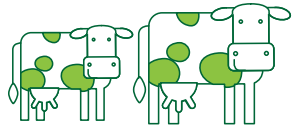


(Source: <https://ourworldindata.org>)



OVERVIEW OF THE DAIRY INDUSTRY IN 2024 AND DAIRY INDUSTRY FORECAST IN 2025 (CONTINUED)

INCREASING DEMAND OF ORGANIC MILK PRODUCTS



**A TOTAL HERD OF
NEARLY
375,000
COWS**

Organic milk market is projected at a CAGR of 3.5% in the coming time. As forecast, organic milk market will reach 32.7 billion USD by 2032 from 23.2 billion USD in 2022. End of 2021, organic milk market was valued at 22.4 billion USD. The organic milk demand which promotes organic lifestyle is expected to significantly increase in the coming years. According to General Office of Statistics, Vietnam has nearly 28,000 dairy cow farms and households with a total herd of nearly 375,000 cows. Total fresh milk volume of Vietnam reached 1.8 billion liters by 2022, up 2.75% compared to 2021. Local fresh milk volume can only meet 42% of demand, the rest relies on imported products.

TREND IN VIETNAM MILK INDUSTRY IN 2023-2025



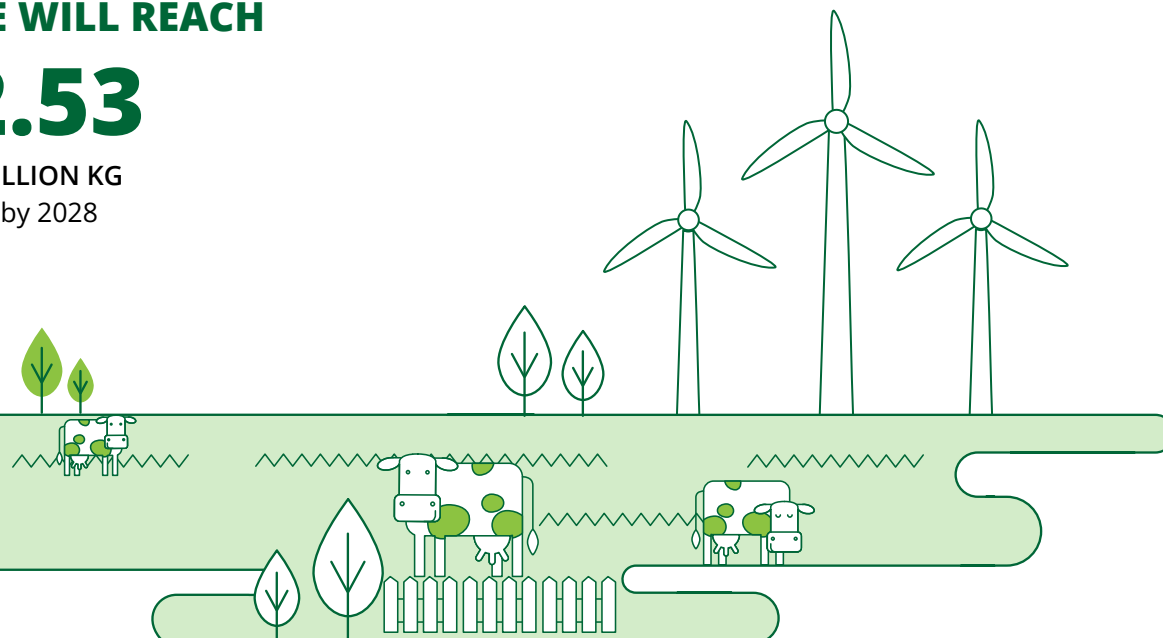
VIETNAM MILK PRODUCTION VOLUME WILL REACH

2.53

**BILLION KG
by 2028**

According to a report of IMARD Group, Vietnam milk industry will have a CAGR growth of 9.4% in 2025-2032.

A research of Statista shows that Vietnam milk production volume will reach 2.53 billion kg by 2028. The milk market is expected to have a growth rate of 5% by 2025. Accordingly, average milk consumption volume of each person is expected to reach 20.7kg by 2025.

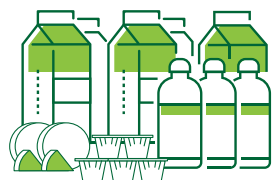




OVERVIEW OF THE DAIRY INDUSTRY IN 2024 AND DAIRY INDUSTRY FORECAST IN 2025 (CONTINUED)

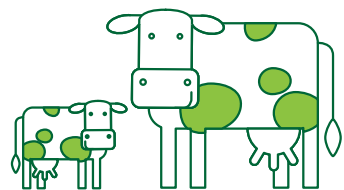
Vietnam milk market highlights in 2023-2025:

IMPROVED MILK CONSUMPTION DEMAND



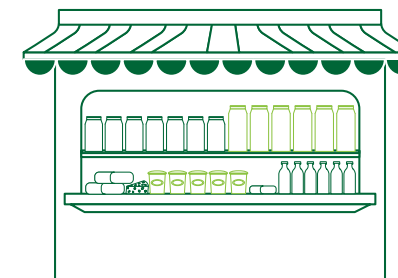
As forecast by Maybank IBG Research 2025, Vietnam milk industry is expected to recover with positive growth in volume. This is thanked to economic recovery, helping increasing consumers' willingness and ability to spend on liquid milk and milk based products. At the same time, improved income and living standard promote higher consumer spending on high quality milk products.

FIERCE COMPETITION FROM "GIANTS" IN THE MILK INDUSTRY



Vietnam milk industry witnesses a fierce competition between companies including local and foreign ones. There are now 200 milk companies operating in Vietnam including 40 milk producers and distributors. A majority of market share hold by local companies (75%), the remaining hold by foreign companies (25%). Leading milk companies in Vietnam include Vinamilk, TH True Milk, Nutifood, IDP and Moc Chau Milk. Meanwhile, leading foreign companies including FrieslandCampina, (the Netherlands), Nestle (Switzerland), Abbott (USA), Mead Johnson (USA) and Fonterra (New Zealand). In order to gain market share and customer trust, big milk companies are implementing their own business strategies including investment in R & D (Research & Development), expansion of distribution network, promotion and brand building, promotional pricing strategies.

DIVERSE PRODUCT PORTFOLIO



Vietnam dairy market is increasingly diverse in types and quality. There are many choices for consumers from powdered milk, fresh milk, condensed milk, yoghurt to functional milk, organic milk, lactose-free milk, plant-based milk, milk products modified by fruits, cereals, vegetable roots or herbs. Milk companies continuously invest in product research and development to meet the increasing and diverse customer demands, especially sensitive consumers such as children, pregnant and lactating women, the elderly and the sick. At the same time, quality of dairy products have been continuously improved through compliance with international food safety standards, strict control of raw material and production process, application of innovative and modern technologies.





OVERVIEW OF THE DAIRY INDUSTRY IN 2024 AND DAIRY INDUSTRY FORECAST IN 2025 (CONTINUED)

Factors and components affecting dairy market

CONSUMER TASTES



Vietnamese consumers are showing their increasing interest in quality and nutritional values of dairy products, especially fresh milk and yogurt. In addition, there is now an increasing demand of organic milk, preservative-free milk, sugar free milk, lactose free milk, consumers tend to choose dairy products with unique flavors such as green tea milk, coffee milk, coconut milk and nut milk. This shows diverse customer needs in choosing products.

ECONOMIC ELEMENT



Average income of Vietnamese people in 2023 increase to 7.6 million VND/person/month. Accordingly, high-end and imported dairy products are increasingly popular to consumers. On the other hand, it is a challenge for dairy companies due to increased raw material and production costs. Therefore, it requires dairy companies to seek operational optimization solutions and competitiveness improvement. This process includes product innovation to meet diverse customer needs, improving product quality and branding to attract interest and building customer trust. It also requires dairy companies to lay out production cost control measures and optimize production process to improve operational efficiency and profit margin.

TECHNOLOGY



Technology plays a key role in promoting the development of Vietnam's milk industry. Dairy companies have applied advanced technologies such as biotechnology, nanotechnology, smart technology and digital technology to improve production process; strengthen quality control, supply chain management and customer interaction. In addition, a research report on Vietnam's dairy market shows that trend in smart dairy products continue to grow in the future. This demonstrates a flexibility and creativity in milk industry to meet diverse customer needs and personalized customer experience.

CONSUMER BEHAVIOR CHANGE



Green, sustainable and health consumption trend: natural ingredients and environmental protection are now an influencer of dairy trends. Rapid population ageing: requiring more dairy products for the elderly. Future of consumer behavior in the age of Gen Z: dairy products for young people focus on their interests and habits of Gen Z. The growth of online shopping and e-commerce boom require dairy companies to focus on multi-channel development, prioritize developing e-commerce. KOLs, KOCs will have great impacts on consumer shopping behavior.



POLICIES AND REGULATIONS



The Vietnam Government has issued many policies and regulations to protect and promote the development of local milk industry. It requires Vietnam's milk industry to comply with regulations on technical standards, food safety and hygiene, labeling and advertisement of the State. This aims to protect customer rights and improve quality of locally produced dairy products. In addition, Vietnam's dairy market is benefited from the State's incentive policies and encouragement mechanisms. E.g. exemption of import tax of raw material for enterprises investing in dairy cattle breeding, or credit support, training and technical advice to dairy cattle breeding households. Expansion of export market is a big opportunity for Vietnam's milk industry, especially Free Trade Agreements such as CPTPP, EVFTA, and RCEP. This helps promote the development of local milk industry.



OVERVIEW OF THE DAIRY INDUSTRY IN 2024 AND DAIRY INDUSTRY FORECAST IN 2025 (CONTINUED)

Positive outlook for dairy profit

EXPORT POTENTIAL OF VIETNAM'S DAIRY PRODUCTS



There are still many opportunities for Vietnam to expand export markets. This is supported by Free Trade Agreements such as CPTPP, EVFTA, RCEP signed by Vietnam or under negotiation. These agreements not only cut import taxes but also enhance product prestige and quality, strengthen cooperation with other trading partners. This is an important opportunity for Vietnam's milk industry to continue growing and expanding international market.

COMPETITIVE ADVANTAGE



Vietnam's dairy products have many competitive advantages over products from other countries. These advantages include reasonable price, high quality, clear origin, diversity in types and flavors, suitability to customer preference in the region. Vietnam's dairy products have been widely acknowledged and trusted around the world. Notably, Vietnam's dairy products have been granted many prestigious awards and certifications including **ASIA QUALITY PRODUCT AWARD, ASIA INNOVATION AWARD, ASIA LEADING PRODUCT AWARD, ISO 22000 QUALITY MANAGEMENT SYSTEM CERTIFICATION**. These awards demonstrate a commitment of Vietnam's milk industry to providing high quality and trusted product to international market.



REPORT OF THE BOARD OF DIRECTORS

In general, the 2024 business performance of the Company was conservative and developed the equity; achieved economic efficiency in business activities, fulfilled all obligations to the State, and ensured the shareholders' rights.

EVALUATION OF THE COMPANY'S BUSINESS PERFORMANCE

No.	Key targets	Implementation 2024	Plan 2024	% implementation compared to the Plan 2024
1	Net Revenue	2,917.0	3,367.4	86.6%
2	Profit Before Tax	252.1	375.2	67.2%
3	Profit After Tax	219.9	331.7	66.3%

No.	Key targets	Implementation 2024	Implementation 2023	% increase /(decrease)
1	Net Revenue	2,917.0	3,135.4	-7.0%
2	Profit Before Tax	252.1	423.6	-40.5%
3	Profit After Tax	219.9	374.4	-41.3%

2024 business performance of Moc Chau Milk as follows:

Net Profit of
2,917.0
BILLION VND

↓ 7% compared to 2023
equivalent to 86.6% of the year plan

Profit after tax of
219.9
BILLION VND

↓ 41,3% compared to 2023
equivalent to 66.3% of 2024 plan

In general, the 2023 business performance of the Company was conservative and developed the owner's equity; achieved economic efficiency in business activities, fulfilled all obligations to the State, and ensured the shareholders' rights

HR change management: annual General Meeting of Shareholders 2024 approved the dismissal of the position of BOD member of Mr. Nguyen Quang Tri from 23rd April 2024, dismissal of position of BOS member of Mr. Tran Duy Ngoc from 23rd April 2024. General Meeting of Shareholders appointed Mr. Doan Quoc Khanh as BOD member in 2020-2024 term from 23rd April 2024, appointed Mrs. Tran Thai Thoai Tran as BOS member in 2020-2024 term from 23rd April 2024.

Board of Directors appointed Mr. Le Huy Bich as Chief Financial Officer from 10th April 2024, dismissed the position of Deputy General Director, Production of Mr. Tran Manh Thang from 19th August 2024, appointed Mr. Ngo Cong Thang as Deputy General Director, Production from 19th August 2024, dismissed the position of Deputy General Director, Sales and Marketing of Mr. Dang Duc Nam from 19th October 2024.

Shares of Moc Chau Dairy Cattle Breeding Joint Stock Company were approved for listing by Ho Chi Minh City Securities Exchange (HOSE) on 24th May 2024 and traded on HOSE from 25th June 2024.

Capital usage from issuance of 43.2 million shares in 2024: report on capital use of the Company was posted on the website at:

<https://mcmilk.com.vn/quan-he-co-dong/cong-bo-thong-tin-khac/>

Content	Value (billion VND)
I Proceeds from the issuance of 43.2 million common stocks	1,249.3
II Proceeds used in 2021, 2022 and 2023	343.9
III Remaining proceeds at January 2024	905.4
IV Capital use in 2024	80.2
1 Moc Chau hi-tech dairy cow ecological farm complex	58.9
2 Expanding the scale of Moc Chau dairy cow breeding center	17.7
3 A3 speed 180ml box filling machine	0.0
4 Moc Chau hi-tech dairy factory	3.7
V Remaining proceeds at 31 December 2024	825.2

Investment project of A3 Speed 180ml box filling machine was completed and put into operation from February 2022.



REPORT OF THE BOARD OF DIRECTORS (CONTINUED)

DIVIDEND PAYMENT

In 2024, the Company paid dividends to shareholders as follows:

General Meeting of Shareholders approved the projected dividend yield in 2024		Minimum 50% of profit after tax
In 2024, the Company paid the first interim dividend		1,000 VND/stock
		Value: 110,000,000,000 VND
In 2024, the Company expected to pay second round of dividend		1,000 VND/stock
		Value: 110,000,000,000 VND
Total expected dividend value in 2024		220,000,000,000 VND Accounting for 100.05% of profit after tax
Undistributed profit after tax in 2024		239.1 billion VND

COMPLIANCE WITH LEGAL OBLIGATIONS AND RESPONSIBILITIES

Information disclosure: In 2024, the Company strictly complied with obligations of information disclosure in accordance with Circular No. 96/2020/TTBTC of Ministry of Finance on information disclosure of public company.

Tax & related legal obligations: In 2024, the Company fulfilled its tax obligations to the State budget as stipulated, social insurance, health insurance, unemployment insurance for employees under regulations of the Law.



POLITICAL SYSTEM

The Party's Committee and unions operated in line with management model, participated in social security programs launched by local and central governments, successfully supported communes, villages in mountainous and border areas.

Pursuant to Resolution of People's Council of Son La Province and Decision of People's Committee of Son La Province on arranging, merging, naming and renaming villages, sub-areas, residential groups in Son La province, head office address of Moc Chau Dairy Cattle Breeding Joint Stock Company from 01 February 2025 is: **No. 912, Thao Nguyen Street, Thao Nguyen Ward, Moc Chau Township, Son La Province, Vietnam.**

The Company has changed its Business Registration Certificate No. 5500154060 for the 15th time dated 06 February 2025 issued by Department of Planning and Investment of Son La province.

INFORMATION BEFORE CHANGE:

Company name: MOC CHAU DAIRY CATTLE BREEDING JOINT STOCK COMPANY

Business Registration No: 5500154060

Head office: **Agency Sub-area, NT Moc Chau Town, Moc Chau District, Son La Province, Vietnam**

INFORMATION AFTER CHANGE:

Company name: MOC CHAU DAIRY CATTLE BREEDING JOINT STOCK COMPANY

Business Registration No: 5500154060

Head office: **No. 912, Thao Nguyen Street, Thao Nguyen Ward, Moc Chau Township, Son La Province, Vietnam**





REPORT OF THE BOARD OF DIRECTORS (CONTINUED)

EVALUATION OF ACTIVITIES OF GENERAL DIRECTOR AND THE BOE

BOD implemented inspections, supervision of General Director and BOE in carrying out functions, tasks prescribed at the Company's organizational charter and operations; implementing Resolutions of General Meeting of Shareholders, Resolutions, Decisions of BOD

The inspection and supervision of BOD was executed within its authority, causing no hindrance or overlapping to operations of General Director and BOE of the Company. BOD, through inspection and supervision, promptly grasped operational situation, business performance and provided timely guidance to ensure high efficiency of business performance, minimize risks and errors.

EVALUATION CRITERIA: THE BOD EVALUATED THE CAPACITY OF THE GENERAL DIRECTOR AND THE BOARD OF EXECUTIVES (BOE) BASED ON THE FOLLOWING CRITERIA:

1

IMPLEMENTATION OF BUSINESS AND PRODUCTION GOALS

Evaluated by implementation results: (i) the Company's common goal (ii) quality goals of departments, divisions in charged by Executive Directors under balanced scorecard model with 4 goals of finance, customers, business processes, learning and growth. The proportion of each type of goal is different between positions depending on roles and missions of each individual in the value chain. The evaluation is combined with summary report and self-evaluation of each member of BOE in the year.

2

GENERAL DUTIES OF SENIOR MANAGERS

Evaluation of general duties include 02 phases: self-evaluation by individual & evaluation by the immediate superior. Criteria for general duties include: Responsibility for Caution, Responsible for Honesty and avoiding conflicts of interest, Responsible for information privacy, Duty of Care & Loyalty.



EVALUATION OF THE BOD ON THE ACTIVITIES OF GENERAL DIRECTOR AND THE BOE IN 2024

- 1 BOD evaluated that BOE had sufficient knowledge and experience in fields they were in charge, a good sense of responsibility and cooperation capable of continuously implementing tasks assigned by General Meeting of Shareholders and BOD.
- 2 Average salary of General Director in 2024 was 63 million VND/month. While average salary of employees was 11.4 million VND/person/month.
- 3 As estimated by BOD, BOE made big efforts in implementing business and production tasks in 2024 including compliance with current regulations of the law, the Company's mechanisms and charter, completing and improving organizational, control and management system.
- 4 Supervision and inspection of BOD were within their authority, causing no hindrance or overlapping to operations of General Director and BOE. Through inspection and supervision, BOD timely grasped operational situation and business performance, provided timely guidance to ensure high business efficiency and reduced errors and risks.
- 5 BOE proactively strengthened business model restructuring, innovated and arranged key personnel of the Company, well implemented salary policies, improved working and living conditions and employee welfare policies.

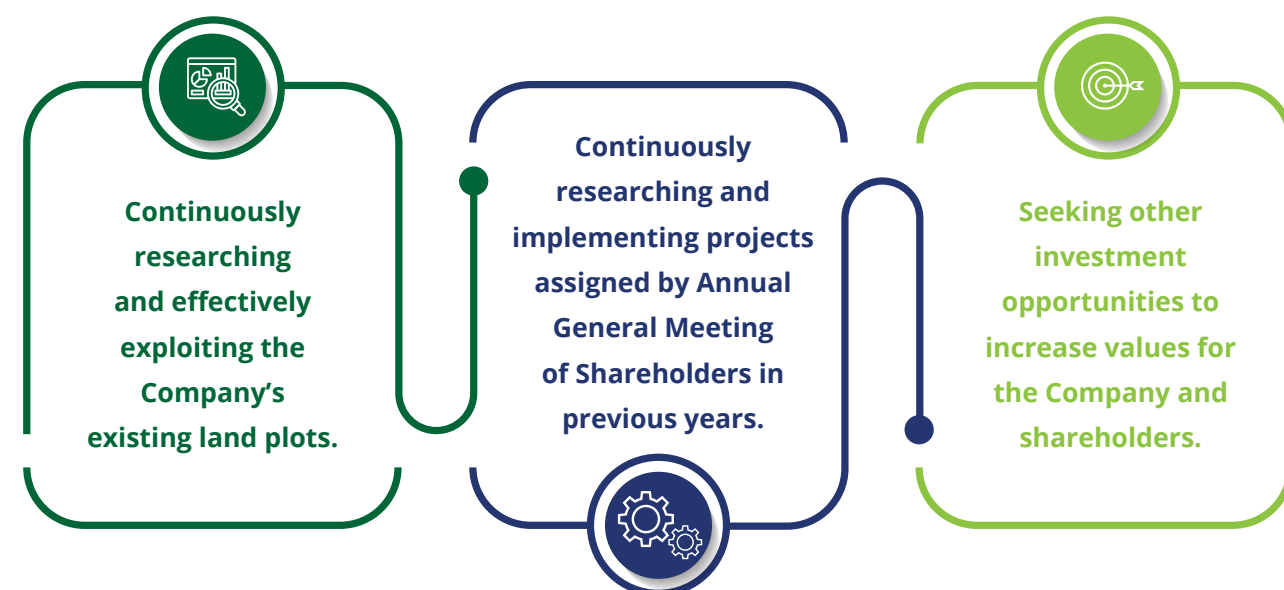
Compliance with current regulations of the Law, Charter and operation mechanisms of the Company, improving and completing organizational, control and management system.





REPORT OF THE BOARD OF DIRECTORS (CONTINUED)

STRATEGIC ORIENTATION OF BOD IN THE FUTURE



OPERATIONS OF INDEPENDENT MEMBERS OF BOD & EVALUATION RESULTS OF INDEPENDENT MEMBERS ON OPERATIONS OF BOD

1

OPERATIONS OF INDEPENDENT MEMBERS OF BOD

Independent members of BOD fully attended meetings of BOD and BOE to grasp and contribute opinions and supervise the implementation of plans approved by General Meeting of Shareholders. BOD independent members also conducted inspection and supervision the implementation of Resolutions of General Meeting of Shareholders and BOD, the laws, charter, mechanisms and processes of the Company; supervising business and production situation, financial situation and examining periodic financial statements before submitting to BOD, discussing with the Auditor about issues related to audit of financial statements; supervising stakeholders related transactions and other activities.

2

EVALUATION OF INDEPENDENT MEMBERS ON OPERATIONS OF BOD

BOD excellently implemented its functions in business orientation through planning, controlling and adjusting strategic decisions. Key policy decisions of BOE were analyzed, criticized and advised by BOD to lay out appropriate solutions.

Members of BOD implemented their functions, roles in a proactive manner with high sense of responsibility

Apart from carrying out a role in management and supervision of BOE, BOD discussed & closely coordinated with BOE to seek effective solutions to help the Company overcome difficulties and improve business and production performance.





REPORT OF THE SUPERVISORY BOARD

MEMBERS AND STRUCTURE OF THE SUPERVISORY BOARD

No.	Full name	Position	Date of appointment/ cessation as a member of the Supervisory Board	Qualification
1	Ms. Tran Thai Thoai Tran	Head of Supervisory Board	Appointed on April 23, 2024	Bachelor of Accounting – Auditing
2	Mr. Trinh Cong Son	Member	Appointed on February 16, 2020	Bachelor of Auditing, University of Economics HCMC. Veteran member of Association of Chartered Certified Accountants (ACCA), Certified Public Accountant (CPA Vietnam)
3	Mr. Pham Quang Thuy	Member	Appointed on February 16, 2020	Bachelor of Economics
4	Mr. Tran Ngoc Duy	Head of Supervisory Board	Appointed on February 16, 2020 <i>Dismissed on 23 April 2024</i>	Master of Business Administration, Bachelor of Economics

MEETING OF BOS

No.	Member of Supervisory Board	Number of meetings attended/ collected written opinions	Meeting attendance/ written opinion collection rates	Voting ratio	Reasons for not attending meetings/ written opinion collection
1	Ms. Tran Thai Thoai Tran	2/2	100%	100%	
2	Mr. Trinh Cong Son	2/2	100%	100%	
3	Mr. Pham Quang Thuy	2/2	100%	100%	
4	Mr. Tran Ngoc Duy	0/2	0%	0%	<i>Dismissed on 23 April 2024</i>

ACTIVITIES OF THE SUPERVISORY BOARD

TASK IMPLEMENTATION:

- 1 In 2024, Supervisory Board participated in orienting annual audit planning; organized meetings with selected independent audit company – KPMG Vietnam – to identify scopes, purposes and noteworthy issues in auditing.
- 2 Supervisory Board attended BOD meetings of the Company, discussed noteworthy issues and proposed recommendations to BOE of the Company.
- 3 Inspection, supervision of compliance with regulations, resolutions of General Meeting of Shareholders, laws and regulations of the Company in management and operation of business activities of BOD and BOE were seriously implemented by Supervisory Board, specifically:
 - Carrying out legal review and procedures of issuance of Resolutions of BOD and information disclosure as stipulated
 - Supervising, inspecting the implementation of business and production targets in 2024 in accordance with Resolution of General Meeting of Shareholders on BOD and BOE
 - Reviewing the reasonableness, honesty and prudence in finance and accounting activities, making financial statements. Reviewing audited annual & 6-month reports by KPMG Vietnam and quarterly reports of the Company.
 - Coordinating with members of BOD, BOE and specialized personnel of the Company in:
 - » Supervising the review and update of internal control framework and the set of documents containing regulations on main businesses of the Company. Supervising the construction of corporate risk management framework to ensure material risks of the Company being identified & properly handled.
 - » Evaluating inventory management activities, provision for payable, asset management and use of the Company
 - » Evaluating the implementation of investment projects of the Company
- 4 During the process of implementation of supervision and inspection tasks in 2024, Supervisory Board found no sign of violations or complaint or opinion of shareholders on BOD and BOE.





REPORT OF THE SUPERVISORY BOARD (CONTINUED)

SALARY, REMUNERATION, OPERATING COST AND OTHER BENEFITS OF SUPERVISORY BOARD IN 2024

In 2024, Supervisory Board of the Company consists of 03 members:

Total remuneration: 240 million VND

No.	Member of Supervisory Board	Position	Commencement date/ exemption of member of Supervisory Board	Remuneration (Million VND)
1	Ms. Tran Thai Thoai Tran	Head of Supervisory Board	Starting from 23 April 2024	66
2	Mr. Trinh Cong Son	Member	Starting from 16 February 2020	72
3	Mr. Pham Quang Thuy	Member	Starting from 16 February 2020	72
4	Mr. Tran Ngoc Duy	Head of Supervisory Board	Starting from 16 February 2020 Dismissed on 23 April 2024	30

SUPERVISORY BOARD'S SUPERVISION TO THE BOD AND THE BOE

BoD

- 1 The BoD seriously and fully implemented management responsibilities, complied with the Law on Enterprises, Securities Law, Charter, Resolutions of the General Meeting of Shareholders and other related regulations.
 - 2 In 2024, BOD organized quarterly meetings in accordance with regulations of the law and the Company's charter. BOD operated positively and effectively, closely coordinated with BOE in laying out orientations and timely solving arising issues related to business and production activities of the Company, especially recommendations and proposals related to management, operation; project implementation and management.
- Resolutions of the BoD were issued in accordance with its authority. The contents of these resolutions complied with the Law on Enterprises, Securities Law, Charter, Resolutions of the General Meeting of Shareholders and other related regulations.
- 3

BoE

- 1 Management activities:
 - Together with the BoE, the General Director fully and promptly implemented the decisions and resolutions of the BoD, and the GMS; Implemented well the Company's production and business plans; proactively planned management and operations of production and business; Promoted the effectiveness of the Company's organizational and management structure.
 - The BoE regularly organized meetings to discuss and implement the production and business plans of the Company and its subsidiaries, and gave directions, corrections and measures to overcome existing problems, shortcomings.
- 2 Risk management:
 - In 2024, BOE implemented the construction of corporate risk management system and completed a list of corporate-level risks, assigning risk owners to build detailed response plans to top corporate-level risks.
 - Strategic risks were closely monitored and updated by BOM, timely reported to BOD and Supervisory Board with properly response plans.

EVALUATING THE COORDINATION BETWEEN THE SUPERVISORY BOARD AND THE BOD, GENERAL DIRECTOR AND SHAREHOLDERS

- 1 In 2024, Supervisory Board regularly received close coordination of BOD, General Director and BOM, being provided favorable conditions for carrying out its supervision task through being provided full documents, corporate governance related information, business activities and financial situation of the Company.
- 2 Supervisory Board closely coordinated with BOD, General Director in attending quarterly meetings to work out proper solutions to existing problems and improve management efficiency, ensuring full compliance with current legal regulations.

FINANCIAL STATEMENT REVIEW 2024

- 1 Supervisory Board reviewed annual and 6-month financial statements audited/reviewed by KPMG Vietnam and agreed with these financial statements.
- 2 According to appraisal conclusion of Supervisory Board, financial statements of Moc Chau Milk were reflected honestly and reasonably in all key aspects, appropriate with Accounting standards, Vietnamese enterprise accounting regime and overall requirements for preparation and presentation of financial statements.

Opinions

Supervisory Board recommended some of the following contents:

- 1 Continuing to build and complete risk management foundation, risk warning regulations applied to all levels of the Company for consistent and synchronous application; maintaining and improving two-level control system (self-control & control), in which self-control regime needs to be continuously focused and improved.
- 2 Continuing to research and build an internal audit unit appropriate with the Company's organizational model; and ensuring effective and practical implementation of internal control activities.

Conclusion

By supervision and inspection, Supervisory Board acknowledged that the Company's activities in 2024 complied with Enterprise Law, Law on Securities, the Company's Charter, related regulations and abiding by Resolution of General Meeting of Shareholders and Resolutions of BOD. The Company's information disclosure also complied with related regulations applied to listed companies.



REPORT OF THE BOARD OF GENERAL DIRECTOR

REPORT ON BUSINESS AND PRODUCTION PERFORMANCE IN 2024

DEVELOPING RAW MATERIAL AREAS

Moc Chau Milk, taking advantage of terrain and climate, has step by step built and maintained market position thanks to successfully building closely-knit production chain from dairy cattle breeding, milk processing to consumption in the last 65 years. It was clearly identified by the Company that it requires the highest level of synchronization of breeding and production process to achieve the best quality dairy products. Choosing a good dairy cow breed with purebred Holstein Friesian dairy cows, high quality fresh milk; good nutrition; good milking, processing procedures. The herd of more than 27,000 cows originated from U.S.A, Canada, Israel, Cuba and Australia, etc. 100% purebred, Moc Chau Milk used sexed semen for cow breeding and increased female calf birth rate to 87%.

Moc Chau Dairy Cattle Breeding Joint Stock Company (Moc Chau Milk) had a herd of more than 27,000 cows with a steady growth y-o-y. The Company established a close link with more than 500 dairy farming households. All dairy cow farms of Moc Chau Milk are located on Moc Chau Plateau, a land blessed with fertile soil and cool climate all year round suitable for large-scaled dairy cow farming. As a company with a closely-knit production chain from dairy cattle breeding – milk processing to dairy product consumption. The harmony between corporate development and benefit distribution has brought benefits to dairy cow households, income to employees and dividends to shareholders. It also created a sustainable livestock farming model, encouraged dairy cow households to increase productivity and dairy product quality associated with environmental protection.



In 2024, Moc Chau Milk applied Delaval's Delpyro dairy herd management system in developing raw material areas, managing herd health and increasing reproduction results through SCR software – Israel, De Laval automatic milking system according to international standards. Cows are milked three times daily in concentrated farming, twice/day for household farming. 15 milk collection points ensured a short distance of 1km to any household. Milk quality is preliminarily tested with 10 criteria before being purchased. Milk is immediately refrigerated and transported to production plants. Milk is transported to 02 pasteurization and sterilization plants, then produced and packaged in accordance with modern technology of Tetra Pak and Korean technology. Moc Chau Milk also linked with corn and grass farmers to proactively stabilize on-site raw material areas for cows. Raw materials after being collected from farmers and livestock facilities will be fermented according to the world's advanced processes. The feed, then, is processed at mixed feed production plant under TMR Technology – Korea with a capacity of 150 tons/day, concentrated feed processing plant with a capacity of 100 tons/day to ensure feed intake for cows and a stable and high quality fresh milk sources.

In parallel with upholding long-term traditional values of livestock farming, linking with household farming, the Company continuously invested in infrastructure, built big Breeding Centers, applied modern technologies to promote sustainable development. By doing this, Moc Chau Milk become one of a few companies that could proactively source raw fresh milk and brought delicious, nutritious fresh milk to consumers and won their trust.

Farming households are divided into 10 livestock facilities, farm management system consists of 10 regional managers and a technical team of 60 members. Moc Chau Milk is in charge of orienting, supporting and transferring technologies to farming households including procedures, farming land, technologies, technique, modern farming equipment under international standards, providing products and services for farmers to maintain highly economic and sustainable livestock farming practices and achieve high productivity and the best raw fresh milk quality. Farming households commit to implementing VIETGAP standard farming process, Son La Province certifies food safety and hygiene for all farming households and concentrated farms of the Company.





REPORT OF THE BOARD OF GENERAL DIRECTOR (CONTINUED)

From 2019 – present, Moc Chau Milk has been certified as disease-free livestock facility by Son La Department of Animal Husbandry, Veterinary and Fisheries, a dairy cow farming area that ensures strict disease prevention processes and cow health to produce the best raw fresh milk.

The Company has invested in expanding its herd at its existing farm to 2,000 cows from 1,600 cows. It is now building a 4,000-cow livestock facility combined with ecotourism development. These farms are developed according to international standards in dairy cow breeding and management.

The Company continues promoting the success of household linkage model, supporting farmers to apply technical and scientific advances to improve productivity and milk quality, it is an orientation of the Company to turn farming households into a satellite farming chain to increase the number of dairy cows, promote concentrated livestock farming, better improve livestock farming processes and efficiency. In addition, Moc Chau Milk will develop hi-tech dairy cow farming complex under international standards combined with ecotourism development, together with Vinamilk, the Company has built a development strategy in 2020-2025 period and a vision to 2030 which turns Moc Chau (Son La Province) into Vietnam's hi-tech dairy cow capital, combining agriculture with ecotourism to create jobs for ethnic groups, promoting “Tam Nong” model towards sustainability and contributing to local budget.

These strategic plans are expected to maximize the potential of Moc Chau Milk and of Moc Chau Plateau, Son La Province, on dairy cow breeding, establishing a raw material area for dairy cows with international standards, bringing high quality dairy products to domestic and international consumers.





REPORT OF THE BOARD OF GENERAL DIRECTOR (CONTINUED)

PRODUCTION AND TRANSPORTATION

PRODUCTION

The Plant applied new technologies, advanced equipment to improve product quality including centrifugal and bacteria removal separators, degassing machine, homogenizer, etc. for better quality.

The Plant also strengthened digital transformation to reduce the use of fossil fuels and shift towards environmentally friendly fuels such as coal to biomass conversion, oil & gasoline powered forklifts to electric forklifts.

TRANSPORTATION

In 2024, Department of Transportation completed its task as a linking bridge between the Company and nationwide distributors to ensure adequate volume, on time delivery, product quality and safe journeys.

In 2024, Moc Chau Milk organized a transport tender to ensure competitiveness, cost efficiency for the Company compared to transport unit price of the same period.

2025 Operational Orientation: continuously promoting the achieved results in 2024, completing assigned tasks, ensuring the complete and safe transportation of goods to the specified locations required by Sales Department.



RESEARCH AND DEVELOPMENT(R&D)

2025 operational orientation: accompanying consumers, building product planning to ensure high nutritional values, promoting role and mission as a leading dairy product production company in Vietnam.

In 2024, product Research & Development Department coordinated with Sales and Marketing Department to conduct market research and launch new product lines to meet customer tastes as well as improve nutritional values, increase the use of natural flavors in products.

All products of the Company complied with regulations on labeling, product standards and ensured nutritional quality and food safety and hygiene, etc. prescribed by the State.

In addition, product Research and Development Department together with other units of the Plant conducted research on improving raw materials with a goal of saving costs, reducing wastes and being environmentally friendly such as using natural flavors in UHT fresh milk (strawberry, orange, coconut); converting to MPET membrane replacing aluminum membrane for yogurt products.





REPORT OF THE BOARD OF GENERAL DIRECTOR (CONTINUED)

MARKETING

After the Covid 19 pandemic, the economy has just shown signs of recovery and immediately encountered many new challenges, rising prices of goods and services have caused purchasing power to decline and consumers have tighten their spending habits.

With the goal of continuing to improve the quality of dairy products, continuing to research and develop new products to the market with good quality, serving the nutritional needs of consumers, Moc Chau Milk's Marketing team continued to closely follow the market, captured consumers' psychology, implemented consumption stimulation programs, and contributed to maintaining growth momentum.

Advertising communication:

- 1 Implementing elevator door advertising at more than 200 apartment buildings in Ha Noi and digital Scratch and Win Promotion "Drink passionately – Scratch now for big win". December 2023 – February 2024.
- 2 Deploying LCD frame advertising in Chicilon system at LCD and poster frame in elevators, supermarket TVs in Ha Noi and Hai Phong for iTVC brand and iTVC yogurt. May 2024 – September 2024.
- 3 Implementing digital advertising communication for iTVC MCM, ITVC yogurt on Facebook, YouTube, TikTok.
- 4 Implementing digital advertising communication: yogurt, passion fruit drinkable yogurt, tamarind, apple, pineapple fruit yogurt, low sugar yogurt, barley-cocoa drinks, milk case in tin can.
- 5 Carrying out advertising communication at milk sampling program at apartment buildings in Ha Noi.
- 6 Maintaining PR stories on new products, awards and events of the Company.

Promotional program:

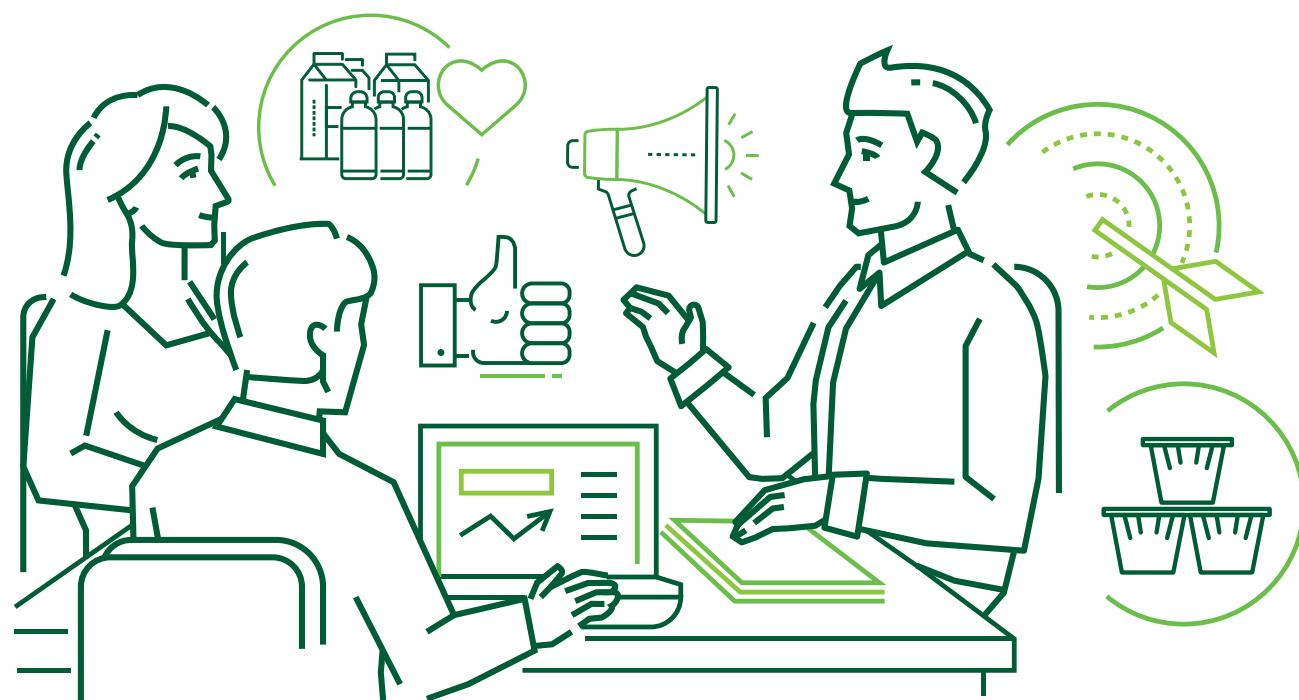
- 1 Carrying out promotional program "Drink passionately – Scratch now for big win" with a prize structure of 06 prizes for motorcycles, 36 prizes of 01 gold bar and hundreds of thousands of prizes for 01 milk can.
- 2 Carrying out promotional program "new school year filled with gifts" with a prize structure of "Buy 02 SCU/SCT 110ml packs, get 01 gift item" to encourage consumers to buy MC Kids fruit milk and Yo Mocha drinkable yogurt.

Events:

- 1 Successfully organizing 2024 General Meeting of Shareholders and Stock Listing Ceremony on Ho Chi Minh City Securities Exchange (HOSE)
- 2 Accompanying Topas Travel to organize VTM 2024 Marathon Tournament in Moc Chau District attracting thousands of athletes
- 3 Coordinating with Institute for Research and Development Communication (RED) to organize a ceremony for giving 10,000 seedlings of Bat Bo bamboo shoots to local people of Moc Chau and Van Ho Districts, Son La province.
- 4 Maintaining the activity of giving milk to children with difficult circumstances and local community service activities.
- 5 Cooperating with a delegation of Moc Chau District to organize a charity program "Green milk for green summer".
- 6 Sponsoring products for law newspaper program and charity program for people affected by storms.
- 7 Coordinating with Vietnam Fatherland Front Committee – Moc Chau District to give gifts to pupils in areas affected by natural disasters.

Activation/Sampling activities

- 1 Organizing sampling activities at 60 schools in Area 1, 2, 3, 5 including product experience, minigames, giving gifts to students in overcoming challenges
- 2 Hiring an agency to organize activation and sampling activities at schools and apartment buildings in Ha Noi: product experience, minigames, sales of products with short expiry date.
- 3 Implementing sampling, activation and sampling programs for consumer to experience products, selling products directly to consumers via GT and MT channels to increase percentage of product trial at current areas and promoting the possibility of market penetration of new distributors in Southern part of Vietnam.
- 4 Participating in exhibitions in Ha Noi, Dien Bien, Son La and Dong Nai Provinces to increase brand awareness and approach to target customers.





REPORT OF THE BOARD OF GENERAL DIRECTOR (CONTINUED)

AWARDS



New products:

- » Conducting research and development of new products, packaging design, launching new products and innovative products including low sugar product set (yogurt, Fino UHT milk, UHT fresh milk 1 liter, pasteurized fresh milk bottle), passion fruit drinkable yogurt, tamarind, apple, pineapple fruit milk, low sugar milk, barley-cocoa drinks, milk case in tin box, MC Kool Plus 100gr yogurt.

**TOP 500 FASTEST GROWING
ENTERPRISES IN VIETNAM** (ORGANIZED BY VNR)

GBDA AWARDS — BEING HONORED AS **“GOLDEN BRAND
FOR SUSTAINABLE DEVELOPMENT”**
(CO-ORGANIZED BY PRODUCT BRAND MAGAZINE AND BASACO)

BEING HONORED AS **“VIETNAMESE GOODS LOVED BY
CONSUMERS”** (CO-ORGANIZED BY VIETNAM FATHERLAND FRONT
COMMITTEE — HA NOI AND DEPARTMENT OF INDUSTRY AND TRADE OF HA NOI)

ACHIEVING **“VIETNAM NATIONAL BRAND”** AWARD
(CO-ORGANIZED BY MINISTRY OF TRADE & DEPARTMENT OF TRADE PROMOTION
UPON REQUEST OF THE GOVERNMENT)



REPORT OF THE BOARD OF GENERAL DIRECTOR (CONTINUED)

MARKETING PLANS IN 2025

ADVERTISING COMMUNICATION

- 1 Producing iTVC advertising materials for new products (creamy yogurt jello, high-protein UHT milk) and brand re-positioning events.
- 2 Implementing advertising communication activities on digital platforms to improve brand re-positioning and promotional programs.
- 3 Implementing advertising communication activities on digital platforms to promote new products including creamy yogurt jello, high-protein UHT milk, dried yogurt.
- 4 Strengthening communication partnerships with big newspapers to publish PR stories on brand and product exposure.
- 5 Redesigning website and e-commerce website.
- 6 Putting advertising on Chicilon's LCD system in Ha Noi.
- 7 Strengthening POSM at GT and MT selling points to directly approach to consumers.

PROMOTIONAL PROGRAMS

- 1 Implementing promotion programs: buy 02 packs get 01 piece of UHT fresh milk on Tet holidays.
- 2 Implementing promotional programs on occasion of launching new products and supporting MT channel.

EVENT ORGANIZATION

- 1 Organizing General Meeting of Shareholders 2025.
- 2 Organizing the Launch Ceremony of brand identity set when completing re-positioning design.
- 3 Accompanying Topas to organize VTM 2025 marathon tournament.
- 4 Accompanying other units to organize CSR events.
- 5 Implementing CSR activities for students in mountainous areas.

ACTIVATION/SAMPLING

- 1 Strengthening activation/sampling activities for low-sugar UHT fresh milk products and news products to increase percentage of product trial, boosting sales of low-sugar UHT fresh milk and new product experience via GT and MT channels.
- 2 Participating in trade fairs and appropriate exhibitions.

NEW PRODUCT DEVELOPMENT

- 1 New product research and development.

SALES

In 2024, Moc Chau Milk focused on the strategy of developing distribution channels, strengthened the distribution system, promoted market development, gradually penetrated the southern market, increased its coverage, and focused on new markets for effective business operations. In the context that domestic consumption is facing a decline due to the difficult economic situation, the consumer demand tends to decrease and market competition is increasingly fierce; Moc Chau Milk negotiated and adjusted appropriate trade policies for each distribution channel after considering the general market situation. In addition, in order to improve efficiency, Moc Chau Milk prioritized the application of information technology to optimize the data management and processing, helping the Company make quick and timely decisions.

TRADITIONAL CHANNELS

- 1 Strengthening sales system towards a consistent orientation of retail system development
- 2 Continuously expanding its coverage to 8,000 points of sales in 2025
- 3 Focusing on monitoring discipline in sales with a people centric approach, improving work performance
- 4 Strengthening control of compliance with sales activities and performance of its sales team, implementing a set of standards and consulting business health check as a tool to evaluate the overall ability and business results of sales team
- 5 Implementing distributor App Tracking on traditional channels.
- 6 Continuously expanding GT distributors in the Southern part, especially Southwestern provinces in 2025.

CHANNELS FOR PRODUCT INTRODUCTION

- 1 Expanding new stores of product introduction in big cities and provinces with a target of 20 stores in 2025

MODERN CHANNELS

- 1 Reviewing new product listing in supermarkets effectively
- 2 Expanding new convenience stores, mini supermarkets in key market – Ha Noi
- 3 Setting up a target of penetrating in supermarket channels in the South in Q1 2025

SPECIAL CUSTOMER CHANNELS

- 1 Maintaining existing KA customer channels, expanding potential customers: schools, hotels, restaurants, cafes, rest stops, hospitals, train stations, etc.
- 2 Exploiting KA customer files via KA Distributor channels in cities/provinces: Dong Nai, Binh Duong.
- 3 Opening distributor system in the Central region and exploiting KHKA customer files in the Central Region.
- 4 Following up and participating in bidding packages via national bidding network system.

E-COMMERCE CHANNELS

- 1 Expanding an additional TikTok e-commerce platform which showed a breakthrough growth in 2024.



REPORT OF THE BOARD OF GENERAL DIRECTOR (CONTINUED)

PRODUCT QUALITY MANAGEMENT



ADVANTAGE



Infrastructure system of dairy processing plant has been consolidated, processing lines are periodically maintained with stable operations, quantity and types of products are capable of meeting market demand in both quantity and quality.



Applying ERP management software system and ISO 9001, 14000, FSSC 22000, Halal quality management system in monitoring quality in accordance with system processes.



Investing analytical equipment and training employees, analytical indicators are controlled under the set processes.



Strengthening fresh milk quality management of farming households, monitoring input raw materials for timely response, causing no impact on product quality.



DISADVANTAGE

Wide area of raw material control, changes in quality of feed formulation, unstable care regime of households, impact of climate change on dairy cows and milk quality.

OVERVIEW OF TASK IMPLEMENTATION IN 2024

- ① Controlling fresh milk quality effectively.
- ② Managing raw material stock: monitoring supplies, raw materials, chemicals to ensure standardized approach before putting into production.
- ③ Strengthening process control in manufacturing and product record:
 - Checking fresh milk quality before delivering to Vinamilk, ensuring quality of microbiological indicators, antibiotics, freezing point on somatic cell according to purchase contract, nutritional criteria depending on cows, feed ration, care, weather demonstrated by daily analysis and reporting results.
 - Checking semi-finished products, finished products, UHT milk products, yogurt at each processing stage to ensure product quality before selling.
 - Testing product samples to detect product defects and reporting to the plant to inspect and identify the causes and solutions to ensure product quality.
 - Applying quality management systems according to ISO 9001, FSSC 22000, Halal and ISO 14000, ISO 17025 environmental quality management system.
 - Conducting periodic product testing required by National Testing Institute – Ministry of Health.
 - Announcing new products and sending official dispatches to customers and distributors upon changes.
 - Participating, with the Plant, in reviewing product labeling and making declarations of product quality appropriate with labels, ensuring legal regulations.
 - Updating the declarations of products on the Company's website and sending written product declaration registration to Department of Health according to Decree 15 to promote convenience in sales.
 - Testing quality of gas and water samples according to regulations and the laws.
 - Registering barcode software for products at the barcode registration software system – The Commission for Standards, Metrology and Quality of Vietnam, product update with parameters and product images on barcode software.
 - Applying ERP management software system of the Company on quality management which has been implemented effectively.
 - Organizing internal and external training programs, achieving significant changes in terms of expertise and professional skills of employees, detecting and handling many production incidents.



REPORT OF THE BOARD OF GENERAL DIRECTOR (CONTINUED)

PRODUCT QUALITY

1

Product quality management department promotes information exchange between departments to quickly and timely solve related issues in the process of checking product quality and reporting to the Plant for solutions. Sending testing results of fresh milk quality of farming households on a monthly basis to a promote timely payment for households, sending farming mistakes of households to related departments for review.

2

Advising, proposing Leadership Team to strengthen inspections on product quality to ensure production stability, avoiding sales of failed products.

3

Assigning specific and clear tasks for each individual to ensure inspection and detection of failed products.

ORIENTATION OF PLAN IMPLEMENTATION IN 2025

- 1 Striving to complete 2025 plan targets through cooperation with the Plant and the Company.
- 2 Striving to make no product quality control mistake in 2025.
- 3 Strengthening inspection of raw fresh milk quality, inspecting and handling milk quality according to the 2025 purchase contract.
- 4 Checking supplies, input raw materials to ensure warehouse quality standards.
- 5 Checking quality of semi-finished milk products and finished products.
- 6 Implementing sensory evaluation of materials, products to ensure quality before selling.
- 7 Providing internal and external training on product quality control and maintaining VTS training to improve employee uniform professionalism.
- 8 Conducting periodic tests and declaration of product quality as stipulated.
- 9 Ensuring full implementation of legal documents and procedures for products as stipulated.
- 10 Registering product barcodes and labels as stipulated.
- 11 Applying ISO, FSSC management systems and ISO 14.001 management system on environmental quality management of dairy processing plant.
- 12 Maintaining implementation of ISO 17025 Certification for Laboratory Management System.
- 13 Strengthening management of Department of product quality management in accordance with inspection procedures.

ACCOUNTING – FINANCE

2024 was a challenging year for Moc Chau Milk when prices of goods and raw materials kept rising, a decline in purchasing power, a sharp decrease in deposit interest rate. However, Finance Department excellently performed its functions and tasks in financial management and investor relation.

FINANCIAL MANAGEMENT

Finance Department maintained high efficiency in forecasting and making financial statement. Financial information reflected operational situation of the Company timely and fully, closely following the budget implementation situation of units to ensure business plan. Finance Department focused on in-depth analysis and proposing recommendations for General Director and other Departments make operational decisions and better taking advantage of business opportunities.





REPORT OF THE BOARD OF GENERAL DIRECTOR (CONTINUED)

Key financial targets

	2020	2021	2022	2023	2024
Cost management ratio					
Cost of goods sold/net revenue	81.0%	69.3%	67.5%	67.8%	70.9%
Interest expense/net revenue	0.0%	0.0%	0.0%	0.0%	0.1%
Sale expense/net revenue	12.6%	20.3%	22.0%	22.6%	22.5%
Administrative expenses/net revenue	0.9%	1.3%	1.3%	1.2%	1.3%
Profitability					
Revenue growth		14.4%	7.1%	0.1%	-7.0%
Gross Profit Margin	19.0%	30.7%	32.5%	32.2%	29.1%
ROS	6.5%	10.9%	11.1%	11.9%	7.5%
ROE	18.3%	14.7%	15.7%	16.1%	9.5%
ROA	13.7%	12.8%	14.1%	14.4%	8.2%
EPS (VND)	2.499	4.777	3.150	3.404	1.999
Debt ratio					
Bank loans/owner's equity	0.0%	3.6%	0.0%	0.0%	4.3%
Total liabilities/Total assets	25.4%	12.6%	10.0%	10.7%	14.2%
Total liabilities/owner's equity	34.1%	14.4%	11.1%	12.0%	16.5%
Investment efficiency					
Revenue/total asset	2.09	1.18	1.28	1.20	1.09
Productivity of fixed assets	110.3%	225.1%	152.8%	95.4%	60.0%
Solvency					
Interest coverage ratio	1,147.30	2,175.32	599.25	-	146.49
General coverage ratio	3.94	7.93	10.02	9.35	7.04
Current ratio	4.13	7.65	8.92	7.57	5.60
Quick ratio	3.32	6.99	8.11	6.89	5.14
Operating capacity					
Inventory Turnover		10.21	10.93	11.20	11.56
Receivable Turnover		14.00	10.79	9.54	9.17
Payable Turnover		22.77	22.23	18.80	14.29
Cash generation capability					
Inventory Conversion Period		35.3	32.9	32.1	31.2
Receivable Conversion Period		25.7	33.4	37.7	39.3
Account Payable Period		15.8	16.2	19.1	25.2
Cash conversion Period		45.2	50.1	50.7	45.2

Correlation Analysis of Financial Indicators of MCM in 5 years:

In general, financial indicators in 2020-2024 of the Company remained stable and ensured business requirements.



Cost management ratios

Coefficients of cost management help evaluate level of cost control of the Company compared to revenue and identify operational performance and profitability.

- 1 Cost of goods sold/net revenue reflected the ratios of raw material, labor, production costs to net revenue, the higher the ratio, the lower the gross profit margin, demonstrating high cost of creating products. The Company significantly improved production efficiency in 2020-2022 period when the ratio sharply dropped from 81% down to 67%. However, **in 2024, cost of goods sold/revenue increased to 70.9%**, reflecting an increase in production costs and causing impacts on gross profit.
- 2 Interest expense/net revenue reflected the level of interest expense to revenue and the level of debt use in financial activities. High ratio could cause pressures on profit due to high interest expense. Moc Chau Milk remained **a low ratio of interest expense (~0.1%)**, less dependent on debt.
- 3 Sales expense/net revenue measured level of spending on marketing, distribution, promotional programs and sales. **In 2021-2023**, sales expense increased sharply, then remained at 22.6% in 2024.
- 4 Administrative expense/net revenue reflected management expenses including employee salary, training, office, IT. The high ratio meant less operational efficiency. Administrative expense remained low (~1.0%-1.3%) showing that the Company operated effectively and well controlled its internal cost.



Profitability

- 1 Revenue growth target reflects revenue growth rate y-o-y and evaluated trend in business expansion. Revenue growth slowed down since 2022, especially sharply decreased in 2024 demonstrating big pressures on market expansion.
- 2 Gross profit target indicates the ability to general profit from key businesses. The sharp increase in gross profit rate in 2020-2023 period demonstrated better cost management.
- 3 ROS (Return on Sales) measures profitability based on efficiency after deducting all costs. After an increase recorded in 2021, ROS reduced in 2024 demonstrating that profit margin was affected due to rising costs and declining revenue.
- 4 ROE (Return on Equity) reflects profitability generated by a company based on shareholders' capital. ROE has tended to decline in 3 recent years.
- 5 ROA (Return on Assets) measures a company's profitability on total assets. ROA tended to decreased in 2021 demonstrating a decline in ROA.
- 6 The higher the EPS, the greater the profit of shareholders. EPS sharply decreased in 2024 causing impacts on investors' aspiration.



REPORT OF THE BOARD OF GENERAL DIRECTOR (CONTINUED)



Debt ratio

- 1 Bank loans/equity ratio indicates the rate of bank loans on owner's equity and dependence on debt. The Company tended to borrow more in recent period but remained at safe level.
- 2 Total liabilities/total assets evaluates the range of financial leverage. In 2020, the ratio reached 25.4%, 10.7% and 14.2% in 2023 and 2024 respectively. Debt ratio sharply dropped due to financial risk reduction strategy.
- 3 Total liabilities/equity evaluates the range of financial leverage. In comparison to 2020, debt ratio on owner's equity of the Company significantly decreased that helped reduce financial pressure.



Investment efficiency

- 1 Revenue/total assets measures efficiency of asset use in generating revenue. This ratio reached 2.09 in 2020 and 1.09 in 2024. The decrease in this ratio showed an ineffective asset use compared to previous years.
- 2 Fixed asset turnover ratio measures efficiency of fixed capital use in generating revenue. Efficiency of fixed asset use decreased y-o-y.



Solvency

- 1 Interest coverage ratio measures the company's capability in pay loan interest from profit before tax and loan interest. Moc Chau Milk maintained a low debt level. Therefore, the Company always met its interest coverage ratio.
- 2 General coverage ratio measures its capability to pay total liabilities on total assets. This ratio increased to 7.04 in 2024 from 3.94 in 2020, reflecting improved interest coverage.
- 3 Current ratio measures the company's capability to pay short-term obligations by short-term assets. The current ratio of Moc Chau Milk reached 5.14 in 2024. The Company always maintained its ability to pay short-term obligations.



Operating capacity

- 1 Inventory Turnover Ratio: measures inventory management effectiveness and indicates the number of times the company sells and replaces its stock over a specific period. This ratio increased from 10.21 in 2020 to 11.56 in 2024 demonstrating increased inventory management effectiveness.
- 2 Receivable Turnover Ratio: measures the company's efficiency in collecting the account receivables and the number of times the receivables are collected over a specific period. This ratio decreased from 14 in 2021 down to 9.17 in 2024.
- 3 Payable Turnover Ratio: measures the effectiveness of paying its creditors and the number of times the company settles its accounts payable during a particular period.



Cash generation capability

- 1 Inventory Conversion Period: measures the timeframe that encompasses the process of obtaining inventory materials to selling the products. It reduced from 35 days in 2020 to 31 days in 2024, showing a decline in inventory days.
- 2 Receivables Collection Period: measures the timespan from selling the products to collecting payments. It increased from 25 days in 2020 to 39 days in 2024 showing low efficiency of receivables collection.
- 2 Payables conversion period: measures the timespan from buying the products to paying to suppliers. It reduced from 22 days in 2020 down to 18 days in 2023 and 14 days in 2024, shortening time of debt payment.



REPORT OF THE BOARD OF GENERAL DIRECTOR (CONTINUED)

BUSINESS PERFORMANCE IN 2024

BUSINESS AND PRODUCTION SITUATION

Business and production performance in 2024:

Interpretation (billion VND)	Implementation 2024	Plan 2024	Implementation 2023	% increase/ decrease compared to the plan	% increase/ decrease compared to 2023
Net revenue	2,917.0	3,367.4	3,135.4	-13.4%	-7.0%
Profit before tax	252.1	375.2	423.6	-32.8%	-40.5%
%/Revenue	8.6%	11.1%	13.5%	-2.5%	-4.9%
Profit after tax	219.9	331.7	374.4	-33.7%	-41.3%
%/Revenue	7.5%	9.8%	11.9%	-2.3%	-4.4%

Net revenue (billion VND)	Implementation 2024	Plan 2024	Implementation 2023	% increase/ decrease compared to the plan	% increase/ decrease compared to 2023
Finished milk products	1,899.5	2,484.6	2,272.8	-23.5%	-16.4%
Raw milk	572.6	437.7	425.3	30.8%	34.6%
TACN and TMR	418.0	420.9	412.5	-0.7%	1.4%
Other groups	26.8	24.2	24.9	10.6%	7.4%
Total	2,917.0	3,367.4	3,135.4	-13.4%	-7.0%

- Revenue in 2024 reached 2,917 billion VND, down 13.4% (-450 billion VND) compared to the plan and 7% lower than the same period (218 billion VND).
- A decline in revenue compared to 2023 was mainly due to a decrease of 373 billion VND in revenue of finished milk products (-16%) and increase in revenue of raw milk 147 billion VND (+34%).
- Revenue of finished milk products was 585 billion VND (-23.5%) lower compared to the plan; an increase of 135 billion VND (+30.8%) in revenue of raw milk.
- Profit before tax reached 252 billion VND, 172 billion VND (-40.5%) lower than the same period and 123 billion VND lower than the plan.





REPORT OF THE BOARD OF GENERAL DIRECTOR (CONTINUED)

FINANCIAL SITUATION:

	2023	2024	TĂNG GIẢM	% BIẾN ĐỘNG
1. Sales & service revenue	3,137,467,591,015	2,919,366,678,903	(218,100,912,112)	-7%
2. Revenue deductions	2,044,445,610	2,408,575,618	364,130,008	18%
3. Net sales and service revenue	3,135,423,145,405	2,916,958,103,285	(218,465,042,120)	-7%
4. Cost of goods sold	2,126,805,252,715	2,068,412,737,645	(58,392,515,070)	-3%
5. Gross profit from sales and service revenue	1,008,617,892,690	848,545,365,638	(160,072,527,052)	-16%
6. Financial revenue	162,315,252,256	101,251,720,026	(61,063,532,230)	-38%
7. Financial expenses	881,156,241	1,897,552,871	1,016,396,630	115%
- Including: Interest expense	-	1,732,481,808	1,732,481,808	
8. Selling expenses	708,879,163,802	657,045,791,552	(51,833,372,250)	-7%
9. Administrative expenses	37,897,552,159	37,145,154,260	(752,397,899)	-2%
10. Net profit from business activities	423,275,272,743	253,708,586,973	(169,566,685,770)	-40%
11. Other income	16,557,149,002	14,990,235,540	(1,566,913,462)	-9%
12. Other expenses	16,252,632,502	16,641,975,268	389,342,766	2%
13. Other profits	304,516,500	(1,651,739,728)	(1,956,256,228)	-642%
14. Total accounting profit before tax	423,579,789,243	252,056,847,255	(171,522,941,988)	-40%
15. Current corporate income tax expense	49,162,295,564	32,136,074,975	(17,026,220,589)	-35%
16. Profit after corporate income tax	374,417,493,679	219,920,772,280	(154,496,721,399)	-41%
17. Basic earnings per share	3,404	1,999	(1,405)	-41%

♦ **Revenue and gross profit:** Net revenue: Decreased from 3,135 billion VND (2023) down to 2,916 billion VND (2024), down 6.97%. Cost of goods sold: decreased from 2,126 billion VND (2023) down to 2,068 billion VND (2024), down 15.88%. Net revenue and cost of goods sold fell but gross profit fell more sharply showing a narrowed gross profit margin.

♦ **Operating profit: Sale expenses:** Decreased from 708 billion VND (2023) down to 657 billion VND (2024), down 7.32%. Administrative expenses: slightly decreased from 37.8 billion VND (2023) down to 37.1 billion VND (2024), down 1.99%. Net operating profit: sharply decreased from 423 billion VND (2023) down to 253 billion VND (2024), down 40.05%. Despite a decline in sale expenses and administrative expenses, net operating profit sharply fell, mainly due to a decline in revenue and a sharp decline in gross profit.

♦ **Profit before and after tax:** EBIT: Decreased from 423 billion VND (2023) down to 253 billion VND (2024), down 40.08%. Total accounting profit before tax: decreased from 423 billion VND (2023) down to 252 billion VND (2024), down 40.49%. Current corporate income tax expense: decreased from 49 billion VND (2023) down to 32 billion VND (2024), down 34.63%. Profit after tax decreased more sharply than profit before tax, showing that tax pressure despite being decreased but still affected on business performance.

♦ **Other financial indicators:** Basic earnings per share (EPS): decreased from 3,404 (2023) down to 1,999 (2024), down 41.3%. EPS significantly decreased, reflecting a decrease in net profits and affecting stock value.



REPORT OF THE BOARD OF GENERAL DIRECTOR (CONTINUED)

Targets	12/31/2023	12/31/2024	Increase/Decrease	% Fluctuations	Proportion
A – Current assets	2,077,665,095,109	2,114,925,790,979	37,260,695,870	2%	78.7%
I. Cash and cash equivalents	55,218,492,333	36,267,752,726	(18,950,739,607)	-34%	1.3%
1. Cash	52,153,170,333	36,267,752,726	(15,885,417,607)	-30%	1.3%
2. Cash equivalents	3,065,322,000	-	(3,065,322,000)	-100%	0.0%
II. Short-term financial investments	1,442,075,239,600	1,603,000,000,000	160,924,760,400	11%	59.7%
1. Held-to-maturity investments	1,442,075,239,600	1,603,000,000,000	160,924,760,400	11%	59.7%
III. Short-term receivables	349,104,353,974	287,023,894,347	(62,080,459,627)	-18%	10.7%
1. Short-term receivables from customers	204,971,865,453	206,655,644,830	1,683,779,377	1%	7.7%
2. Short-term prepayments to suppliers	11,228,830,167	29,914,356,101	18,685,525,934	166%	1.1%
3. Other short-term receivables	133,043,458,354	50,608,993,416	(82,434,464,938)	-62%	1.9%
4. Short-term provision for doubtful debts	(139,800,000)	(155,100,000)	(15,300,000)	11%	0.0%
IV. Inventories	185,588,261,937	172,386,603,573	(13,201,658,364)	-7%	6.4%
1. Inventories	187,403,340,218	172,957,909,407	(14,445,430,811)	-8%	6.4%
2. Provision for inventory devaluation	(1,815,078,281)	(571,305,834)	1,243,772,447	-69%	0.0%
V. Other short-term assets	45,678,747,265	16,247,540,333	(29,431,206,932)	-64%	0.6%
1. Short-term prepaid expenses	8,055,731,201	8,936,379,971	880,648,770	11%	0.3%
2. Deductible VAT			-		0.0%
3. Taxes and other receivables from the State	37,623,016,064	7,311,160,362	(30,311,855,702)	-81%	0.3%
B - LONG-TERM ASSETS	528,397,742,981	571,747,101,640	43,349,358,659	8%	21.3%
I- Long-term receivables	90,000,000	90,000,000	-	0%	0.0%
1. Other long-term receivables	90,000,000	90,000,000	-	0%	0.0%
II. Fixed assets	392,578,003,798	366,583,594,443	(25,994,409,355)	-7%	13.6%
1. Tangible fixed assets	392,578,003,798	366,583,594,443	(25,994,409,355)	-7%	13.6%
- Original cost	1,139,085,494,084	1,153,103,657,833	14,018,163,749	1%	42.9%
- Accumulated depreciation	(746,507,490,286)	(786,520,063,390)	(40,012,573,104)	5%	-29.3%
2. Intangible fixed assets	-	-	-		0.0%
- Original cost	3,988,000,000	3,988,000,000	-	0%	0.1%
- Accumulated depreciation	(3,988,000,000)	(3,988,000,000)	-	0%	-0.1%



REPORT OF THE BOARD OF GENERAL DIRECTOR (CONTINUED)

Targets	12/31/2023	12/31/2024	Increase/Decrease	% Fluctuations	Proportion
III. Investment real estate			-		0.0%
- Original cost			-		0.0%
- Accumulated depreciation			-		0.0%
IV. Long-term assets in progress	118,527,867,984	186,804,317,819	68,276,449,835	58%	7.0%
1. Long-term business and production costs in progress	11,324,330,731	20,571,420,405	9,247,089,674	82%	0.8%
2. Basic construction costs in progress	107,203,537,253	166,232,897,414	59,029,360,161	55%	6.2%
V. Long-term financial investments	83,719,600	83,719,600	-	0%	0.0%
1. Investments in other entities	83,719,600	83,719,600	-	0%	0.0%
VI. Other long-term assets	17,118,151,599	18,185,469,778	1,067,318,179	6%	0.7%
1. Long-term prepaid expenses	17,118,151,599	18,185,469,778	1,067,318,179	6%	0.7%
TOTAL ASSETS	2,606,062,838,090	2,686,672,892,619	80,610,054,529	3%	100.0%
C - LIABILITIES	278,807,910,172	381,489,269,649	102,681,359,477	37%	14.2%
I. Current liabilities	274,455,832,914	377,611,651,740	103,155,818,826	38%	14.1%
1. Short-term payables to suppliers	122,837,861,068	164,836,148,894	41,998,287,826	34%	6.1%
2. Short-term prepayments from buyers	771,412,411	3,210,506,713	2,439,094,302	316%	0.1%
3. Taxes and amounts payable to the State	162,657,064	6,258,943,143	6,096,286,079	3748%	0.2%
4. Payables to employees	16,874,479,699	15,816,061,759	(1,058,417,940)	-6%	0.6%
5. Short-term payable expenses	83,553,923,466	60,266,712,690	(23,287,210,776)	-28%	2.2%
6. Other short-term payables	7,051,824,970	1,638,920,711	(5,412,904,259)	-77%	0.1%
7. Short-term loans and financial leasing debts		99,000,000,000	99,000,000,000		3.7%
8. Short-term payables			-		0.0%
9. Bonus and welfare funds	43,203,674,236	26,584,357,830	(16,619,316,406)	-38%	1.0%
II. Non-current liabilities	4,352,077,258	3,877,617,909	(474,459,349)	-11%	0.1%
1. Other long-term payables	1,063,378,252	722,927,552	(340,450,700)	-32%	0.0%
2. Long-term payables provisions	3,288,699,006	3,154,690,357	(134,008,649)	-4%	0.1%



REPORT OF THE BOARD OF GENERAL DIRECTOR (CONTINUED)

Targets	12/31/2023	12/31/2024	Increase/Decrease	% Fluctuations	Proportion
B - OWNER'S EQUITY	2,327,254,927,918	2,305,183,622,970	(22,071,304,948)	-1%	85.8%
I. Owner's equity	2,327,254,927,918	2,305,183,622,970	(22,071,304,948)	-1%	85.8%
1. Owner's capital	1,100,000,000,000	1,100,000,000,000	-	0%	40.9%
- Common shares with voting rights	1,100,000,000,000	1,100,000,000,000	-	0%	40.9%
- Preferred shares			-		0.0%
2. Share premium	817,274,340,000	817,274,340,000	-	0%	30.4%
3. Bond conversion options	-		-		0.0%
4. Other owners' capital	-		-		0.0%
5. Treasury shares	-		-		0.0%
6. Difference on Asset revaluation	-		-		0.0%
7. Exchange rate difference	-		-		0.0%
8. Development investment fund	148,775,592,768	148,775,592,768	-	0%	5.5%
9. Enterprise arrangement support fund			-		0.0%
10. Enterprise arrangement and development support fund			-		0.0%
11. Undistributed profit after tax	261,204,995,150	239,133,690,202	(22,071,304,948)	-8%	8.9%
- Undistributed profit after tax accumulated to the end of the previous period	71,671,000,207	151,204,995,150	79,533,994,943	111%	5.6%
- Undistributed profit after tax of this period	189,533,994,943	87,928,695,052	(101,605,299,891)	-54%	3.3%
12. Badic Construcion Investment capital	-	-	-		0.0%
TOTAL CAPITAL	2,606,062,838,090	2,686,672,892,619	80,610,054,529	3%	100.0%



REPORT OF THE BOARD OF GENERAL DIRECTOR (CONTINUED)



ASSET SITUATION

- 1 Total asset increased by 3% (from 2,606 billion VND to 2,686 billion VND) due to an increase in current assets (2%) and non-current assets (8%).
- 2 Current assets accounted for the largest proportion (78.7% on 31 December 2024) while non-current assets accounted for 21.3%.
- 3 Cash and cash equivalents sharply decreased by 34% from 55 billion VND down to 36 billion VND. Moc Chau Milk used cash to invest or paid debts.
- 4 Short-term financial investment increased by 11%, from 1,442 billion VND to 1,603 billion VND, reflecting Moc Chau's continued investment in short-term financial tools.
- 5 Short-term receivables decreased by 18%, from 349 billion VND down to 287 billion VND. It was a positive sign that Moc Chau Milk recovered debt from customers.
- 6 Inventory decreased by 7% from 185 billion VND down to 172 billion VND, reflecting effective inventory management of Moc Chau Milk.
- 7 Fixed assets decreased by 7% from 392 billion VND down to 366 billion VND mainly due to increased accumulated depreciation.
- 8 Long-term assets in progress sharply increased by 58% from 118 billion VND to 186 billion VND, Moc Chau Milk invested in long-term projects including 4,000 dairy cow farm and hi-tech dairy processing plant.



LIABILITY SITUATION

- 1 Total liabilities increased by 37% from 278 billion VND to 381 billion VND mainly due to an increase in short-term debts (up 38%).
- 2 Short-term payables increased by 34%, from 122 billion VND to 164 billion VND, reflecting that Moc Chau strengthened purchase of goods on credit.
- 3 Short-term loans and finance lease remained unchanged (99 billion VND), reflecting that Moc Chau Milk's short-term debt remained unchanged.



OWNER'S EQUITY SITUATION

- 1 Owner's equity slightly decreased by 1% from 2,327 billion VND down to 2,305 billion VND mainly due to an 8% decrease in undistributed profit after tax.
- 2 Undistributed profit after tax this period decreased sharply by 54%, from 189 billion VND down to 87 billion VND, Moc Chau Milk distributed profits to shareholders.





REPORT OF THE BOARD OF GENERAL DIRECTOR (CONTINUED)

PROJECT IMPLEMENTATION SITUATION

NEW DAIRY FARM WITH A SCALE OF 4,000 COWS

This was an investment project in accordance with the policy of Son La Province in the following document: Decision No. 3249/QĐ-UBND of Son La Province, dated September 27, 2018 on Approving the Agricultural Area Planning Project applied high technology in Son La province until 2020, with a vision to 2030.

TOTAL INVESTMENT CAPITAL: 1,120 BILLION VNĐ

Purpose and necessity: Currently, according to unofficial statistics, the fresh milk consumption of Vietnamese people is still very low, estimated at 20 liters/person/year. Meanwhile, the milk consumption in developed countries is 30-50 liters/person/year. The average sales growth rate of Vietnam Dairy Products Joint Stock Company (Vinamilk) in recent years from 2014 to 2019 has always reached approx.10%/year. If this value continues, demand for raw milk (RM) will also increase at a corresponding rate for both organic farms and cooperative partners. Currently, the raw fresh milk provided by domestic cows only meets about 30% of dairy factories' needs, so there is still a lot of development potential to meet the shortage and high growth needs. Increasing the scale of Moc Chau Milk farms is create a sustainable basis for providing good quality breeds and high-tech services for dairy farming to meet the regional growth scale. Restructuring the production of farms in Moc Chau Farm Town according to the direction of specializing in high-tech dairy farming and improving environmental protection, promoting geographical and climate advantages is necessary to ensure sustainable development of Moc Chau Milk brand and developing the crops for cattle feed in neighboring areas. Investing in sustainable development in agricultural production combined with eco-tourism achieves outstanding and long-term values by promoting the impressive product image of Moc Chau Milk, Vinamilk via ecotourism form.

Approved legal documents: approving investment policy No. 85/QĐ-UBND dated 29th September 2021 of People's Committee of Son La province, adjusting for the first time dated 24th June 2024. Decision on approving detailed planning of Moc Chau hi-tech Dairy Cow Ecological Farm Complex, Moc Chau Farm Town, Moc Chau District No 420/QĐ-UBND dated 30 March 2022 of People's Committee of Moc Chau District. Decision on approving results of appraisal of environmental impact evaluation report of the "Moc Chau hi-tech Dairy Cow Ecological Farm Complex" project No 1150/QĐ-BTNMT dated 31st May 2022 of Ministry of Natural Resources and Environment. Decision on land withdrawal, change of land use purpose, registration of land changes, adjustment of land use term and land lease for Moc Chau hi-tech Dairy Cow Ecological Farm Complex project (Moc Chau Milk Paradise) of Moc Chau Dairy Cow Breeding Joint Stock Company at Sub-area 70, Vuon Dao Sub-area, Moc Chau Farm District, Son La Province (Phase 1~138 ha), No 2126/QĐ-UBND dated 19th October 2023 of People's Committee of Son La Province. Construction License No 01/GPXD-SXD dated 19th October 2023 of Department of Construction of Son La Province for items of leveling the total site of the Moc Chau Hi-tech Dairy Cow Breeding and Ecological Farm Complex Project. Firefighting and prevention acceptance certificate No 161/TĐ-PCCC dated 11th December 2023 of Police Department of Firefighting & Prevention & Rescue of Son La Province, Construction License No. 01/GPXD-SXD dated 16th January 2024 of Department of Construction of Son La Province on building items under Moc Chau Hi-tech Dairy Cow Breeding and Ecological Farm Complex Project.

Basic construction volume: 40% of the total volume of all construction packages.

Installation of machinery and equipment lines: Currently inviting bids for equipment and machinery packages.

Scheduled operating time: Q.II 2026





REPORT OF THE BOARD OF GENERAL DIRECTOR (CONTINUED)

MOC CHAU UHT DAIRY PROCESSING PLANT PROJECT

TOTAL INVESTMENT CAPITAL: 2,000 BILLION VND

Purpose and necessity: Moc Chau dairy processing plant currently has an area of 3.7 hectares and has a current production capacity of 200 tons/day (equivalent to 120,000 products/hour); current location of Moc Chau Milk plant is no land left to develop and expand investments. In addition, the plant which has been invested for a long time, begins to deteriorate. If the renovation is very complicated, it is not feasible and requires a high cost, and some machinery and equipment have been invested for a long time with existing low performance. Hence, to prepare for the Company's development in the near future, with a vision to 2035, Moc Chau Milk has a plan to invest in a new plant according to Vinamilk's standards.

Approved legal documents: Approving investment policy No 862/QD-UBND dated 18th May 2022. Decision on approval of detailed planning of People's Committee of Moc Chau District No 3173/QD-UBND dated 31st October 2023. Site clearance under implementation.



CHAPTER 03

CORPORATE GOVERNANCE

FIRM IN GOVERNANCE
FORWARD IN VALUE





CORPORATE GOVERNANCE REPORT

BOARD OF DIRECTORS

BOD MEMBERS

No.	Full name	Position	Date of appointment/cessation as BoD member/independent BoD member	
			Date of appointment	Date of dismissal
1	Ms. Mai Kieu Lien	Chairwoman	16/02/2020	
2	Mr. Pham Hai Nam	Executive member	16/02/2020	
3	Mr. Nguyen Quang Tri	Non-executive member	23/08/2021	23/04/2024
4	Mr. Hoang Van Chat	Independent member	30/03/2022	
5	Mr. Le Hoang Minh	Non-executive member	27/04/2023	
6	Mr. Doan Quoc Khanh	Non-executive member	23/04/2024	

BOD MEETINGS

No.	Full name	Number of meetings/ attendance/written opinions obtained	Rate of attendance at meetings/written opinions	Reason for absence/rejection
1	Ms. Mai Kieu Lien	37/37	100%	
2	Mr. Pham Hai Nam	37/37	100%	
3	Mr. Nguyen Quang Tri	12/37	32%	Dismissed from 23 April 2024
4	Mr. Hoang Van Chat	37/37	100%	
5	Mr. Le Hoang Minh	37/37	100%	
6	Mr. Doan Quoc Khanh	25/37	68%	Appointed from 23 April 2024

BOD'S COMMITTEES: None

THE BOD'S SUPERVISION ACTIVITIES TO THE BOE

As a representative of the interests of shareholders, in 2024, the BoD emphasized responsibility, together with the BoE of the Company, directed the implementation of the Resolution and other directives. The objectives set by the General Meeting of Shareholders were in accordance with the Company's Charter and applicable legal regulations.

Activities of the BoD in 2024 focused on the following contents:

- 1 Approving the contents of reports of the BoD, Supervisory Board, and BoE on the Company's operations and production and business situation in 2024;
- 2 Preparing and organizing Annual General Meeting of Shareholders 2024 dated 23 April 2024;
- 3 Approving the audited 2023 Financial Statements;
- 4 Approving statements at the 2024 Annual General Meeting of Shareholders;
- 5 Implementing the production and business plan for 2024;
- 6 Approving the Financial Statements for Quarter 4 of 2023, Quarter 1, 2, 3 of 2024; Reviewed financial statements for 6 months of 2024;
- 7 Approving the proposal on the resignation of Mr. Nguyen Quang Tri as a BoD member and additional election of Mr. Doan Quoc Khanh at the 2024 Annual General Meeting of Shareholders.

ACTIVITIES OF BOD'S COMMITTEES: None



CORPORATE GOVERNANCE REPORT (CONTINUED)

BOARD OF DIRECTORS (continued)

RESOLUTIONS OF BOD IN 2024

In 2024, BOD held 36 regular and extraordinary meetings in the form of in person or collecting written opinions, issued 42 Resolutions/Decisions on business related issues of the Company. BOD meetings were implemented in accordance with the Company's charter. Information about these resolutions are announced in Corporate Governance Report at <https://www.mcmilk.com.vn/quan-he-co-dong/bao-cai-quan-tri-cong-ty/>. Minutes, Resolutions, Decisions of BOD were issued and retained as stipulated.

No.	Number of Resolutions/ Decisions	Date	Content	Approval Rate
1	02/NQ-HĐQT/ GBS/2024	02/01/2024	BOD resolution on approval of associated transaction with Vinamilk	100%
2	04/NQ-HĐQT/ GBS/2024	02/01/2024	BOD Resolution on approval of associated transaction with Vietnam Livestock Corporation - JSC	100%
3	06/NQ-HĐQT/ GBS/2024	02/01/2024	BOD Resolution on approval of associated transaction with Peter Hand Animal Development Company in Ha Noi	100%
4	08/NQ-HĐQT/ GBS/2024	02/01/2024	BOD Resolution on approval of associated transaction Thong Nhat Thanh Hoa Dairy Cow One Member Co., Ltd and Vietnam Dairy Cow One Member Co., Ltd	100%
5	11/NQ-HĐQT/ GBS/2024	23/01/2024	BOD Resolution on approval of plan of organizing Annual General Meeting of Shareholders 2024	100%
6	13/NQ-HĐQT/ GBS/2024	23/01/2024	BOD Resolution on approval of the additional list of credit organizations the Company will conduct transactions in 2024	100%
7	14/NQ-HĐQT/ GBS/2024	23/01/2024	BOD Resolution on approval of plan of spending bonus and welfare fund in Q.1 2024	100%
8	15/NQ-HĐQT/ GBS/2024	23/01/2024	BOD Resolution on approval of the use of funds generated from issuance of 43.2 million common shares.	100%
9	19/NQ-HĐQT/ GBS/2024	13/03/2024	BOD Resolution on approval of 2024 business and production plan	100%
10	21/NQ-HĐQT/ GBS/2024	21/03/2024	BOD Resolution on approval of the documents for Annual General Meeting of Shareholders 2024 of the Company	100%

No.	Number of Resolutions/ Decisions	Date	Content	Approval Rate
11	26/NQ-HĐQT/ GBS/2024	01/04/2024	BOD Resolution on approval of land clearance plan	100%
12	30/NQ-HĐQT/ GBS/2024	04/04/2024	BOD Resolution on adjustment of the Company's organizational chart	100%
13	32/NQ-HĐQT/ GBS/2024	05/04/2024	BOD Resolution on approval of appointment of new position to Mr. Le Huy Bich	100%
14	36/NQ-HĐQT/ GBS/2024	11/04/2024	BOD Resolution on approval of the documents for Annual General Meeting of Shareholders 2024	100%
15	39/NQ-HĐQT/ GBS/2024	17/04/2024	BOD Resolution on approval of plan of spending bonus and welfare fund in Q.2 2024	100%
16	42/NQ-HĐQT/ GBS/2024	02/05/2024	BOD Resolution on approval of adjustment of implementation progress of Moc Chau hi-tech dairy cattle & eco-farm complex project	100%
17	45/NQ-HĐQT/ GBS/2024	09/05/2024	BOD Resolution on approval of cash dividend payment for the second period 2023	100%
18	50/NQ-HĐQT/ GBS/2024	15/05/2024	BOD Resolution on approval of associated transactions with Vietnam Dairy Cow One Member Co., Ltd	100%
19	52/NQ-HĐQT/ GBS/2024	15/05/2024	BOD Resolution on approval of dismissal, appointment of person in charge of Corporate Governance	100%
20	53/NQ-HĐQT/ GBS/2024	15/05/2024	BOD Resolution on approval of dismissal, appointment of the Company secretary	100%
21	55/NQ-HĐQT/ GBS/2024	16/05/2024	BOD Resolution on approval of regulations on decentralization of responsibilities for management levels	100%
22	57/NQ-HĐQT/ GBS/2024	17/05/2024	BOD Resolution on approval of liquidation policy and establishment of an asset liquidation council	100%
23	60/NQ-HĐQT/ GBS/2024	27/05/2024	BOD Resolution on approval of cancellation of securities trading registration of MCM stock of Moc Chau Dairy Cattle Breeding Joint Stock Company at Ha Noi Securities Exchange	100%



CORPORATE GOVERNANCE REPORT (CONTINUED)

BOARD OF DIRECTORS (continued)

No.	Number of Resolutions/ Decisions	Date	Content	Approval Rate
24	65/NQ-HĐQT/ GBS/2024	11/06/2024	BOD Resolution on approval of granting of credit limit by Vietnam Maritime Commercial Joint Stock Bank to Moc Chau Dairy Cattle Breeding Joint Stock Company	100%
25	68/NQ-HĐQT/ GBS/2024	11/06/2024	BOD Resolution on approval of granting of credit limit by Vietnam International Commercial Joint Stock Bank to Moc Chau Dairy Cattle Breeding Joint Stock Company	100%
26	71/NQ-HĐQT/ GBS/2024	11/06/2024	BOD Resolution on approval of proposed credit limit at Joint Stock Commercial Bank for Foreign Trade of Vietnam – Ho Chi Minh City Branch	100%
27	74/NQ-HĐQT/ GBS/2024	11/06/2024	BOD Resolution on approval of the list of credit limits granted by banks to the Company in 2024	100%
28	77/NQ-HĐQT/ GBS/2024	13/06/2024	BOD Resolution on approval of the first trading date and preference price in the first trading date of MCM shares of Moc Chau Dairy Cattle Breeding Joint Stock Company on Ho Chi Minh Securities Exchange	100%
29	80/NQ-HĐQT/ GBS/2024	21/06/2024	BOD Resolution on approval of selection of KPMG Vietnam Co., Limited as the auditor of 2024 financial statement of the Company	100%
30	93/NQ-HĐQT/ GBS/2024	07/08/2024	BOD Resolution on approval of use of bonus and welfare fund in Q.3 2024	100%
31	95/NQ-HĐQT/ GBS/2024	07/08/2024	BOD Resolution on approval of remuneration policy for members of the Secretariat.	100%
32	99/NQ-HĐQT/ GBS/2024	15/08/2024	BOD Resolution on approval of dismissal and appointment Deputy General Director, Production	100%



No.	Number of Resolutions/ Decisions	Date	Content	Approval Rate
33	106/NQ-HĐQT/ GBS/2024	26/09/2024	BOD Resolution on change of members of Assets Liquidation Council	100%
34	108/NQ-HĐQT/ GBS/2024	26/09/2024	BOD Resolution on approval of the transaction of selling raw fresh milk to Vinamilk	100%
35	112/ NQ-HĐQT/ GBS/2024	01/10/2024	BOD Resolution on approval of the transaction of renting An Khanh Warehouse from Vilico	100%
36	117/NQ-HĐQT/ GBS/2024	19/10/2024	BOD Resolution on approval of dismissal of Deputy General Director, Sales and Marketing	100%
37	117/NQ-HĐQT/ GBS/2024	24/10/2024	BOD Resolution on approval of use of bonus and welfare fund in Q.4 2024	100%
38	118/NQ-HĐQT/ GBS/2024	24/10/2024	BOD Resolution on approval of the first advance payment of 2024 cash dividend	100%
39	123/NQ-HĐQT/ GBS/2024	14/11/2024	BOD Resolution on approval of the purchase of A3 Flex 1 liter filling machine of Vinamilk	100%
40	129/NQ-HĐQT/ GBS/2024	31/12/2024	BOD Resolution on approval of the transactions, contracts between the Company and related persons	100%
41	132/NQ-HĐQT/ GBS/2024	31/12/2024	BOD Resolution on approval of the additional list of banks that the Company has implemented transactions from 2025 till other alternative documents	100%
42	134/NQ-HĐQT/ GBS/2024	31/12/2024	BOD Resolution on approval of the list of credit limits granted by banks to the Company in 2025	100%



CORPORATE GOVERNANCE REPORT (CONTINUED)

TRANSACTIONS, REMUNERATION AND BENEFITS OF THE BOARD OF DIRECTORS

No.	Full name	Position	Remuneration (million VND)	Date of appointment/ cessation as BoD member/ independent BoD member	
				Date of appointment	Date of dismissal
1	Ms. Mai Kieu Lien	Chairwoman	-	16/02/2020	
2	Mr. Pham Hai Nam	Executive member	96	16/02/2020	
3	Mr. Nguyen Quang Tri	Non-executive member	30	23/08/2021	23/04/2024
4	Mr. Hoang Van Chat	Independent member	96	30/03/2022	
5	Mr. Le Hoang Minh	Non-executive member	96	27/04/2023	
6	Mr. Doan Quoc Khanh	Non-executive member	66	23/04/2024	

Remuneration of BOD paid in 2024 complied with Resolution of Annual General Meeting of Shareholders, in which Mrs. Mai Kieu Lien did not receive remuneration in 2024, remuneration of other BOD members were: 8,000,000 VND/month

In 2024, the Company recorded no other additional benefits for BOD except for business travel expense of BOD members to attend BOD meetings and General Meeting of Shareholders as stipulated according to regulations on payment of business travel expense of the Company.





CORPORATE GOVERNANCE REPORT (CONTINUED)

TRANSACTIONS WITH INTERNAL PEOPLE AND RELATED PARTIES

No.	Organization/individual name	Related relationships with the Company	Owner's Certificate No	Date of issue	Place of issue	Contact address	Time to transact with the Company	Resolution/ decision of GMS	Content of transaction	Transaction value (VND)
1	Vietnam Dairy Products Joint Stock Company (Vinamilk)	Ultimate parent company	0300588569	06/12/2022	Department of Planning and Investment of Ho Chi Minh City	10 Tan Trao, Tan Phu, District 7, HCM	2024	Resolution of BOD No 02/NQ-HDQT/ GBS/2024 dated 02 January 2024 Resolution of BOD No 108/NQ-HDQT/ GBS/2024 dated 26 September 2024	Sale of goods	572,615,493,286
2	Vietnam Dairy Products Joint Stock Company (Vinamilk)	Ultimate parent company	0300588569	06/12/2022	Department of Planning and Investment of Ho Chi Minh City	10 Tan Trao, Tan Phu, District 7, HCM	2024	Resolution of BOD No 02/NQ-HDQT/ GBS/2024 dated 02 January 2024 Resolution of BOD No 108/NQ-HDQT/ GBS/2024 dated 26 September 2024	Sale of service	214,896,541
3	Vietnam Dairy Products Joint Stock Company (Vinamilk)	Ultimate parent company	0300588569	06/12/2022	Department of Planning and Investment of Ho Chi Minh City	10 Tan Trao, Tan Phu, District 7, HCM	2024	Resolution of BOD No 64/NQ-HDQT/ GBS/2023 dated 26 October 2024	Sale of fixed assets	3,920,351,174
4	Vietnam Dairy Products Joint Stock Company (Vinamilk)	Ultimate parent company	0300588569	06/12/2022	Department of Planning and Investment of Ho Chi Minh City	10 Tan Trao, Tan Phu, District 7, HCM	2024	Resolution of BOD No 02/NQ-HDQT/ GBS/2024 dated 02 January 2024	Purchase of goods, service	28,175,545,924
5	Vietnam Dairy Products Joint Stock Company (Vinamilk)	Ultimate parent company	0300588569	06/12/2022	Department of Planning and Investment of Ho Chi Minh City	10 Tan Trao, Tan Phu, District 7, HCM	2024	Resolution of BOD No 45/NQ-HDQT/ GBS/2024 dated 09 May 2024 Resolution of BOD No 118/NQ-HDQT/ GBS/2024 dated 24 October 2024	Dividend	19,475,580,000
6	Vietnam Dairy Products Joint Stock Company (Vinamilk)	Ultimate parent company	0300588569	06/12/2022	Department of Planning and Investment of Ho Chi Minh City	10 Tan Trao, Tan Phu, District 7, HCM	2024	Resolution of BOD No 123/NQ-HDQT/ GBS/2024 dated 14 November 2024	Purchase of fixed assets	4,295,170,594
7	Vietnam Livestock Corporation JSC (Vilico)	Direct Parent Company	0100104443	16/11/2023	Department of Planning and Investment of Ha Noi	519 Minh Khai, Hai Ba Trung, Hanoi	2024	Resolution of BOD No 04/NQ-HDQT/ GBS/2024 dated 02 January 2024	Purchase of goods, service	838,789,288
8	Vietnam Livestock Corporation JSC (Vilico)	Direct Parent Company	0100104443	16/11/2023	Department of Planning and Investment of Ha Noi	519 Minh Khai, Hai Ba Trung, Hanoi	2024	Resolution of BOD No 45/NQ-HDQT/ GBS/2024 dated 09 May 2024 Resolution of BOD No 118/NQ-HDQT/ GBS/2024 dated 24 October 2024	Dividend	130,459,942,000
9	Vietnam Dairy Cow One Member Co., Ltd	Other related companies	5000268824	11/07/2007	Viet Nam	10 Tan Trao, Tan Phu, District 7, HCM	2024	Resolution of BOD No 08/NQ-HDQT/ GBS/2024 dated 02 January 2024 Resolution of BOD No 50/NQ-HDQT/ GBS/2024 dated 15 May 2024	Purchase of goods, service	47,377,920,417
10	Thong Nhat Thanh Hoa Dairy Cow One Member Co., Ltd	Other related companies	2801971744	21/10/2013	Viet Nam	Quarter 1, NT Thong Nhat Town, Yen Dinh District, Thanh Hoa Province	2024	Resolution of BOD No 08/NQ-HDQT/ GBS/2024 dated 02 January 2024	Purchase of goods	126,926,875
11	Hanoi Peter Hand Animal Developing Limited Liability Company	Other related companies	0100149691	28/10/2015	Department of Planning and Investment of Ha Noi	No. 36, Hoang Ngan, Cau Giay, Hanoi	2024	Resolution of BOD No 06/NQ-HDQT/ GBS/2024 dated 02 January 2024	Purchase of goods	14,450,300,000



CORPORATE GOVERNANCE REPORT (CONTINUED)

IMPLEMENTATION OF REGULATIONS ON CORPORATE GOVERNANCE

In parallel with achieved results in business, production investment and development plan and being aware of importance of corporate governance, BOD identified that improvement of corporate governance quality and capacity was an important content in its strategic orientation to build a strong corporate governance system through taking advantage of international practices in combination of inclusive strength of resources of the system-wide to monitor, supervise business activities in a responsible, transparent and effective manner.

Evaluating the implementation of corporate governance according to standards such as CG CODE/ASEAN Corporate Governance/other standards:

COMPLIANCE WITH INFORMATION DISCLOSURE AND TRANSPARENCY REGULATIONS



The Company seriously implemented the regulations on information disclosure in Circular No. 96/2020/TT-BTC, regulations of the Hanoi Stock Exchange and the State Securities Commission. Information related to the management situation, business operations of the Company, and unusual information were disclosed on time, ensured the transparency to all shareholders and investors. The Company also aimed to publish bilingual information in Vietnamese and English so that foreign investors can easily access, learn and analyze information about the business. The Company's important internal governance documents such as Charter and Internal Rules are all posted on the Company's oversight. Programs and documents for the Annual GMS, Minutes and Resolutions of the General Meeting are all fully posted on the websites, platforms.

EQUAL TREATMENT TO SHAREHOLDERS



The Company recognized and respected the rights of shareholders and owners of the Company, including minority shareholders and foreign shareholders by ensuring fair and appropriate treatment for each Shareholder through disclosing the information accurately, transparently and promptly. The Company focused on the adequacy of information disclosure so that shareholders can make informed decisions at the GMS, including voting and expressing opinions on significant changes and election of members of the BoD was based inaccurate, complete, transparent, and shared fairly information. The shareholders' rights were also clearly regulated by the Company's Charter and protected by Vietnamese law. The BoD holds an effective Annual GMS every year. The Company sent all shareholders full the invitation of GMS, including attached documents, with complete information related to the meeting. The Company also posted information related to the meeting on the website of HNX and the Company so that the shareholders have opportunities to carefully study this information. The GMS was organized in accordance with the program mentioned in the relevant meeting invitation. In 2024, the Company successfully organized online annual GMS. The Chairwoman of the BoD and BoE also replied the questions and provided enough information as requested by shareholders. The meeting minutes of the GMS were recorded accurately and promptly in accordance with the provisions of law and were announced together with the Resolution of the GMS to HNX, SSC and posted on the Company's website within 24 hours after the GMS.

ENSURING THE EFFECTIVE LEADERSHIP ROLE AND INDEPENDENCE OF THE BOD

In 2024, the BoD ensured to include the independent member in its body. The independent member had the capacity to promote the independent judgment of all members of the BoD regarding the integrity of the governance system.



Training courses on corporate governance executed by BOD members, members of Supervisory Board, Director (General Director), other management officers and the Company Secretary attended these training courses in accordance with corporate governance regulations:

Mr. Le Huy Bich – Deputy General Director, the Company Secretary attended corporate governance training programs for public joint stock companies at Securities Scientific Research and Training Center – State Securities Commission from previous years.

Mr. Luu Thanh Tung – person in charge of corporate governance, the company secretary attended corporate governance training programs for public joint stock companies at Securities Scientific Research and Training Center – State Securities Commission from previous years.

TRANSACTIONS OF THE INSIDER AND RELATED PERSONS TO THE COMPANY'S SHARES

No	Person undertaking transactions	Relationship with the insider	Number of outstanding shares at the beginning of the period		Number of outstanding shares at the end of the period		Reason for increase, decrease (sale, purchase, transfer, bonus, etc.).
			Number of shares	Ratio	Number of shares	Ratio	
1	Mr. Nguyen Sy Quang	Deputy General Director	351,326	0.32%	335,300	0.3%	Sale
2	Ms. Le Thi Le	Spouse of Mr. Pham Quang Thuy – member of Supervisory Board	224,080	0.2%	214,980	0.2%	Sale and purchase

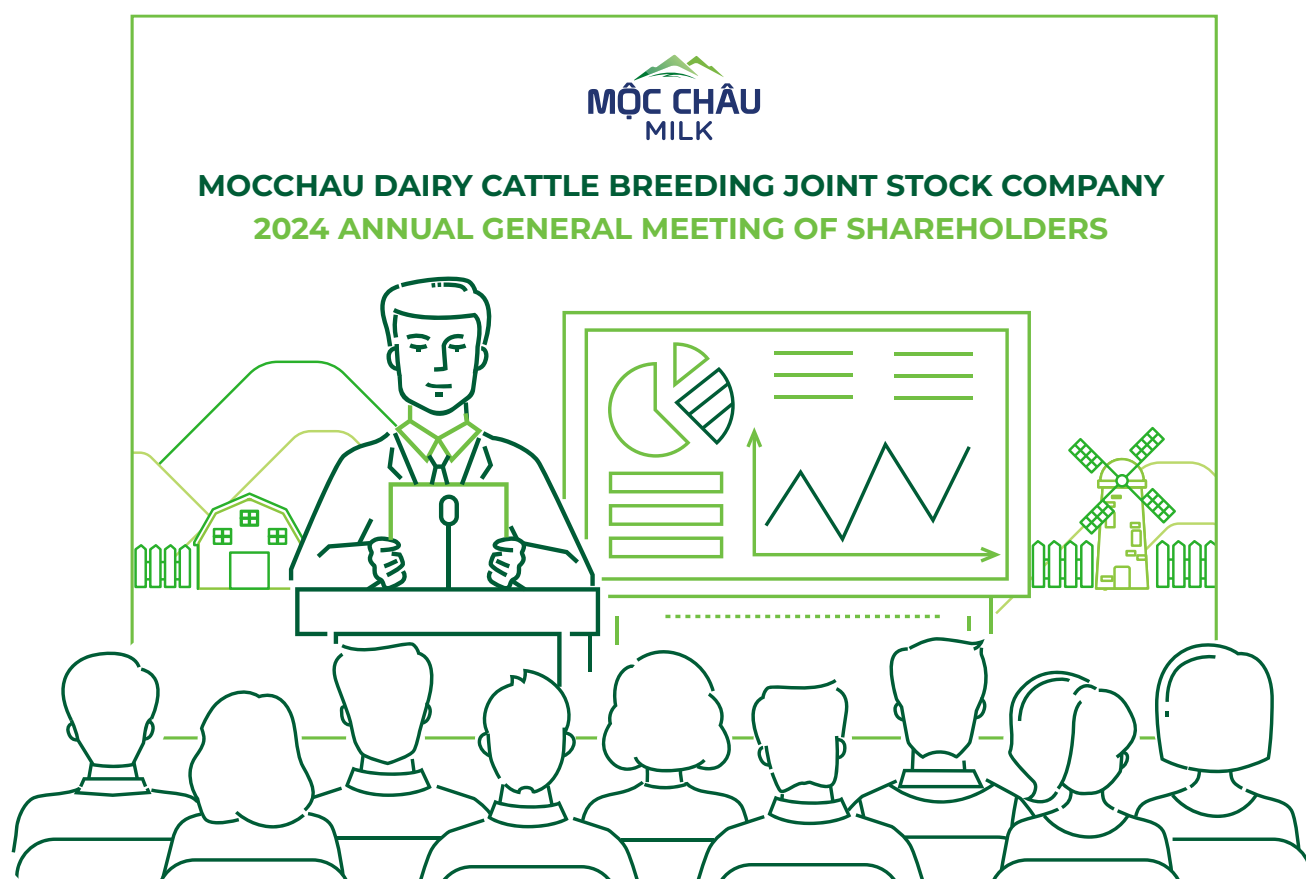


CORPORATE GOVERNANCE REPORT (CONTINUED)

INVESTOR RELATIONSHIP ACTIVITIES IN 2024

ONLINE GENERAL MEETING OF SHAREHOLDERS

The Company organized Online Annual General Meeting of Shareholders in 2021, 2022, 2023, 2024, shareholders followed up the programs of the meetings, asked questions and contributed opinions via official information channels of the Company such as website, fanpage, YouTube. The Meeting was a great success.



ONLINE MEETINGS WITH INVESTORS AND ANALYSTS

The Company regularly conducted online or in-person meetings with investment funds and analysts to introduce the Company and update the situation.

UPDATING INFORMATION REGULARLY ON WEBSITE AND FANPAGE

Information disclosure activities, periodic production and business situation and other activities were regularly updated by the Company in the Investor Relations and Communications section on the Website, Fanpage to investment groups in particular and all interested parties in general. With a friendly interface, the Company's official information channels ensured to provide the accurate, transparent and timely information to investors.





CORPORATE GOVERNANCE REPORT (CONTINUED)

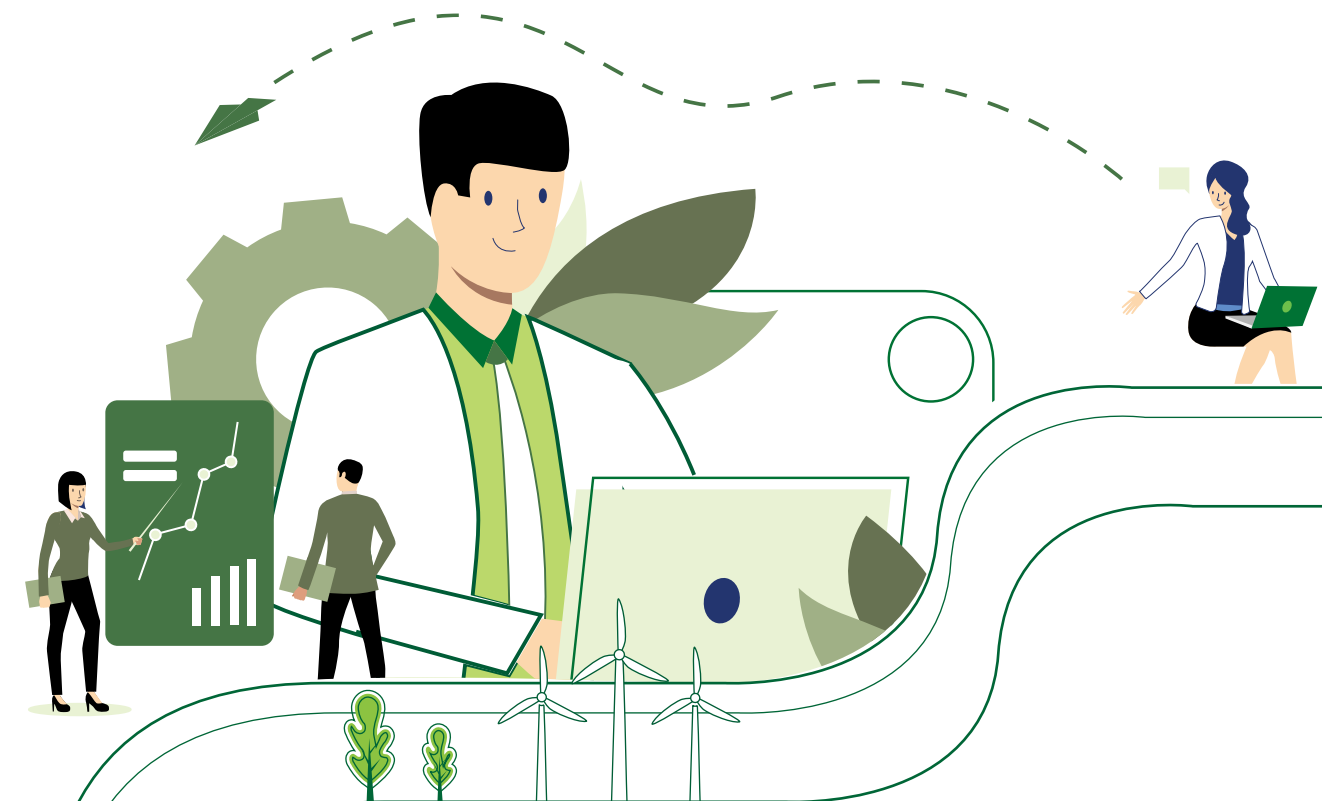
IMPROVEMENTS TO BE DONE TO CORPORATE GOVERNANCE PRACTICES

With the aim to apply and gradually approach regional and world corporate governance standards, in the coming time, the Company will continue to carry out the following tasks related to corporate governance:



Short-term plan:

- 1 Continue to build Moc Chau Milk website to update and fully disclose information for easy access to the shareholders, customers, domestic and foreign investors.
- 2 Continue to update, amend, supplement and comply with regulations on information disclosure and transparency as required in Circular No. 96/2020/TT-BTC and standards in the ASEAN Corporate Governance Scorecard to provide timely and accurate information to shareholders and investors at home and abroad.
- 3 Participate in corporate governance training courses organized by the SSC. In addition, with a commitment to implementing corporate governance based on the application of the best international practices, the Company will regularly update international knowledge and practices on corporate governance at home and abroad, and proactively share information related to corporate governance and organizational models with major institutional shareholders to take advantage of experience in developing an international standard corporate governance model.



Long-term plan:

In order to improve the quality of corporate governance, the Company has set short-term goals that need to continue to focus on improving corporate governance in the next period as follows:

- 1 Increase the independence of the BoD.
- 2 Continue to perfect the governance model to enhance coordination between the Company and its member, and between member among themselves on the basis of ensuring the unity and enhancing compliance throughout the Company.
- 3 Promote the Company's centralized management role and administrative support for members in finance, human resources - provide the training, information technology, branding, investment, and construction in company.
- 4 Regularly update knowledge and international practices on corporate governance at home and abroad to apply to the Company's actual operations.
- 5 Apply the ASEAN Corporate Governance Scorecard to improve the Company's corporate governance capacity and practices in Vietnam and reach out to the region.
- 6 Make strong risk management and compliance to provide information for corporate governance activities.

CHAPTER 04

REPORT ON ENVIRONMENTAL AND SOCIAL IMPACTS



GROW WITH FARMERS
GO FOR GREEN



IMPACT ON THE ENVIRONMENT

DIRECT AND INDIRECT GREENHOUSE GAS EMISSIONS

Moc Chau Milk, as one of the leading dairy companies in the industry, has implemented and applied methodical and synchronous measures towards climate, nature, health and economic goals.

Greenhouse gas emissions statistics 2024 (ton)

No.	Scope and category	Total CO2e (ton)	CO2 (ton)	CH4 (ton)	N2O (ton)
1	Category 1: Sources of greenhouse gas emissions and direct absorption of greenhouse gas	3,088.53	2,866.95	22.64	0.15
1.1a	Diesel Oil used for fixed equipment: generator, boilers	8.86	8.83	0.00	0.00
1.2	Diesel oil used for vehicles of the Company	1,898.57	1,868.97	0.10	0.10
1.3	Diesel oil used for forklifts	17.27	15.60	0.00	0.01
1.4	Gasoline used for fixed equipment (generator, lawn mowers, etc.)	0.25	0.25	0.00	0.00
1.6	LPG for forklifts	14.36	13.97	0.01	0.00
1.7	LPG for feed processing	8.47	8.46	0.00	0.00
1.8.1	Coal for fixed equipment (boilers, etc.)	0.77	0.77	0.00	0.00
1.9	Refrigerants for central air-conditioners and local air conditioners which cause water leaks, losses to environment.	950.08	950.08		
1.10	Directly used CO2 amount from fire extinguishers (in case of incident: drill or leak)	0.01	0.01		
1.11a	Gas emissions from industrial wastewater treatment	153.54		21.23	0.04
1.11b	Gas emissions from domestic wastewater treatment	36.34		1.30	
2	Category 2: Indirect emissions/indirect absorption from imported energy	6,460.40			
2.1	Electricity for lighting, operating machinery and equipment (Purchasing electricity from Electric Utilities)	6,446.72	6,446.72		
2.2	Consumption of Biomass steams purchased from suppliers	13.68	13.68		
3	Category 3: Indirect emissions/indirect absorption from transport activities	1,314.05			
3.1	Vehicles transporting raw materials from suppliers to factories	33.70	20,786.56	0.56	
3.2	Raw material transportation by the Company's vehicles but not managed by the factories	180.76			
3.3	Vehicles transporting finished products to customers' storage	849.44			

No.	Scope and category	Total CO2e (ton)	CO2 (ton)	CH4 (ton)	N2O (ton)
3.4	Vehicles transporting wastes of the contractors for treatment	0.51			
3.5	Employees traveling to the factories by personal vehicles (motorbikes)	244.99			
3.7	Employees going on business trip by taxi	3.77			
3.8	Employees going on business trip by plane	0.87			
4	Category 4: Sources of greenhouse gas emissions from the use of goods & raw materials	40,275.38			
4.1	Use of main raw materials (fresh milk, powdered milk) for production	35,485.57			
4.2	Use of product packaging	0.00			
4.2e	Volume: 1000ml	0.00			
4.3	Use of raw materials for production (carton board, aluminum foil, plastic)	4,572.76			
4.3a	Carton board	2,236.50			
4.3c	HDPE Plastic	109.46			
4.3f	PP Plastic	198.81			
4.3g	PS Plastic	2,005.99			
4.3h	PVC Plastic	22.00			
4.4	Food used in canteen and cooking activities	168.40			
4.5	Use of water supply	37.24			
4.6	Hiring a contractor for solid waste treatment (incineration)	7.84			
4.7	Hiring a contractor for solid waste treatment (landfill)	3.26			
4.8	Hiring a contractor for collection of scraps from production activities of the factories (recycling)	0.29			
5	Category 5: Sources of greenhouse gas emissions from sold products of the organization	21.37			
5.1	Final disposal of waste of the factory	21.37			
Total		51,159.73			



IMPACT ON THE ENVIRONMENT (CONTINUED)

INITIATIVES AND MEASURES TO REDUCE GREENHOUSE GAS EMISSIONS

Saving the use of raw materials right from the initial design stage is one of the solutions that Moc Chau Milk focuses on investing in. In 2024, Moc Chau Milk constantly researched and innovated, continuously improved with many typical material saving initiatives such as:



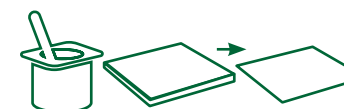
1

Reducing the length of UHT packaging shrink film: Realized that wrapping product pallets with shrink film generates a lot of waste plastic, in addition, the use of this plastic has the potential to be reduced. Therefore, the Company conducted the research to improve the design of shrink film wrapped around product pallets, in material, thickness to height. As a result, the Company successfully reduced plastic consumption and minimized the overall film length required for pallet wrapping.



2

Converting the yogurt lid from aluminum lid to Mpet: Switching from aluminum lid to Mpet helped the Company reduce the amount of aluminum waste harmful to the environment.



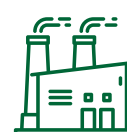
3

Reducing the thickness of yogurt plastic film: Moc Chau Milk conducted the research and improved, reduced the thickness of yogurt plastic film. This initiative resulted in a significant reduction in plastic material usage, contributing to lower packaging weight and enhanced sustainability.



4

Utilizing swarf to produce plastic spoons: reduce the amount of plastic waste significantly. Every year, the number of plastic spoons Moc Chau Milk produces for sales is very large.



5

Using Biomass green energy for the boiler. Energy is one of the factors that create the largest greenhouse gas emissions globally, Moc Chau Milk is making efforts to promote the use of green energy. Every year, boilers use large amounts of coal create CO₂, causing the environmental pollution. Since 2023, Moc Chau Milk switched to using environmentally friendly Biomass energy.



6

Changing diesel forklifts to electric forklifts: Previously, the Company used forklifts to transport goods between the plants and warehouses with high operating and maintenance costs, creating a large amount of waste, CO₂ gas causes environmental pollution. Changing from diesel forklifts to electric forklifts not only helps save operating costs but also protect the environment.



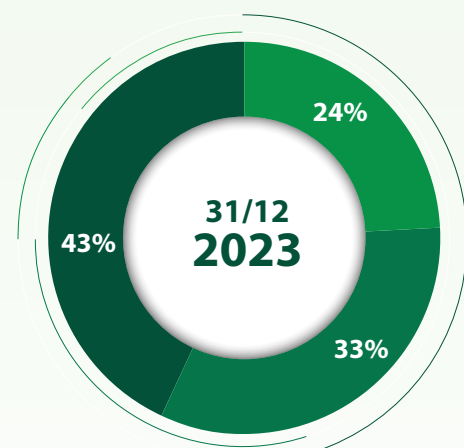


POLICIES RELATED TO EMPLOYEES

NUMBER OF EMPLOYEES, AVERAGE SALARY FOR EMPLOYEES

LABOR STRUCTURE

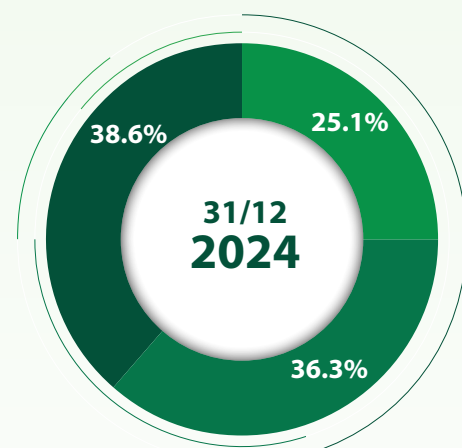
Classified by professional qualifications



188 People With graduate or postgraduate degrees

255 People With college and intermediate degrees

332 People Unskilled workers

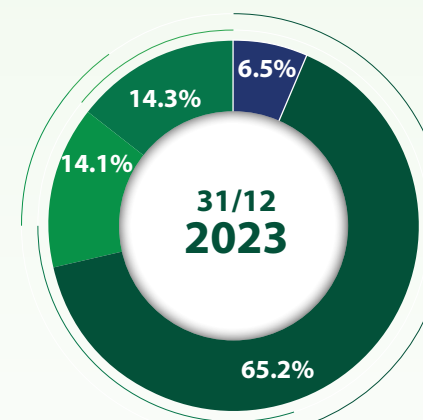


194 People With graduate or postgraduate degrees

280 People With college and intermediate degrees

298 People Unskilled workers

Classified by functional departments, divisions

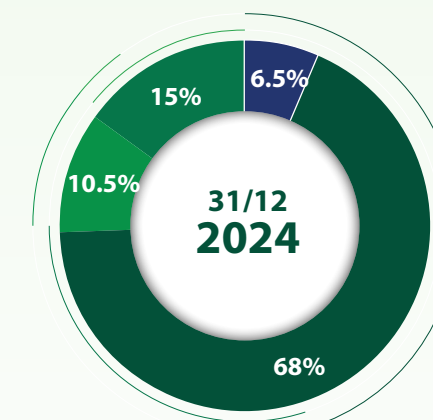


50 People Management

505 People Main production

109 People Services

111 People Others



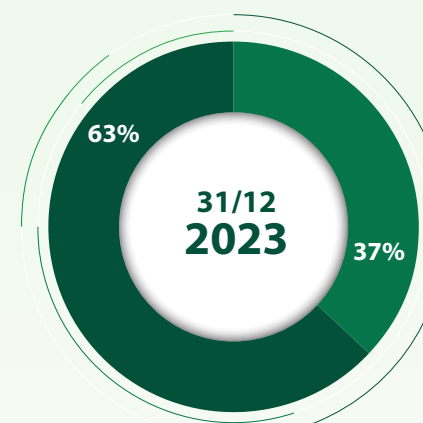
49 People Management

526 People Main production

81 People Services

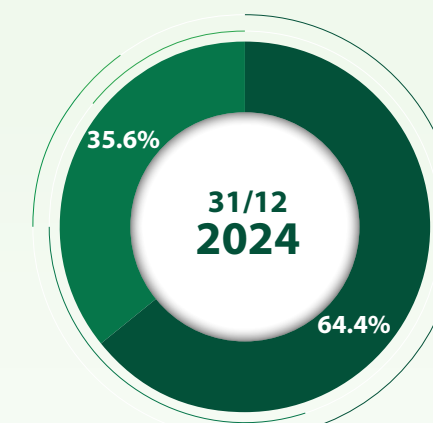
116 People Others

Labor structure by gender



285 People Female

490 People Male



275 People Female

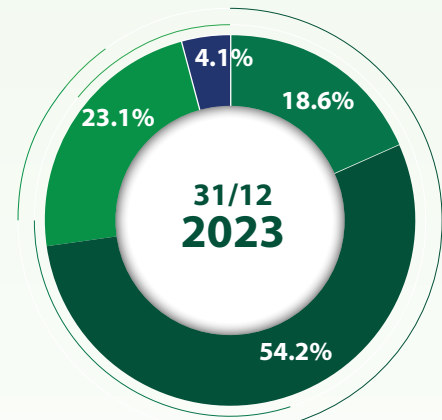
497 People Male





POLICIES RELATED TO EMPLOYEES (CONTINUED)

Labor structure by age



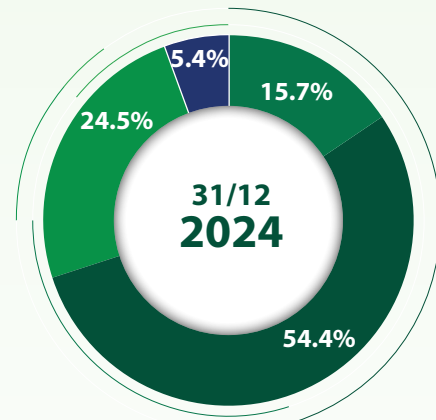
0 People Under 18 years old

144 People From 18 to 30 years old

420 People From 31 to 40 years old

179 People From 41 to 50 years old

32 People Over 50 years old



0 People Under 18 years old

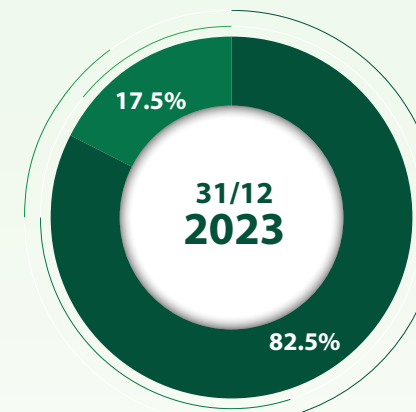
121 People From 18 to 30 years old

420 People From 31 to 40 years old

189 People From 41 to 50 years old

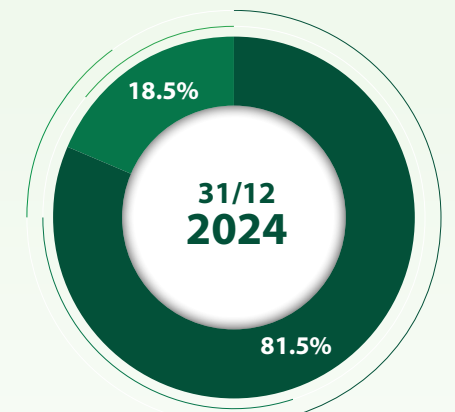
42 People Over 50 years old

Labor structure by permanent residence



639 People Inside the province (Son La)

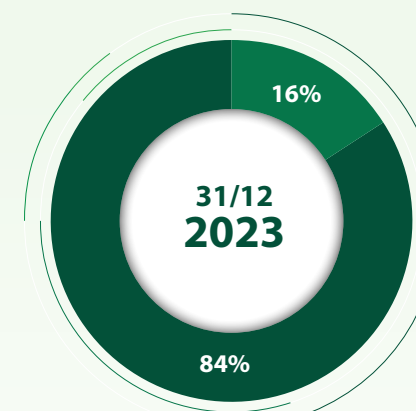
136 People Outside the province



629 People Inside the province (Son La)

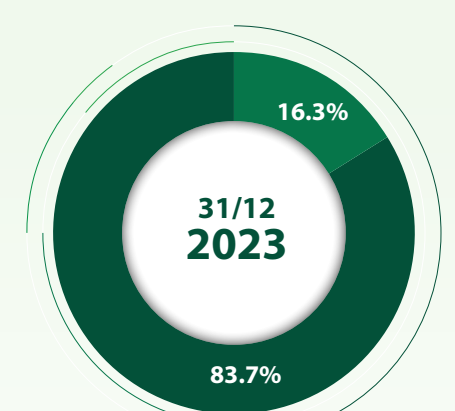
143 People Outside the province

Leadership structure by gender



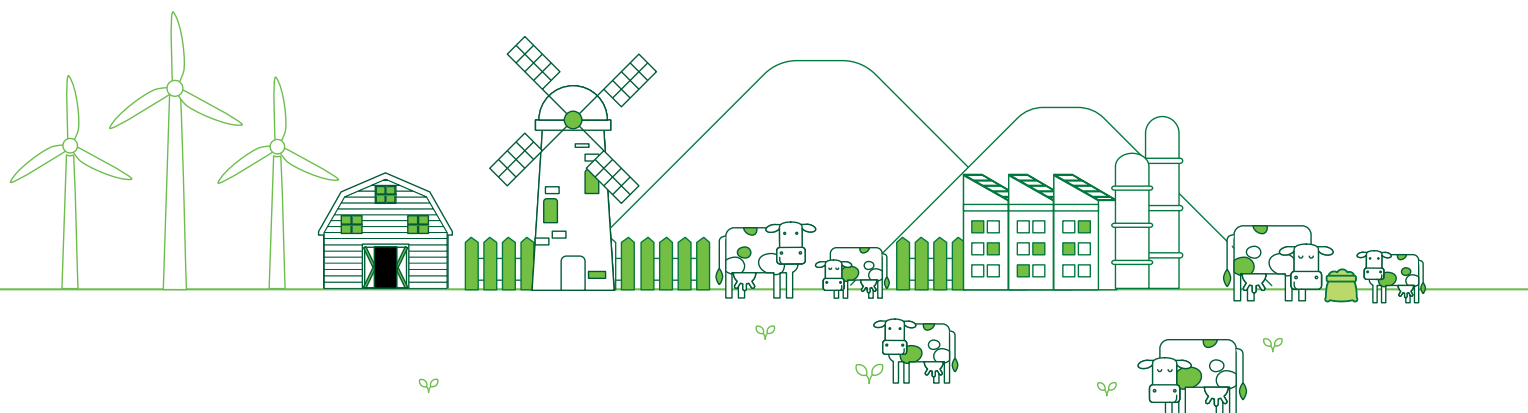
42 People Male

8 People Female



41 People Male

8 People Female





POLICIES RELATED TO EMPLOYEES (CONTINUED)

Average income of employees over the years is as follows:

Average salary (VND/person/month)



Moc Chau Milk always fulfills the provisions of the Labor Code; develop the Labor Regulations and Collective Bargaining Agreements recognized by the Department of Labor, War Invalids and Social Affairs; implement policies for employees such as social insurance, health insurance, and personal accident insurance.

The Company also develops a policy of periodic and extraordinary bonuses for individuals and groups based on achievements, performance in increasing labor productivity, practicing savings, improving technical and quality initiatives, and production organization methods.

Social insurance, health insurance and unemployment insurance premiums are deducted by the Company in accordance with the applicable laws. The Company implements the social security regimes for employees in accordance with the Labor Code, Labor regulations. The Company always cares about life and improves conditions for the employees. The Company always focuses on labor safety for direct production workers. Insurance policies for employees are fully implemented by the Company in accordance with the Labor Code. During holidays, Tet holidays... The Company always organizes periodic sightseeing and vacations for employees in the Company.





POLICIES RELATED TO EMPLOYEES (CONTINUED)



LABOR POLICY TO ENSURE THE HEALTH, SAFETY AND WELFARE OF EMPLOYEES

EMPLOYMENT POLICIES

All employees working in the Company will be signed an employment contract by the Company and are fully eligible to participate in social insurance, health insurance, and unemployment insurance. The Company implements a working and rest regime for employees such as overtime, holidays, New Year's holidays, annual leave, maternity leave and child care...etc. in accordance with the regulation of labor code.

Working conditions:



For indirect labor

The Company renovated its headquarters and offices in a scientific, spacious and airy manner to offer a clean and beautiful environment.



For direct labor

The Company renovated the plants, workshops, fully equipped with tools and personal protective equipment for workers, constantly improved working conditions, always complied with safety standards and requirements during the working process.





POLICIES RELATED TO EMPLOYEES (CONTINUED)

RECRUITMENT AND TRAINING POLICIES

The Company recruited on the basis of assessment of capacity, experience, qualifications and skills suitable for each position. The Company respected diversity and promotes equal opportunities, regardless of gender, ethnicity, or religion.

The Company cared in improving the qualifications of employees, workers and focuses on training activities to foster the knowledge of HACCP, professional skills, and professionalism for workers and human resources training aimed at developing professional skills as well as human skills. Update new skills and knowledge for employees. Train the employees to introduce new working methods. Improve the technical knowledge about new technology for employees from most employees throughout the Company such as unskilled workers at units, factories, professional staff to technical training. Apply advanced techniques for management support the employees perform their jobs better (improve quality and productivity), prioritize encouraging learning and improving the knowledge to satisfy the development needs of individuals; Create the right working attitude and loyalty to the organization; Promote employee initiative and responsibility; Build and strengthen corporate culture.

SALARY, BONUS AND WELFARE POLICY



Compensation, salary and bonus policy

The Company also develops a policy to give periodic and extraordinary bonuses for individuals and groups based on achievements in increasing labor productivity, practicing savings, and innovative initiatives in technology, quality, and production organization.



Insurance and benefits

Social insurance, health insurance and unemployment insurance were educated by the Company in accordance with the applicable law. The Company implemented social security regimes for employees according to the Labor Code and Labor Regulations. The Company always cared about the lives and improving conditions for the employees. The Company always focused on labor safety for direct production workers. Insurance policies for employees were fully implemented by the Company in accordance with the Labor Code. On holidays, New Year, etc., the Company always organized periodic sightseeing and vacations for employees in the Company.

CHANGING POLICIES FOR EMPLOYEES

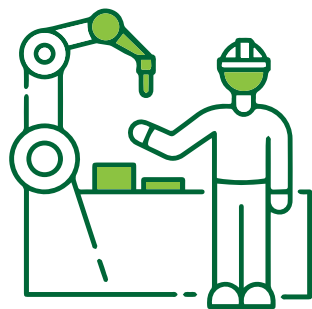
Adjusting salary levels to be more suitable for the Company's employees.





POLICIES RELATED TO EMPLOYEES (CONTINUED)

TRAINING



Moc Chau Milk always gave the employees opportunities to improve their knowledge in all related fields of activity to maximize the potential. Training at the Company was provided and equipped well the employees with knowledge and skills in accordance with the provisions of law and the standards that the Company applied, and at the same time helped to improve their capacity to meet the job requirements.

In 2024, Moc Chau Milk organized training courses for employees, prioritizing mandatory training courses as stipulated by the State and training courses on essential knowledge updates, management – leadership training courses for newly-promoted leaders.

Based on the need for human resources with specialized knowledge and high skills, mastering the world's advanced technologies in the dairy industry, Moc Chau Milk invested to build a diverse workforce in fields such as: Livestock - veterinary medicine - epidemiology, milk processing technology and milk products, production, business, finance, technology and digital transformation, etc. to meet the requirements the Company's work and development strategies as well as responding to the continuous changes of the business market.



- ♦ *Training Course on Construction and Strategic Governance organized by ILA Vietnam on October 2024 in coordination between ILA Vietnam and Moc Chau Dairy Cattle Breeding Joint Stock Company*



Capacity building programs for management team:

Management skills for middle managers, Leadership from internal roles, Risk management skills for managers,...

Professional training programs for the employees in the following fields:



Production: Provide food safety knowledge training according to HACCP principles, non-automatic scale calibration course; Training on awareness of standards (ISO 9001, FSSC 22000, ISO 22000, HALAL)



Sales: Sales process training; Sales consulting process; Plan and control the work effectively



Finance: Provide office information technology for finance and accounting; Financial analysis and building financial models for business managers; Visualize reports and data using Excel



Research and development: Research and develop the new products



Internal control: Provide the training on information security awareness, awareness of ISO standards and risk management awareness



REPORT ON RESPONSIBILITIES TO LOCAL COMMUNITIES

In 2024, Moc Chau Milk provided hardship allowances to 3 farming households with difficult circumstances in Vuon Dao 1 Unit and Livestock Unit 2: Pham Van Tiep and Pham Thi Quyen households worth 3,000,000 VND

Moc Chau Milk, in 2024, completed the sponsorship procedures and disbursed sponsorship fund for the following organizations and individuals:

No.	SPONSORSHIP PROGRAM	AMOUNT
1	Giving Tet holiday gifts to pupils adopted by the Company on the occasion of Lunar New Year Giap Thin	5,008,032
2	Giving Tet holiday gifts to poor households, near-poor households in Ta Lai Commune	35,112,448
3	Implementing support activities for people with especially difficult circumstances on the occasion of Lunar New Year Giap Thin 2024 in Moc Chau Farm Town	6,000,000
4	Organizing exciting activities to celebrate Vietnamese Doctor's Day, February 27	2,500,000
5	Giving farewell gifts to regional administrators	20,000,000
6	Funding a part of costs for Institute for Research & Development Communication (RED) to organize tree giving and planting ceremony in Moc Chau and Van Ho Districts	20,000,000
7	Sponsoring the running tournament in Moc Chau District	10,000,000
8	Giving 85 milk packs of UHT milk 180ml with sugar to parade force on the 70 th anniversary of Dien Bien Phu victory	31,109,184
9	Supporting for households whose cows died of electric shock due to broken power line	16,000,000
10	Sponsoring for the 8 th Fruit Picking Day in Moc Chau District, 2024	20,000,000
11	Sponsoring for the thirteen traditional men's and women's volleyball tournaments in Moc Chau Farm Town, 2024	10,000,000
12	Sponsoring products for pupils with difficult circumstances at the exam site of Thao Nguyen High School under the "Supporting the 2024 exam season" program	2,561,933
13	Adopting 4 pupils with difficult circumstances in Ta Lai Commune and Moc Chau Farm Town	24,000,000
14	Giving gifts to pupils on the occasion of the opening of new school year 2024-2025	6,000,000

No.	SPONSORSHIP PROGRAM	AMOUNT
15	Supporting the recovery following natural disasters in Son La Province	158,157,280
16	Sponsoring products for "Full moon Festival Night" program on the occasion of Mid-Autumn Festival in Moc Chau District	3,483,648
17	Supporting the "Full moon Festival Night" program in Moc Chau Farm Town	3,000,000
18	Paying visits and supporting employees, partners of Moc Chau Milk suffered damage by No 3 storm	71,000,000
19	Supporting the recovery following natural disasters, floods and storms No. 2, 3	272,241,400
20	Supporting products for Defense Drill Conference of Moc Chau District (700 packs of golden milk cake, Matcha)	23,307,480
21	Providing daily free milk to 536 children under the "Moc Chau Milk – For the Children's health" program (from January to May 2024)	248,964,710
22	Providing daily free milk to 450 children under the "Moc Chau Milk – For the Children's health" program in September, October, November and December 2024	180,714,240
23	Coordinating with Traffic Police Department and Public Security Department of Son La province to implement social security activities in mountainous areas in Son La Province (giving 30 packs of UHT 110ml with sugar)	6,967,296
TOTAL		1,176,127,651





REPORT ON RESPONSIBILITIES TO LOCAL COMMUNITIES (CONTINUED)



Green milk for the Children's summer

Content of charity program: organizing annual summer activities for children in townships/towns in Moc Chau District to educate and practice life skills, improve living quality of children in mountainous areas

- Time: 22 July 2024 – 10 August 2024
- Venue: Moc Chau Township
- Organizer: Executive Committee of Youth Union of Moc Chau Town
- Donation value: 11,088 milk boxes

Charity activities with The Law Newspapers

Content of charity program: giving essential goods to people affected by Storm No. 3

- Time: 15 September 2024 – 19 September 2024
- Venue: Lao Cai, Yen Bai, Tuyen Quang
- Organizer: The Law Newspapers
- Donation value: 4,800 milk boxes



Charity activities with Vietnam Fatherland Front Committee

Content of charity program: coordinating with Vietnam Fatherland Front Committee – Moc Chau District – to pay visits and give gifts to children in areas being seriously hit by flooding in Son La Province. It was a part of voluntary charity programs of Moc Chau Milk to support areas affected by natural disasters

- Time: 26 August 2024
- Venue: Son La province
- Organizer: Vietnam Fatherland Front Committee
- Donation value: 19,200 milk boxes



Charity activities with New Rural Magazine

Content of charity program: paying visits and giving gifts to people in flood and storm prone areas in Cao Bang province

- Time: 28 September and 29 September 2024
- Venue: Cao Bang
- Organizer: New Rural Magazine
- Donation value: 2,066 milk boxes





LIST OF LOCATIONS OF PRODUCT INTRODUCTION STORES OF MOC CHAU DAIRY CATTLE BREEDING JOINT STOCK COMPANY

No.	Store Address	Contact Number
1	No. 408 Bach Mai Street, Bach Mai Ward, Hai Ba Trung District, Hanoi City	0945388036
2	36 Dich Vong Street, Cau Giay District, Hanoi City	0968250826
3	No. 66 Ngoc Khanh Street, Ngoc Khanh Ward, Ba Dinh District, Hanoi City	0974382189
4	114C Doi Can, Ba Dinh District, Hanoi City	0974382189
5	No. 392 Dai Mo Street, Dai Mo Ward, Nam Tu Liem District, Hanoi City	0974382189
6	No. 282 Kim Nguu Street, Hai Ba Trung District, Hanoi City	0966732787
7	No. 104 H4B Thanh Cong, Thanh Cong Ward, Ba Dinh District, Hanoi City	0966732787
8	No. 3C5 Luong Dinh Cua Street, Kim Lien Ward, Dong Da District, Hanoi City	0947799009
9	No. 244 Thuy Khue Street, Thuy Khue Ward, Tay Ho District, Hanoi City	0915655746
10	No. 83 Thai Thinh Street, Thinh Quang Ward, Dong Da District, Hanoi City	0915655746
11	No. 104 Quan Thanh Street, Quan Thanh Ward, Ba Dinh District, Hanoi City	0947799009
12	No. 186 Nguyen Luong Bang Street, Quang Trung Ward, Dong Da District, Hanoi City	0858771772
13	No. 73 Yen Xa Street, Yen Xa Hamlet, Tan Trieu Commune, Thanh Tri District, Hanoi City	0989668121
14	No. 4 Lo Duc Street, Pham Dinh Ho Ward, Hai Ba Trung District, Hanoi City	0947799009
15	No. 107-B8 To Hieu Street, Cau Giay District, Hanoi City	0977355561

No.	Store Address	Contact Number
16	No. 47 Ngo Sy Lien Street, Van Mieu Ward, Dong Da District, Hanoi City	0919693776
17	Kiosk 06, HH2C Building, Linh Dam Urban Area, Hoang Liet Ward, Hoang Mai District, Hanoi City	0979674090
18	No. 33 Vu Trong Phung Street, Thanh Xuan Trung Ward, Thanh Xuan District, Hanoi City	02437347512
19	Kiosk 22, CT12A Building, Kim Van Kim Lu Urban Area, Dai Kim Ward, Hoang Mai District, Hanoi City	0394827859
20	No. 131 Ngoc Lam Street, Long Bien Ward, Long Bien District, Hanoi City	0985254924
21	No. 217B Kham Thien Street, Tho Quan Ward, Dong Da District, Hanoi City	0913322967
22	No. 163 Le Loi Street, Quang Trung Ward, Ha Dong District, Hanoi City	0904705676
23	No. 42 Tu Lien Street, Tu Lien Ward, Tay Ho District, Hanoi City	0989311314
24	No. 7 Chau Long Street, Chau Long Ward, Truc Bach Ward, Ba Dinh District, Hanoi City	0989311314
25	No. 130 Phu Dien Street, Phu Dien Ward, Bac Tu Liem District, Hanoi City	0977886343
26	No. 76, Alley Thinh Hao 1, Hang Bot Ward, Dong Da District, Hanoi City	0966182987
27	No. 73 Luong Khanh Thien Street, Tuong Mai Ward, Hoang Mai District, Hanoi City	0972853838
28	No. 59 Hoa Bang Street, Yen Hoa Ward, Cau Giay District, Hanoi City	0389478183
29	No. 100 Thach Ban Street, Thach Ban Ward, Long Bien District, Hanoi City	0976194103



LIST OF LOCATIONS OF PRODUCT INTRODUCTION STORES OF MOC CHAU DAIRY CATTLE BREEDING JOINT STOCK COMPANY (CONTINUED)

No.	Store Address	Contact Number
30	DV07, 1st Floor, N03 Building, Ecohome 3 Apartment Complex, Tan Xuan Street, Dong Ngac Ward, Bac Tu Liem District, Hanoi City	0968250826
31	No. 406 Lac Long Quan Street, Nhat Tan Ward, Tay Ho District, Hanoi City	0906081808
32	No. 9 Vu Trong Khanh Street, Mo Lao Ward, Ha Dong District, Hanoi City	0912115861
33	Store 132A Giang Vo Street	0945388036
34	No. 247 Da Nang Street, Cau Tre Ward, Ngo Quyen District, Hai Phong City	0915349008
35	No. 142 An Da Street, Dang Giang Ward, Ngo Quyen District, Hai Phong City	0915349008
36	No. 31 Ton Duc Thang Boulevard, Hong Bang District, Hai Phong City	0915349008
37	No. 08, Group 01, Zone 6, Ha Lam Ward, Ha Long City, Quang Ninh Province	0914050628
38	Khi Tuong Sub-area, Moc Chau Farm Town, Moc Chau District, Son La Province	0858771772
39	KM70, Le Thanh Nghi Street, Moc Chau Farm Town, Son La Province	02437347512
40	KM73, To Hieu Street, Sub-area 3, Moc Chau Town, Moc Chau District, Son La Province	0988188894
41	No. 68C, Chu Van Thinh Street, To Hieu Ward, Son La City, Son La Province	0845838585
42	No. 27 Hoang Quoc Viet Street, Vuon Dao Sub-area, Moc Chau Farm Town, Moc Chau District, Son La Province	0865889919
43	Bo Bun Sub-area, Moc Chau Farm Town, Moc Chau District, Son La Province	0963767535

No.	Store Address	Contact Number
44	No. 168, Sub-area 3, Hat Lot Town, Mai Son District, Son La Province	0845838585
45	No. 173, Sub-area 8, Moc Chau Town, Moc Chau District, Son La Province	0327868246
46	Sub-area 68, Moc Chau Farm Town, Moc Chau District, Son La Province	0327868246
47	No. 61 Hang Sat Street, Nguyen Du Ward, Nam Dinh City, Nam Dinh Province	0917263088
48	No. 204 Tran Huy Lieu Street, Van Mieu Ward, Nam Dinh City, Nam Dinh Province	0942859269
49	No. 161 Truong Chinh Street, Tan Thanh Ward, Dien Bien Phu City, Dien Bien Province	0215 383 2325
50	No. 958 Vo Nguyen Giap Street, Group 2, Muong Thanh Ward, Dien Bien Phu City	0215 383 2325
51	No. 231 Le Thanh Tong Street, Vo Cuong Ward, Bac Ninh City, Bac Ninh Province	094 5388036
52	No. 112 Truong Thi Street, Lam Son Ward, Thanh Hoa City	0948202666
53	No. 109 Nguyen Van Troi Street, Minh Khai Ward, Phu Ly City, Ha Nam Province	0966555523
54	No. 652 Duong Tu Minh Street, Quan Trieu Ward, Thai Nguyen City	0946363767
55	An Binh Walking Street, Hoi Hop Ward, Vinh Yen City, Vinh Phuc Province	0916841199
56	No. 132 Binh Thuan Street, Tan Quang Ward, Tuyen Quang City, Tuyen Quang Province	0963637876
57	No. 119 Tran Phu Street, Minh Khai Ward, Ha Giang City	0399507780
58	No. 73 Chi Lang Street, Hoa Binh City	0912835517

CHAPTER 05

Financial Statements



TRANSPARENCY IS POWER
STRIDE FORWARD, REACH FURTHER



CORPORATE INFORMATION

Enterprise Registration Certificate No.	5500154060	25 March 2025
	The Company's Enterprise Registration Certificate has been amended several times, the most recent of which is dated 6 February 2025. The Enterprise Registration Certificate was issued by Son La Department of Planning and Investment.	
Board of Directors	Ms. Mai Kieu Lien	Chairwoman
	Mr. Pham Hai Nam	Member
	Mr. Doan Quoc Khanh	Member (from 23/4/2024)
	Mr. Nguyen Quang Tri	Member (until 23/4/2024)
	Mr. Le Hoang Minh	Member
	Mr. Hoang Van Chat	Independent Member
Board of Management	Mr. Pham Hai Nam	General Director
	Mr. Ngô Công Thắng	Deputy General Director (from 19/8/2024)
	Mr. Trần Mạnh Thắng	Deputy General Director (until 19/8/2024)
	Mr. Nguyễn Sỹ Quang	Deputy General Director
	Mr. Le Huy Bích	Deputy General Director (from 10/4/2024)
	Mr. Dương Đức Nam	Deputy General Director (until 19/10/2024)
Supervisory Board	Ms. Trần Thái Thoại Trần	Chairman (from 23/4/2024)
	Mr. Trần Ngọc Duy	Chairman (until 23/4/2024)
	Mr. Trình Công Sơn	Member
	Mr. Phạm Quang Thuy	Member
Registered Office	No. 912 Thao Nguyen Street, Thao Nguyen Ward, Moc Chau District, Son La Province, Vietnam	
Auditors	KPMG Limited Vietnam	

STATEMENT OF THE BOARD OF GENERAL DIRECTORS

The Board of General Directors of Moc Chau Dairy Cattle Breeding Joint Stock Company ("the Company") presents this statement and the accompanying financial statements of the Company for the year ended 31 December 2024.

The Company's Board of General Directors is responsible for the preparation and fair presentation of the financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Enterprises and the relevant statutory requirements applicable to financial reporting. In the opinion of the Company's Board of General Directors:

- (a) the financial statements set out on pages 182 to 215 give a true and fair view of the financial position of the Company as at 31 December 2024, and of its 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; and
- (b) at the date of this statement, there is no reason to believe that the Company will not be able to pay its debts as and when they fall due.

The Board of General Directors has, on the date of this statement, authorised the accompanying financial statements for issue.

On behalf of the Board of General Directors,



Pham Hai Nam
General Director

Son La, 25 March 2025



INDEPENDENT AUDITOR'S REPORT

To the Shareholders

Moc Chau Dairy Cattle Breeding Joint Stock Company

We have audited the accompanying financial statements of Moc Chau Dairy Cattle Breeding Joint Stock Company ("the Company"), which comprise the balance sheet as at 31 December 2024, the 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 General Directors on 25 March 2025, as set out on pages 182 to 215.

Management's Responsibility

The Company's Board of General Directors is responsible for the preparation and fair presentation of these 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 General Directors determines is necessary to enable the preparation of 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 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 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 General Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of Moc Chau Dairy Cattle Breeding Joint Stock Company as at 31 December 2024 and of its results of operations and its 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

Vietnam

Audit Report No. 22-02-00145-25-1



Phạm Thị Thuy Linh

Practicing Auditor Registration

Certificate No. 3065-2024-007-1

Deputy General Director

Hanoi, 25 March 2025

Phan My Linh

Practicing Auditor Registration

Certificate No. 3064-2024-007-1

**BALANCE SHEET**

as at 31 December 2024

	Code	Note	31/12/2024 VND	1/1/2024 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		2,114,926,082,075	2,077,665,095,109
Cash and cash equivalents	110	4	36,267,752,726	55,218,492,333
Cash	111		36,267,752,726	52,153,170,333
Cash equivalents	112		-	3,065,322,000
Short-term financial investments	120		1,603,000,000,000	1,442,075,239,600
Held-to-maturity investments	123	5	1,603,000,000,000	1,442,075,239,600
Accounts receivable – short-term	130		287,023,894,347	349,104,353,974
Accounts receivable from customers	131	6	206,655,644,830	204,971,865,453
Prepayments to suppliers	132		29,914,356,101	11,228,830,167
Other receivables	136	7	50,608,993,416	133,043,458,354
Allowance for doubtful debts	137		(155,100,000)	(139,800,000)
Inventories	140	8	172,386,603,573	185,588,261,937
Inventories	141		172,957,909,407	187,403,340,218
Allowance for inventories	149		(571,305,834)	(1,815,078,281)
Other current assets	150		16,247,831,429	45,678,747,265
Short-term prepaid expenses	151	9(a)	8,936,379,971	8,055,731,201
Taxes and others receivable from State Treasury	153	14	7,311,451,458	37,623,016,064

The accompanying notes are an integral part of these financial statements

BALANCE SHEET

as at 31 December 2024 (continued)

	Code	Note	31/12/2024 VND	1/1/2024 VND
Long-term assets (200 = 210 + 220 + 240 + 250 + 260)	200		571,747,101,640	528,397,742,981
Accounts receivable – long-term	210		90,000,000	90,000,000
Other long-term receivables	216		90,000,000	90,000,000
Fixed assets	220		366,583,594,443	392,578,003,798
Tangible fixed assets	221	10	366,583,594,443	392,578,003,798
Cost	222		1,153,103,657,833	1,139,085,494,084
Accumulated depreciation	223		(786,520,063,390)	(746,507,490,286)
Intangible fixed assets	227		-	-
Cost	228		3,988,000,000	3,988,000,000
Accumulated amortization	229		(3,988,000,000)	(3,988,000,000)
Long-term work in progress	240		186,804,317,819	118,527,867,984
Long-term work in progress	241	11	20,571,420,405	11,324,330,731
Construction in progress	242	12	166,232,897,414	107,203,537,253
Long-term financial investments	250		83,719,600	83,719,600
Equity investments in other entities	253		83,719,600	83,719,600
Other long-term assets	260		18,185,469,778	17,118,151,599
Long-term prepaid expenses	261	9(b)	18,185,469,778	17,118,151,599
TOTAL ASSETS (270 = 100 + 200)	270		2,686,673,183,715	2,606,062,838,090

The accompanying notes are an integral part of these financial statements

**BALANCE SHEET**

as at 31 December 2024 (continued)

	Code	Note	31/12/2024 VND	1/1/2024 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		381,489,560,745	278,807,910,172
Current liabilities	310		377,611,942,836	274,455,832,914
Accounts payable to suppliers	311	13	164,836,148,894	122,837,861,068
Advances from customers	312		3,210,506,713	771,412,411
Taxes and others payable to State Treasury	313	14	6,259,234,239	162,657,064
Payables to employees	314		15,816,061,759	16,874,479,699
Accrued expenses	315	15	60,266,712,690	83,553,923,466
Other payables – short-term	319	16(a)	1,638,920,711	7,051,824,970
Short-term borrowings	320	17	99,000,000,000	-
Bonus and welfare fund	322	18	26,584,357,830	43,203,674,236
Long-term liabilities	330		3,877,617,909	4,352,077,258
Other payables – long-term	337	16(b)	722,927,552	1,063,378,252
Provisions – long-term	342	19	3,154,690,357	3,288,699,006
EQUITY (400 = 410)	400		2,305,183,622,970	2,327,254,927,918
Owners' equity	410	20	2,305,183,622,970	2,327,254,927,918
Share capital	411	21	1,100,000,000,000	1,100,000,000,000
Ordinary shares with voting rights	411a		1,100,000,000,000	1,100,000,000,000
Capital surplus	412		817,274,340,000	817,274,340,000
Investment and development fund	418	23	148,775,592,768	148,775,592,768
Retained profits	421		239,133,690,202	261,204,995,150
Retained profits brought forward	421a		151,204,995,150	71,671,000,207
Profit for the current year	421b		87,928,695,052	189,533,994,943
TOTAL RESOURCES (440 = 300 + 400)	440		2,686,673,183,715	2,606,062,838,090

25 March 2025

Prepared by:

Nguyen Anh Tu
Chief Accountant

Approved by:

Le Huy Bich
Deputy General Director

Approved by:

Pham Hai Nam
General Director**STATEMENT OF INCOME**

for the year ended 31 December 2024

	Code	Note	2024 VND	2023 VND
Revenue from sales of goods and provision of services				
	01	25	2,919,366,678,903	3,137,467,591,015
Revenue deductions	02	25	2,408,575,618	2,044,445,610
Net revenue (10 = 01 - 02)	10	25	2,916,958,103,285	3,135,423,145,405
Cost of sales	11	26	2,068,412,737,645	2,126,805,252,715
Gross profit (20 = 10 - 11)	20		848,545,365,640	1,008,617,892,690
Financial income	21	27	101,251,720,026	162,315,252,256
Financial expenses	22		1,897,552,871	881,156,241
In which: Interest expense	23		1,732,481,808	-
Selling expenses	25	28	657,045,791,552	708,879,163,802
General and administration expenses	26	29	37,145,154,260	37,897,552,160
Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		253,708,586,983	423,275,272,743
Other income	31	30	14,990,235,540	16,557,149,002
Other expenses	32	31	16,641,975,268	16,252,632,502
Results of other activities (40 = 31 - 32)	40		(1,651,739,728)	304,516,500
Accounting profit before tax (50 = 30 + 40)	50		252,056,847,255	423,579,789,243
Income tax expense – current	51	33	32,136,074,975	49,162,295,564
Net profit after tax (60 = 50 - 51)	60		219,920,772,280	374,417,493,679
Earnings per share				
Basic earnings per share	70	34	1,799	3,063

25 March 2025

Prepared by:

Nguyen Anh Tu
Chief Accountant

Approved by:

Le Huy Bich
Deputy General Director**Pham Hai Nam**
General Director

**STATEMENT OF CASH FLOWS**

for the year ended 31 December 2024 (Indirect method)

	Code	2024 VND	2023 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax	01	252,056,847,255	423,579,789,243
Adjustments for			
Depreciation	02	67,009,925,999	62,041,295,734
Allowances and provisions	03	(976,119,736)	1,642,926,105
Exchange losses arising from revaluation of monetary items denominated in foreign currencies	04	111,551,947	403,325
Profits from investing activities	05	(91,400,760,997)	(150,061,956,273)
Interest expense	06	1,732,481,808	-
Operating profit before changes in working capital	08	228,533,926,276	337,202,458,134
Change in receivables	09	32,799,004,552	33,726,803,041
Change in inventories	10	(8,507,998,556)	8,050,615,820
Change in payables and other liabilities	11	(4,387,558,675)	9,782,671,436
Change in prepaid expenses	12	(417,966,949)	(11,426,938,263)
		248,019,406,648	377,335,610,168
Interest paid	14	(577,079,071)	-
Income tax paid	15	(12,703,935,954)	(63,091,635,567)
Other receipts from operating activities	16	-	3,300,000
Other payments for operating activities	17	(38,679,170,717)	(26,757,010,000)
Net cash flows from operating activities	20	196,059,220,906	287,490,264,601
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets	21	(93,478,186,127)	(246,392,618,580)
Proceeds from disposals of fixed assets and other long-term assets	22	7,082,813,254	3,389,449,591
Payments for time deposits and lending capital to livestock households	23	(2,028,100,000,000)	(2,183,810,239,600)
Proceeds from withdrawal of time deposits and collection of capital lending	24	1,867,963,539,600	1,984,932,064,438
Receipts of interests and dividends	27	152,521,872,760	117,700,712,079
Net cash flows from investing activities	30	(94,009,960,513)	(324,180,632,072)

The accompanying notes are an integral part of these financial statements

STATEMENT OF CASH FLOWS

for the year ended 31 December 2024 (Indirect method – continued)

	Code	2024 VND	2023 VND
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	33	129,000,000,000	-
Payments to settle loan principals	34	(30,000,000,000)	-
Payments of dividends	36	(220,000,000,000)	(220,104,737,500)
Net cash flows from financing activities	40	(121,000,000,000)	(220,104,737,500)
Net cash flows during the year (50 = 20 + 30 + 40)	50	(18,950,739,607)	(256,795,104,971)
Cash and cash equivalents at the beginning of the year	60	55,218,492,333	312,014,000,629
Effect of exchange rate fluctuations on cash and cash equivalents	61	-	(403,325)
Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61) (Note 4)	70	36,267,752,726	55,218,492,333

25 March 2025

Prepared by:

Nguyen Anh Tu
Chief Accountant

Approved by:

Le Huy Bich
Deputy General DirectorPham Hai Nam
General Director

The accompanying notes are an integral part of these financial statements



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. Reporting entity

(a) Ownership structure

Moc Chau Dairy Cattle Breeding Joint Stock Company (“the Company”) is incorporated as a joint stock company in Vietnam.

(b) Principal activities

The Company’s principal activities in accordance with Enterprise Registration Certificate are as follows:

- Processing milk and dairy products;
- Processing animal feed;
- Wholesale of animal feed and raw materials for animal feed;
- Retail sale of milk and dairy products and meat;
- Wholesale of veterinary drugs;
- Wholesale of chemicals for cleaning machines;
- Producing microbial fertilizers;
- Wholesale of agricultural machine; equipment and spare parts;
- Wholesale of milk and dairy products and meat;
- Producing and supplying cow breeds;
- Raising dairy cows, beef cattle;
- Retail of veterinary supplies and veterinary drugs; and
- Retail of cleaning chemicals for machines.

(c) Normal operating cycle

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

(d) Company structure

As at 31 December 2024 and 1 January 2024, the Company had one branch at 29 Cat Linh Street, Dong Da District, Hanoi with the principal activities of sale and introduction of dairy products.

As at 31 December 2024, the Company had 772 employees (1/1/2024: 775 employees).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

2. Basis of preparation

(a) Statement of compliance

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

(b) Basis of measurement

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

(c) Annual accounting period

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

(d) Accounting and presentation currency

The Company’s accounting currency is Vietnam Dong (“VND”), which is also the currency used for financial statement presentation purpose. All amounts have been presented in VND, unless otherwise indicated in Note 35.

3. Summary of significant accounting policies

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

(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 rates and account transfer selling rates, respectively, at the end of the annual accounting period quoted by the commercial bank where the Company most frequently conducts transactions.

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

(b) 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 amounts 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.



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

(c) Investments

(i) Held-to-maturity investments

Held-to-maturity investments are those that the Company's Board of General Directors has the intention and ability to hold until maturity. Held-to-maturity investments represent term deposits in banks. These investments are stated at costs less allowance for doubtful debts.

(ii) Equity investments in other entities

Equity investments in 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, which may cause the Company to lose its invested capital, unless there is evidence that the value of the investment has not been diminished. The allowance is reversed if the investee subsequently made a profit that offsets the previous loss for which the allowance had been made. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

(d) Accounts receivable

Trade and other receivables are stated at cost less allowance for doubtful debts.

(e) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all costs incurred in bringing the inventories to their present location and condition. Cost in the case of finished goods and work in progress includes raw materials, direct labour and attributable manufacturing overheads. Net realisable value is the estimated selling price of inventory items, less the estimated costs of completion and estimated costs to sell.

Allowance for inventories is made in accordance with the prevailing accounting regulations which allow provisions to be made for obsolete, damaged, or sub-standard inventories and for those with costs higher than net realisable values at the end of the annual accounting period.

The Company applies the perpetual method of accounting for inventories.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

(f) Tangible fixed assets

(i) Cost

Livestock

Livestock are stated at cost less accumulated depreciation. The initial cost of livestock comprises all actual costs and any directly attributable costs incurred in forming and raising livestock until bringing the livestock to its producing condition for its intended use (i.e. when the livestock reach the age of 16 months).

Other tangible fixed assets

Other tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of other 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. Expenditure incurred after other tangible fixed assets have been put into operation, such as repair, maintenance and overhaul cost, is charged to the statement of income in the year in which the cost is 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 other tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of other tangible fixed assets.

(ii) 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 – 33 years
- machinery and equipment 5 – 24 years
- office equipment 3 – 8 years
- motor vehicles 6 – 10 years
- livestock 4 – 7 years

(g) Intangible fixed assets

Software

Cost of acquiring new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Software cost is amortised on a straight-line basis over 3 years.

(h) Construction in progress

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



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

(i) Long-term prepaid expenses

(i) *Tools and instruments*

Tools and instruments include assets held for use by the Company 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 regulations. Cost of tools and instruments are amortised on a straight-line basis over a period ranging from over 12 to 36 months.

(ii) *Other long-term prepaid expenses*

Other long-term prepaid expenses comprise expenses for periodic renovation, repair which are recognised at cost and amortised on a straight-line basis over a period ranging from 18 to 36 months.

(j) Trade and other payables

Trade and other payables are stated at their cost.

(k) Provision

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

Severance allowance

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

(l) Share capital

Ordinary shares

Ordinary shares are stated at issue price less any costs directly attributable to the issue of shares, net of tax effects. These costs are recognised as a deduction from share premium.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

(m) Taxation

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

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the end of the annual accounting period, and any adjustment to tax payable in respect of previous year.

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 amounts of assets and liabilities using the tax rates enacted or substantively enacted at the end of the annual accounting period.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference 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.

(n) Revenue and other income

(i) *Goods sold*

Revenue from the sale of goods is recognised in the separate statement of income when the 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 the possible return of goods. Revenue on sales of goods is recognised at the net amount after deducting sales discounts.

(ii) *Services rendered*

Revenue from services rendered is recognised in the statement of income in proportion to the stage of completion of the transaction. 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.

(iii) *Rental income from operating leases*

Rental income from operating leases from leased property is recognised in the 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, over the term of the lease.

(iv) *Interest income*

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



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

(v) Dividend income

Dividend income is recognised when the right to receive dividend is established. Share dividends are not recognised as financial income. Dividends received which are attributable to the period before investment acquisition date are deducted from the carrying amount of the investment.

(o) Operating lease payments

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

(p) Borrowing costs

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

(q) Earnings per share

The Company presents basic earnings per share (“EPS”) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders (after deducting any amounts appropriated to bonus and welfare funds for the annual accounting period) of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding for the effect of all potential ordinary shares, which comprise convertible bonds and share options. During the year, the Company had no potential ordinary shares and therefore does not present diluted EPS.

(r) Segment reporting

A segment is a distinguishable component of the Company 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.

Currently, the Company is operating mainly on one business segment which is raising dairy cows; production and sales operations relating to dairy products, and operates in one geographical area which is Vietnam.

(s) Related parties

Parties are considered to be related to the Company if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or where the Company and the other party are subject to common control or significant influence. Related parties may be individuals or corporate entities and include close family members of any individual considered to be a related party.

Related companies refer to the immediate parent company, ultimate parent company and their subsidiaries and associates.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

(t) Comparative information

Comparative information in these financial statements is presented as corresponding figures. Under this method, comparative information for the prior year are included as an integral part of the current year financial statements and are intended to be read only in relation to the amounts and other disclosures relating to the current year. Accordingly, the comparative information included in these financial statements is not intended to present the Company’s financial position, results of operation or cash flows for the prior year.

4. Cash and cash equivalents

	31/12/2024 VND	1/1/2024 VND
Cash on hand	23,733,285	43,736,363
Cash in banks	36,244,019,441	52,109,433,970
Cash equivalents	-	3,065,322,000
	36,267,752,726	55,218,492,333

5. Held-to-maturity investments

Held-to-maturity investments – short-term represent deposits with original terms from over 6 months to 12 months at domestic banks and interest rates ranging from 5% to 6.5% per annum (1/1/2024: 3.85% to 11.5% per annum).

6. Accounts receivable from customers

Accounts receivable from customers detailed by significant balances and related parties

	31/12/2024 VND	1/1/2024 VND
Ultimate parent company		
Vietnam Dairy Products Joint Stock Company	76,288,728,144	35,267,030,828
Other parties		
Other customers	130,366,916,686	169,704,834,625
	206,655,644,830	204,971,865,453

The trade related amounts due from the ultimate parent company were unsecured, interest free and are due in 40 – 47 days from invoice date.



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

7. Other receivables

	31/12/2024 VND	1/1/2024 VND
Receivables of interest from deposit	47,026,821,920	102,813,739,732
Lending capital to livestock households	-	24,542,700,000
Payment on behalf of suppliers	3,240,000,000	5,308,200,000
Other receivables	342,171,496	378,818,622
	50,608,993,416	133,043,458,354

8. Inventories

	31/12/2024		1/1/2024	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Raw materials	126,336,259,823	(496,047,402)	144,308,249,665	(1,521,234,756)
Tools and supplies	2,396,167,101	(75,258,432)	2,627,473,446	(293,843,525)
Work in progress	13,173,851,768	-	18,063,092,267	-
Finished goods	29,148,313,545	-	21,901,462,930	-
Merchandises	1,903,317,170	-	503,061,910	-
	172,957,909,407	(571,305,834)	187,403,340,218	(1,815,078,281)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

9. Prepaid expenses

(a) Short-term prepaid expenses

	31/12/2024 VND	1/1/2024 VND
Tools and supplies	2,116,905,693	745,533,855
Advertising expense	326,394,115	1,620,458,470
Vehicle and building repair expenses	3,960,225,668	4,372,745,033
Other short-term prepaid expenses	2,532,854,495	1,316,993,843
	8,936,379,971	8,055,731,201

(b) Long-term prepaid expenses

	Tools and instruments VND	Other long-term prepaid expenses VND	Total VND
Opening balance	14,210,072,514	2,908,079,085	17,118,151,599
Additions	4,386,855,343	8,667,834,601	13,054,689,944
Amortization for the year	(9,000,577,525)	(2,986,794,240)	(11,987,371,765)
Closing balance	9,596,350,332	8,589,119,446	18,185,469,778



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

10. Tangible fixed assets

	Buildings and structures VND	Machinery and equipment VND	Office equipment VND	Motor vehicles VND	Livestock VND	Total VND
Cost						
Opening balance	231,253,467,264	773,803,130,771	13,711,612,084	62,835,368,897	57,481,915,068	1,139,085,494,084
Additions	2,758,957,610	555,622,727	134,400,000	36,000,000	14,894,250,000	18,379,230,337
Transfer from long-term work in progress	-	-	-	-	13,387,755,416	22,696,530,416
Transfer from construction in progress	9,048,814,285	6,756,027,537	2,045,809,000	3,814,887,274	-	21,665,538,096
Disposals	(1,074,364,907)	(18,581,967,760)	(106,444,800)	(1,408,648,181)	(18,242,934,452)	(39,414,360,100)
Closing balance	241,986,874,252	762,532,813,275	15,785,376,284	65,277,607,990	67,520,986,032	1,153,103,657,833
Accumulated depreciation						
Opening balance	134,627,793,408	529,834,201,476	4,875,204,218	55,721,528,172	21,448,763,012	746,507,490,286
Charge for the year	15,548,822,264	36,916,836,467	2,349,498,022	2,454,349,661	9,740,419,585	67,009,925,999
Disposals	(1,015,060,782)	(15,587,595,710)	(106,444,800)	(1,408,648,181)	(8,879,603,422)	(26,997,352,895)
Closing balance	149,161,554,890	551,163,442,233	7,118,257,440	56,767,229,652	22,309,579,175	786,520,063,390
Net book value						
Opening balance	96,625,673,856	243,968,929,295	8,836,407,866	7,113,840,725	36,033,152,056	392,578,003,798
Closing balance	92,825,319,362	211,369,371,042	8,667,118,844	8,510,378,338	45,211,406,857	366,583,594,443

Included in tangible fixed assets were assets costing VND606,576 million which were fully depreciated as of 31 December 2024 (1/1/2024: VND582,564 million), but are still in active use.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

11. Long-term work in progress

Long-term work in progress represents the carrying amount of dairy cows of less than 16 months old. This will be transferred to tangible fixed assets under livestock category when the cows reach 16 months old (when the cows are ready for milking).

12. Construction in progress

	2024 VND	2023 VND
Opening balance	107,203,537,253	85,464,658,997
Additions during the year	82,224,898,257	199,739,356,330
Transfer to tangible fixed assets	(21,665,538,096)	(177,625,401,731)
Transfer to long term prepayment	(1,530,000,000)	(375,076,343)
Closing balance	166,232,897,414	107,203,537,253

Major constructions in progress were as follows:

	31/12/2024 VND	1/1/2024 VND
Breed center expansion project	-	4,051,466,587
High-tech 4000-dairy-cow eco-tourism farm	143,242,557,097	100,212,018,073
High-tech dairy factory	5,582,119,748	1,471,977,185
Machine and upgrade system expenses	17,046,334,050	1,249,707,407
Others	361,886,519	218,368,001
	166,232,897,414	107,203,537,253

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

13. Accounts payable to suppliers

Accounts payable to suppliers detailed by significant balances and related parties

	Cost and amount within payment capacity	
	31/12/2024 VND	1/1/2024 VND
Ultimate parent company		
Vietnam Dairy Products Joint Stock Company	1,798,622,554	4,237,396,194
Immediate parent company		
Vietnam Livestock Corporation – Joint Stock Company	75,036,732	139,955,959
Other related companies		
Vietnam Dairy Cow One-Member Company Limited	3,313,830,000	1,304,550,000
Hanoi Peter Hand Animal Development Company Limited	1,913,700,000	857,500,000
Other parties		
Livestock households	49,635,070,519	41,055,768,912
Other parties	108,099,889,089	75,242,690,003
	164,836,148,894	122,837,861,068

The amounts due to the related parties were unsecured, interest free and are payable within 20 to 30 days from invoice date.



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

14. Taxes and others (receivable from)/payable to State Treasury

	1/1/2024 VND	Incurred VND	Paid VND	31/12/2024 VND
Value added tax (*)	(24,084,742,191)	60,452,338,506	(43,678,756,677)	(7,311,160,362)
Value added tax of imported goods	-	437,855,761	(437,855,761)	-
Import-export tax	-	57,254,300	(57,254,300)	-
Corporate income tax	(13,538,273,873)	32,136,074,975	(12,703,935,954)	5,893,865,148
Personal income tax	142,383,064	6,189,847,513	(5,985,318,226)	346,912,351
Land housing taxes and land rental	-	13,057,539,389	(13,057,539,389)	-
Other taxes	20,274,000	316,224,299	(318,332,655)	18,165,644
	(37,460,359,000)	112,647,134,743	(76,238,992,962)	(1,052,217,219)

In which:

Taxes and others receivable from State Treasury	(37,623,016,064)	(7,311,451,458)
Taxes and others payable to State Treasury	162,657,064	6,259,234,239
	(37,460,359,000)	(1,052,217,219)

(*) Value added tax incurred during the year represents the amount after offsetting against deductible input value added tax during the year.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

15. Accrued expenses

	31/12/2024 VND	1/1/2024 VND
Support, advertising and promotion expenses	51,185,677,775	68,869,656,505
Accruals for milk purchases from livestock households	3,303,111,497	2,763,274,870
Advertising expenses on mass media	404,671,001	4,056,263,697
Machinery maintenance expenses	1,688,350,678	2,671,590,375
Interest expense	1,155,402,737	-
Transportation expenses	1,160,656,251	2,053,291,779
Others	1,368,842,751	3,139,846,240
	60,266,712,690	83,553,923,466

16. Other payables

(a) Other payables – short-term

	31/12/2024 VND	1/1/2024 VND
Livestock support fund	-	5,384,973,619
Trade union fees	137,779,822	133,259,282
Payables to employees	850,358,888	917,800,570
Others	650,782,001	615,791,499
	1,638,920,711	7,051,824,970

(b) Other payables – long-term

	31/12/2024 VND	1/1/2024 VND
Study promotion fund and other funds	400,327,552	790,778,252
Long-term deposits and collaterals	322,600,000	272,600,000
	722,927,552	1,063,378,252



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

17. Short-term borrowings

	1/1/2024	Movement during the year		31/12/2024
	Carrying amount and amount within repayment capacity VND	Addition VND	Decrease VND	Carrying amount and amount within repayment capacity VND
Short-term borrowings	-	129,000,000,000	(30,000,000,000)	99,000,000,000

This borrowing had a term of 6 months and was unsecured.

18. Bonus and welfare funds

This fund is established by appropriating from profit after tax as approved by shareholders at shareholders' meeting. This fund is used to pay bonus and welfare to the Company's employees in accordance with the Company's bonus and welfare policies. Movements of bonus and welfare fund during the year were as follows:

	2024 VND	2023 VND
Opening balance	43,203,674,236	31,987,314,868
Appropriation from profit after tax	21,992,077,228	37,441,749,368
Additions from other sources	-	3,300,000
Utilization	(38,611,393,634)	(26,228,690,000)
Closing balance	26,584,357,830	43,203,674,236

19. Provisions – long-term

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

	2024 VND	2023 VND
Opening balance	3,288,699,006	3,258,331,395
Provision made during the year	17,209,810	558,687,611
Provision reversed during the year	(83,441,376)	-
Provision used during the year	(67,777,083)	(528,320,000)
Closing balance	3,154,690,357	3,288,699,006

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

20. Changes in owners' equity

	Share capital VND	Capital surplus VND	Investment and development fund VND	Retained profits VND	Total VND
Balance at 1/1/2023	1,100,000,000,000	817,274,340,000	111,333,843,400	181,671,000,207	2,210,279,183,607
Net profit for the year	-	-	-	374,417,493,679	374,417,493,679
Appropriation to investment and development fund	-	-	37,441,749,368	(37,441,749,368)	-
Appropriation to bonus and welfare fund (Note 18)	-	-	-	(37,441,749,368)	(37,441,749,368)
Dividends (Note 22)	-	-	-	(220,000,000,000)	(220,000,000,000)
Balance at 1/1/2024	1,100,000,000,000	817,274,340,000	148,775,592,768	261,204,995,150	2,327,254,927,918
Net profit for the year	-	-	-	219,920,772,280	219,920,772,280
Appropriation to bonus and welfare fund (Note 18)	-	-	-	(21,992,077,228)	(21,992,077,228)
Dividends (Note 22)	-	-	-	(220,000,000,000)	(220,000,000,000)
Balance at 31/12/2024	1,100,000,000,000	817,274,340,000	148,775,592,768	239,133,690,202	2,305,183,622,970



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

21. Share capital

The Company's authorised and issued share capital are:

	31/12/2024		1/1/2024	
	Number of shares	VND	Number of shares	VND
Authorised share capital	110,000,000	1,100,000,000,000	110,000,000	1,100,000,000,000
Issued share capital				
Ordinary shares	110,000,000	1,100,000,000,000	110,000,000	1,100,000,000,000
Shares in circulation				
Ordinary shares	110,000,000	1,100,000,000,000	110,000,000	1,100,000,000,000

The Company's share capital detailed by significant shareholders was as follows:

	31/12/2024		1/1/2024	
	VND	%	VND	%
Shareholder				
Vietnam Livestock Corporation – Joint Stock Company	652,299,710,000	59.30%	652,299,710,000	59.30%
Vietnam Dairy Products Joint Stock Company (*)	97,377,900,000	8.85%	97,377,900,000	8.85%
Other shareholders	350,322,390,000	31.85%	350,322,390,000	31.85%
	1,100,000,000,000	100%	1,100,000,000,000	100%

(*) The Company's ultimate parent company is Vietnam Dairy Products Joint Stock Company which was incorporated in Vietnam.

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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

22. Dividends

The General Meeting of Shareholders of the Company on 23 April 2024 approved the distribution of dividends of 2023 amounting to VND220,000 million (equivalent to VND2,000 per share), of which VND110,000 million (equivalent to VND1,000 per share) paid in October 2023 in accordance with the resolution of the Board of Management (2023: VND220,000 million (equivalent to VND2,000 per share) from retained profits of 2022).

In this meeting, the General Meeting of Shareholders of the Company also approved the plan to distribute dividends to shareholders at least of 50% of retained profits of 2024.

Based on the above-mentioned plan to pay dividends to shareholders from retained profits of 2024, on 24 October 2024, the Board of Management of the Company passed a resolution on the first advanced payment of dividends of 2024 amounting to VND110,000 million (equivalent to VND1,000 per share)

23. Investment and development fund

Investment and development fund were appropriated from profit after tax in accordance with the resolution of General Meeting of Shareholders. This fund was established for the purpose of future business expansion.

24. Off balance sheet items

(a) Lease

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

	31/12/2024 VND	1/1/2024 VND
Within one year	18,116,902,512	13,446,153,725
Within two to five years	66,221,354,715	50,108,149,523
More than five years	668,089,841,515	462,011,386,304
	752,428,098,742	525,565,689,552

(b) Foreign currencies

	31/12/2024		1/1/2024	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	-	-	64	1,545,213
EUR	-	-	101	2,673,933
		-		4,219,146



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

25. Revenue from sales of goods and provision of services

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

Net revenue comprised:

	2024 VND	2023 VND
Total revenue		
• Sales of finished goods	2,840,186,445,323	3,055,487,666,451
• Sales of merchandises	78,016,119,412	80,941,715,003
• Others	1,164,114,168	1,038,209,561
	2,919,366,678,903	3,137,467,591,015
Less revenue deductions		
• Sales returns	(55,982,080)	(27,097,320)
• Sales discounts	(2,352,593,538)	(2,017,348,290)
	(2,408,575,618)	(2,044,445,610)
Net revenue	2,916,958,103,285	3,135,423,145,405

26. Cost of sales

	2024 VND	2023 VND
Total cost of sales:		
• Finished goods sold	1,995,562,487,814	2,044,931,849,016
• Merchandises sold	65,146,465,047	71,490,921,263
• Others	8,628,972,954	9,438,043,942
(Reversal)/addition of allowance for inventories	(925,188,170)	944,438,494
	2,068,412,737,645	2,126,805,252,715

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

27. Financial income

	2024 VND	2023 VND
Interest income from deposits	96,734,954,948	155,729,439,724
Interest from sales with deferred payment, and payment discounts received	4,409,659,958	5,812,874,004
Dividends	-	7,834,000
Realised foreign exchange gains	107,105,120	765,104,528
	101,251,720,026	162,315,252,256

28. Selling expenses

	2024 VND	2023 VND
Staff costs	40,082,612,345	38,693,468,825
Material costs	53,146,990	142,376,062
Tools and instruments	6,288,873,961	5,423,520,449
Depreciation	666,378,821	577,131,482
Support, advertising and promotion expenses	560,722,034,434	616,405,087,689
Outside services	30,830,920,219	35,654,839,489
Other expenses	18,401,824,782	11,982,739,806
	657,045,791,552	708,879,163,802

29. General and administration expenses

	2024 VND	2023 VND
Staff costs	16,620,573,106	16,291,210,541
Materials and tools	573,488,701	1,032,498,365
Depreciation	1,319,868,645	1,534,790,102
Taxes, fees and charges	2,588,961,948	2,448,228,791
Outside services	11,936,164,357	9,960,153,605
Allowance	(50,931,566)	698,487,611
Other expenses	4,157,029,069	5,932,183,145
	37,145,154,260	37,897,552,160



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

30. Other income

	2024 VND	2023 VND
Income from disposals of fixed assets	7,082,813,254	3,227,688,000
Management fee for supporting suppliers	3,000,000,000	8,615,000,000
Income from compensation for products and materials	-	115,290,903
Others	4,907,422,286	4,599,170,099
	14,990,235,540	16,557,149,002

31. Other expenses

	2024 VND	2023 VND
Net book value of fixed assets disposed	12,417,007,205	8,903,005,451
Disposal fixed assets expense	91,400,000	-
Vaccination for cows at households	-	2,607,466,490
Land-related administrative penalties	85,207,022	320,169,780
Others	4,048,361,041	4,421,990,781
	16,641,975,268	16,252,632,502

32. Production and business costs by element

	2024 VND	2023 VND
Raw material costs included in production costs	1,856,626,912,759	1,925,424,566,157
Staff costs	131,229,606,088	131,683,981,657
Depreciation	66,805,326,501	62,041,295,734
Support, advertising and promotion expenses	560,722,034,434	616,405,087,689
Outside services other than support, advertising and promotion expenses	98,413,600,689	100,153,191,058
Other expenses	52,089,001,272	41,465,929,920

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

33. Income tax

(a) Recognised in the statement of income

	2024 VND	2023 VND
Current tax expense		
Current year	31,944,420,085	49,162,295,564
Under provision last year	191,654,890	-
	32,136,074,975	49,162,295,564

(b) Reconciliation of effective tax rate

	2024 VND	2023 VND
Accounting profit before tax	252,056,847,255	423,579,789,243
Tax at the Company's tax rate	50,411,369,451	84,715,957,849
Non-deductible expenses	18,801,036	1,198,781,603
Tax exempt income	(18,485,750,402)	(36,750,877,088)
Non-taxable income	-	(1,566,800)
Under provision last year	191,654,890	-
	32,136,074,975	49,162,295,564

(c) Applicable tax rates

In accordance with Decree No. 12/2015/ND-CP dated 12 February 2015 of the Government on elaboration of the law on amendments to tax laws and amendments to some articles of decrees on taxations, the Company is exempted from income tax for incomes from farming, breeding, aquaculture and agro-processing, fish processing in extremely disadvantaged areas. In which income from agro-processing, fish processing eligible for tax incentives prescribed in this Decree must satisfy all the following conditions:

- The proportion of value of raw materials (agricultural products, aquaculture products) to production cost is at least 30%; and
- Products derived from agro-processing and fish processing are not subject to special excise tax, unless otherwise prescribed by the Prime Minister in accordance with proposals of the Ministry of Finance.

The usual income tax rate applicable to other income of the Company before any incentives is 20%.



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

34. Basic earnings per share

The calculation of basic earnings per share for the year ended 31 December 2024 was based on the profit attributable to ordinary shareholders after deducting the amounts appropriated to bonus and welfare funds and a weighted average number of ordinary shares outstanding for the year, calculated as follows:

(a) Basic earnings per share

	2024	2023
Net profit for the year (VND)	219,920,772,280	374,417,493,679
Appropriation to bonus and welfare funds (VND)	(21,992,077,228)	(37,441,749,368)
Net profit attributable to ordinary shareholders (VND)	197,928,695,052	336,975,744,311
Weighted average number of ordinary shares in circulation for the year (number of shares) (Note 34(b))	110,000,000	110,000,000
Basic earnings per share (VND/share)	1,799	3,063

(b) Weighted average number of ordinary shares in circulation for the year

	2024	2023
Issued ordinary shares at the beginning of the year	110,000,000	110,000,000
Effect of shares issued in the year	-	-
Weighted average number of ordinary shares in circulation for the year	110,000,000	110,000,000

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024 (continued)

35. Significant transactions with related parties

In addition to related party balances disclosed in other notes to the financial statements, the Company had the following significant transactions with related parties during the year:

	Transaction value	
	2024 VND	2023 VND
Ultimate parent company		
<i>Vietnam Dairy Products Joint Stock Company</i>		
Sales of goods	572,615,493,286	425,263,034,815
Sales of services	214,896,541	-
Purchase of goods and services	28,175,545,924	29,286,647,508
Purchase fixed assets	4,295,170,594	-
Disposal fixed assets	3,920,351,174	-
Dividends	19,475,580,000	19,475,580,000
Immediate parent company		
<i>Vietnam Livestock Corporation – Joint Stock Company</i>		
Purchase of goods and services	838,789,288	725,703,982
Dividends	130,459,942,000	130,459,942,000
Other related companies		
<i>Vietnam Dairy Cow One-Member Company Limited</i>		
Purchase of goods	47,377,920,416	73,960,253,310
<i>Hanoi Peter Hand Animal Development Company Limited</i>		
Purchase of goods	14,450,300,000	14,045,105,000
<i>Thong Nhat Thanh Hoa Dairy Cow One Member Limited Liability Company</i>		
Purchase of goods	126,926,875	-

**NOTES TO THE FINANCIAL STATEMENTS***for the year ended 31 December 2024 (continued)***Key management personnel compensation**

	2024 VND million	2023 VND million
Members of Board of Director		
Ms. Mai Kieu Lien – Chairman	-	-
Mr. Pham Hai Nam – Member (i)	96	96
Mr. Doan Quoc Khanh - Member <i>(from 23/4/2024)</i>	66	-
Mr. Nguyen Quang Tri – Member <i>(until 23/4/2024)</i>	30	96
Mr. Le Hoang Minh – Member	96	57
Mr. Hoang Van Chat – Independent Member	96	96
Supervisory Board		
Ms. Tran Thai Thoai Tran - Head of Supervisory Board <i>(from 23/4/2024)</i>	66	-
Mr. Tran Ngoc Duy – Head of Supervisory Board <i>(until 23/4/2024)</i>	30	96
Mr. Trinh Cong Son – Member	72	72
Mr. Pham Quang Thuy – Member	72	72

(i) Board of Management member cum General Director

	2024 VND million	2023 VND million
General Director cum Board of Management member		
<i>Average salary per month per person</i>		
Mr. Pham Hai Nam	63	64
Other management personnel		
<i>Average salary per month per person</i>		
Deputy General Directors	36	36

NOTES TO THE FINANCIAL STATEMENTS*for the year ended 31 December 2024 (continued)***36. Non-cash investing activities**

	2024 VND	2023 VND
Offsetting lending capital to livestock households and payables for purchase of milk during the year	23,754,400,000	37,360,235,562

37. Comparative information

The comparative information as at 1 January 2024 was derived from the balances and amounts reported in the Company's financial statements as at and for the year ended 31 December 2023.

25 March 2025

Prepared by:

Approved by:

Nguyen Anh Tu
Chief Accountant**Le Huy Bich**
Deputy General Director**Pham Hai Nam**
General Director



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