



**MINUTES**  
**OF THE 2025 ANNUAL GENERAL MEETING OF SHAREHOLDERS**  
**CENTRAL PHARMACEUTICAL CPC1.JSC**

Head Office Address: No. 87 Nguyen Van Troi Street, Phuong Liet Ward, Thanh Xuan District, Hanoi.

Business Registration Number: 0100108536

Today, at 08:00 AM on Thursday, 17 April 2025, at the 6<sup>th</sup> - floor Hall of Central Pharmaceutical CPC1.JSC, the 2025 Annual General Meeting of Shareholders was convened.

**A. The Organizing Committee Declares the Reason for convening the 2025 Annual General Meeting of Shareholders**

Central Pharmaceutical CPC1.JSC convened the 2025 Annual General Meeting of Shareholders to report on the business performance of 2024 and approve matters within the authority of the General Meeting of Shareholders.

**B. Introduction of Delegates and Participants**

Guests attending the 2025 Annual General Meeting of Shareholders of Central Pharmaceutical CPC1.JSC include:

1. Representatives of Vietnam Pharmaceutical Corporation – JSC:
  - Mr. Dinh Xuan Han – Chairman of the Board of Directors
  - Mrs. Han Thi Khanh Vinh – Member of the Board of Directors, General Director

With representatives of some departments of the Corporation

2. Members of the Board of Directors, Board of Management, representatives of Departments, dependent units of Central Pharmaceutical CPC1.JSC.
3. Shareholders of Central Pharmaceutical CPC1.JSC.

**C. Report on Shareholder Eligibility Verification and Declaration of Eligibility to Convene the 2025 Annual General Meeting of Shareholders**

The Head of the Shareholder Eligibility Verification Committee, Mrs. Bui Thi Thanh Hai, reported to the General Meeting on the results of the shareholder eligibility verification for attending the 2025 Annual General Meeting of Shareholders, with the shareholder structure as follows:

The total number of shareholders as per the list finalized on 12 March 2025, by the Vietnam Securities Depository and Clearing Corporation is 535 shareholders, holding 20,979,000 voting shares.

At the time of the meeting's opening (8:30 AM), the total number of attending shareholders and authorized representatives was 141 shareholders, representing 19,447,090 shares, accounting for 92.7% of the total voting shares. In which:

1. The number of shareholders attending in person is 16 shareholders, representing 15,000,190 shares, accounting for 71.5% of the total voting shares.
2. The number of shareholders attending by proxy is 125 shareholders, representing 4,446,900 shares, accounting for 21.2% of the total voting shares.

The General Meeting meets the legal requirements to proceed in accordance with applicable laws.

#### **D. Election of the Chairing Panel, Secretariat, and Vote-Counting Committee**

The structure of the Chairing Panel, Secretariat, and Vote-Counting Committee was approved by the General Meeting of Shareholders through a show-of-hands voting method, with 100% of attending shareholders voting in favor. The details are as follows:

##### **1. Chairing Panel:**

- |                           |  |
|---------------------------|--|
| - Mrs. Han Thi Khanh Vinh | - Chairwoman of the Board of Directors, Chair of the Meeting |
| - Mrs. Tran Thi Kim Khanh | - Independent Member of the Board of Directors               |
| - Mr. Ta Van Dung         | - Acting General Director                                    |

##### **2. Secretariat**

- |                              |  |
|------------------------------|--|
| - Mrs. Do Thi Thu Huyen      | - Company Secretary, Head of the Secretariat |
| - Mrs. Nguyen Thi Phuong Anh | - Member                                     |

##### **3. Vote-Counting Committee:**

- |                              |                         |
|------------------------------|-------------------------|
| - Mrs. Phi Thi Thanh Huyen   | - Head of the Committee |
| - Ms. Nguyen Khanh Linh      | - Member                |
| - Mrs. Nguyen Thi Thanh Loan | - Member                |

#### **E. Approval of the Meeting Agenda and Regulations**

The General Meeting of Shareholders unanimously approved the working agenda and organizational regulations of the meeting, with 100% of the attending shares voting in favor.

### **MEETING CONTENT**

#### **I. Reports from the Board of Directors, Board of Management, and Audit Committee**

- Mrs. Han Thi Khanh Vinh – Chairwoman of the Board of Directors presented the Board of Directors' report on the 2024 performance results and 2025 strategic directions (*Report attached*).
- Mr. Ta Van Dung – Acting General Director presented the 2024 performance summary and 2025 plan (*Report attached*).
- Mrs. Tran Thi Kim Khanh – Independent Board Member, Chairwoman of the Audit Committee, presented the 2024 report on the activities of independent Board Members in the Audit Committee (*Report attached*).

#### **II. Matters Presented to the General Meeting of Shareholders**

##### **1. Mr. Tran Anh Tuan – Financial Director presents:**

- Proposal to approve the 2024 financial statements audited by Ernst & Young Vietnam Limited (*Proposal attached*);

- Proposal to approve the 2024 Profit Distribution Proposal and the 2025 Profit Distribution Plan (*Proposal attached*).

**2. Mrs. Tran Thi Kim Khanh – Independent member of the BOD – Chairwoman of the Audit Committee presents:**

- Proposal on selecting the Auditing firm for the 2025 Financial Statements (*Proposal attached*).

**3. Mrs. Bui Thi Thanh Hai – Member of the BOD – Deputy General Director presents:**

- Proposal on the Remuneration Report for the Board of Directors, the Supervisory Board, Head of Supervisory Board in 2024 and the Remuneration Plan for the Board of Directors in 2025 (*Proposal attached*).

**III. Discussion**

No.	Shareholder's Question	Response from the Chairing Panel
1	<p><b>Shareholder: Nguyen Nhat Hai</b> <b>Shareholder Code: 14</b></p> <p>1. Regarding the content of the General Director's report: (i) It is recommended to review and unify the wording between the Report of the Board of Management and the Report of the Board of Directors: "Finding a partner to <b>lease</b> warehouse A" or "finding a partner to <b>rent</b> warehouse A"; (ii) Section 3, Part I of the General Director's Report is titled "<b>Results of implementing key tasks</b>", however, the content is very brief, not enough for shareholders to grasp the activities of the Board of Management in 2024.</p> <p>2. According to the General Director's report, in 2025 the Company plans to develop 5-8 new products. So has the Company registered any products or is it preparing to do so?</p> <p>3. Regarding the development of the OTC sales channel: Although CPC1 has planned to deploy OTC sales for many years, the Company's OTC channel has not yet developed strongly. With the plan to develop the OTC channel in 2025, how has the Board of Management developed a product, revenue and profit plan for the OTC channel?</p> <p>4. The Company has a plan to diversify its OTC products. In addition to pharmaceutical products, the company will expand and develop its business in health protection foods. Recently, the press has been reporting on the production and trading of fake milk. Therefore, when expanding and developing the OTC channel, the Board of Management should focus on branded products with guaranteed quality to limit risks.</p>	<p>1. The Board of Directors and the Board of Management of CPC1 would like to thank the thoughtful comments of shareholder code 14 and will take note to further improve the quality of the report in the following meetings.</p> <p>2. Regarding the development of the OTC sales channel:</p> <p>- With the existing potential and system, in order to diversify distribution channels, aiming at the goal of safe and sustainable development, creating more proactive working capital, in 2025, in addition to maintaining and developing strengths in the ETC channel, CPC1 decided to deploy the OTC channel. The list of products in the OTC channel is diverse, from medicines, health protection foods to health-enhancing products, consumable medical supplies, etc.</p> <p>- The OTC channel deployment will be carried out in parallel with the recruitment of experienced personnel and the search for sources of goods, on a cautious and effective basis. As the source of goods develops, personnel will be recruited to deploy there. - As reported to the General Meeting of Shareholders, CPC1 aims for safe, cautious and sustainable development. This is the "guideline" for action throughout the development process of CPC1, including the selection of products to develop the OTC channel.</p> <p>3. The report submitted to the General Meeting of Shareholders by the Acting General Director has ensured that the contents are complete and comprehensive as prescribed. In addition, CPC1 is a large-scale public company, the information and financial</p>

No.	Shareholder's Question	Response from the Chairing Panel
		<p>reports of the company are fully and timely disclosed on the company's website and sent to management agencies such as the State Securities Commission and the Hanoi Stock Exchange in accordance with the provisions of law, open and transparent to shareholders.</p> <p>- Regarding personnel:</p> <p>In 2024, the Board of Directors has completed the Board of Management: Appointing 01 Acting General Director, 02 Deputy General Directors including 01 Permanent Deputy General Director and 01 Deputy General Director in charge of Administration and Human Resources. This appointment is completely consistent with the development orientation of CPC1 in the following years. We believe that with the completion of the new Board of Management, CPC1 will further promote its proactiveness and professionalism to operate the company to develop according to the target of minimum growth of 8% in 2025 and double digits in the following years, in the spirit of Resolution 25/NQ-CP dated 5 February 2025 of the Government and Directive No. 09/CT-TTg dated 21 March 2025 of the Prime Minister, bringing benefits to shareholders, the State and employees.</p> <p>In 2025, CPC1 will complete the performance evaluation index, build a salary and bonus mechanism to motivate employees. In addition, the Board of Directors has directed the Board of Management to develop a training plan for middle-level and above managers, conduct a personnel review and supplement necessary positions to perfect the organizational model in line with the development orientation of CPC1. At the same time, the Board of Directors will also accompany the Board of Management to effectively implement the reduction of personnel, improve human resource policies to ensure the apparatus operates effectively and efficiently.</p>

#### **IV. Voting Results on Matters at the 2025 Annual General Meeting of Shareholders**

At the time of voting (10:05 AM), the total number of attending shareholders and authorized representatives was 141 shareholders, representing 19,447,090 shares, accounting for 92.7% of the total voting shares. The details are as follows:

1. Shareholders attending in person: 16 shareholders, representing 15,000,190 shares, accounting for 71.5% of the total voting shares.

2. Shareholders attending by proxy: 125 shareholders, representing 4,446,900 shares, accounting for 21.2% of the total voting shares.

After reviewing the proposals and reports, the 2025 Annual General Meeting of Shareholders of Central Pharmaceutical CPC1.JSC unanimously approved the following matters:

No.	Voting matter	Votes in favor	Votes against	Abstentions
1	Approval of the Board of Directors' Report on 2024 Performance and 2025 Strategic Directions	19,447,090 shares in favor, accounting for 100% of the total voting shares of attending and proxy shareholders.	0 shares against, accounting for 0% of the total voting shares of attending and proxy shareholders.	0 shares, accounting for 0% of the total voting shares of attending and proxy shareholders.
2	Approval of the General Director's 2024 Performance Summary and 2025 Plan	19,447,090 shares in favor, accounting for 100% of the total voting shares of attending and proxy shareholders.	0 shares against, accounting for 0% of the total voting shares of attending and proxy shareholders.	0 shares, accounting for 0% of the total voting shares of attending and proxy shareholders.
3	Approval of the Report on the Activities of Independent Board Members in the Audit Committee for 2024	19,447,090 shares in favor, accounting for 100% of the total voting shares of attending and proxy shareholders.	0 shares against, accounting for 0% of the total voting shares of attending and proxy shareholders.	0 shares, accounting for 0% of the total voting shares of attending and proxy shareholders.
4	Approval of the Proposal on the 2024 Audited Financial Statements by Ernst & Young Vietnam Ltd.	19,447,090 shares in favor, accounting for 100% of the total voting shares of attending and proxy shareholders.	0 shares against, accounting for 0% of the total voting shares of attending and proxy shareholders.	0 shares, accounting for 0% of the total voting shares of attending and proxy shareholders.
5	Approval of the Proposal on the 2024 Profit Distribution Plan and the 2025 Profit Distribution Plan	19,447,090 shares in favor, accounting for 100% of the total voting shares of attending and proxy shareholders.	0 shares against, accounting for 0% of the total voting shares of attending and proxy shareholders.	0 shares, accounting for 0% of the total voting shares of attending and proxy shareholders.
6	Approval of the Proposal on Selecting the Audit Firm for the 2025 Financial Statements	19,447,090 shares in favor, accounting for 100% of the total voting shares of attending and proxy shareholders.	0 shares against, accounting for 0% of the total voting shares of attending and proxy shareholders.	0 shares, accounting for 0% of the total voting shares of attending and proxy shareholders.
7	Approval of the Proposal on the 2024 Remuneration Report for the Board of Directors, Supervisory Board, and Head of the Supervisory Board, and the 2025 Remuneration Plan for the Board of Directors	19,447,090 shares in favor, accounting for 100% of the total voting shares of attending and proxy shareholders.	0 shares against, accounting for 0% of the total voting shares of attending and proxy shareholders.	0 shares, accounting for 0% of the total voting shares of attending and proxy shareholders.

## VI. Approval of the Minutes and Resolution of the 2025 Annual General Meeting of Shareholders

The General Meeting of Shareholders has unanimously approved the content of the Minutes and Resolution of the Meeting, with 19,447,090 shares in favor, equivalent to 100% of the total voting shares of attending and proxy shareholders.

The General Meeting of Shareholders authorizes the Board of Directors to oversee and decide on all arising matters related to the implementation of the 2025 Business Plan, as approved by the General Meeting of Shareholders.

The Minutes consist of 06 pages and are prepared in 03 copies, to be kept as

follows: One copy retained in the Annual General Meeting of Shareholders' records at Central Pharmaceutical CPC1.JSC; One copy kept in the Company's administrative office; One copy retained by the Secretariat.

The Resolution of the 2025 Annual General Meeting of Shareholders will be published in full on the company's website ([www.cpc1.com.vn](http://www.cpc1.com.vn)) to notify all shareholders and will also be submitted to the State Securities Commission of Vietnam and the Hanoi Stock Exchange, in accordance with legal regulations.

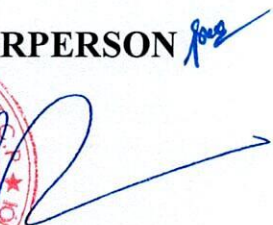
The 2025 Annual General Meeting of Shareholders was concluded at 10:45 AM on the same day.

**SECRETARY**



**Do Thi Thu Huyen**

**CHAIRPERSON**



**Han Thi Khanh Vinh**



**REPORT OF THE BOARD OF DIRECTORS  
On performance results in 2024 and orientation for 2025**

To: The General Meeting of Shareholders of Central Pharmaceutical CPC1.JSC

*Pursuant to the Law on Enterprises No. 59/2020/QH14 dated 17 June 2020, as amended and supplemented by Law No. 03/2022/QH15 passed by the National Assembly on 11 January 2022;*

*Pursuant to the Charter of Central Pharmaceutical CPC1.JSC, issued on 11 April 2024.*

The Board of Directors for the second term (2021-2026) of Central Pharmaceutical CPC1.JSC respectfully reports to the General Meeting of Shareholders on the performance results for 2024 and plans for 2025 as follows:

**I. THE BOARD OF DIRECTORS AND SUB-COMMITTEES IN 2024****1. The Board of Directors****1.1 Personnel structure**

No.	Member of the Board of Directors	Position	Start date/end date as a Board Member	
			Start date	End date
1	Mrs. Han Thi Khanh Vinh	Chairwoman	26 April 2021	
2	Mrs. Tran Thi Kim Khanh	Independent member	11 April 2024	
3	Mr. Nguyen Huy Thanh	Member	26 April 2021	
4	Mrs. Bui Thi Thanh Hai	Member	11 April 2024	
5	Mr. Nguyen Doan Liem	Member	26 April 2021	
6	Mrs. Nguyen Hong Nhung	Member		11 April 2024
7	Mrs. Nguyen Thuy Dung	Member		11 April 2024

The structure of the Board of Directors ensures a balance between executive members, non-executive members and independent members in accordance with the provisions of the Company's Charter and the Internal Regulations on Corporate Governance.

**1.2 Board of Directors Meetings**

In 2024, the Board of Directors held 04 in-person meetings, conducted 17 rounds of written consultations with Board members to discuss and approve many

issues within the functions and authority of the Board of Directors; and issued 28 Resolutions and 05 Decisions.

Board members fully attended Board meetings with the participation of the Supervisory Board and the Board of Management.

No.	Member of the Board of Directors	Meetings Attended	Attendance rate	Reason for absence
1	Mrs. Han Thi Khanh Vinh	04/04	100%	
2	Mr. Nguyen Doan Liem	04/04	100%	
3	Mr. Nguyen Huy Thanh	04/04	100%	
4	Mrs. Tran Thi Kim Khanh	03/03	100%	Additionally elected by the GMS on 11 April 2024
5	Mrs. Bui Thi Thanh Hai	03/03	100%	Additionally elected by the GMS on 11 April 2024
6	Mrs. Nguyen Hong Nhung	01/01	100%	Dismissed by the GMS on 11 April 2024
7	Mrs. Nguyen Thuy Dung	01/01	100%	Dismissed by the GMS on 11 April 2024

## 2. Supervisory Board (Terminated operations from 11 April 2024)

At the 2024 Annual General Meeting of Shareholders, the change in the Company's management and operation model was approved according to the model of the General Meeting of Shareholders, Board of Directors, General Director; in which at least 20% of the members of the Board of Directors must be independent members and there must be an Audit Committee under the Board of Directors according to Point b, Clause 1, Article 137 of the Law on Enterprises. In order to comply with the above change in the management and operation model, the General Meeting of Shareholders approved the dismissal of members of the Supervisory Board from 11 April 2024.

### 2.1 Information of Supervisory Board Members

No.	Supervisory Board Member	Position	Start/end date as a SB Member		Qualification
			Start date	End date	
1	Mrs. Luong Thi Kim Thanh	Head of the SB	26 April 2021	11 April 2024	Master of Economics
2	Mrs. Bui Thi Thanh Hai	Member of the SB	26 April 2021	11 April 2024	Bachelor of Pharmacist
3	Mrs. Ha Lan Anh	Member of the SB	26 April 2021	11 April 2024	Master of Laws



## 2.2 Supervisory Board Meetings

In early 2024, the Supervisory Board met to review the 2023 Financial Statements with the participation of 03 members.

No.	Supervisory Board Member	Meetings Attended	Attendance rate	Reason for absence
1	Mrs. Luong Thi Kim Thanh	01	100%	
2	Mrs. Bui Thi Thanh Hai	01	100%	
3	Mrs. Ha Lan Anh	01	100%	

## 3. Audit committee

On 11 April 2024, the 2024 Annual General Meeting of Shareholders of Central Pharmaceutical CPC1.JSC approved the change of governance model by adding an independent member to the Board of Directors, establishing an Audit Committee under the Board of Directors in accordance with international practices and current legal regulations; On 12 June 2024, the Board of Directors of CPC1 issued Resolution No. 32/NQHĐQT-CPC1 on the establishment of the Audit Committee and Decision No. 33/QĐ-CPC1 on the promulgation of the Regulations on the operation of the Audit Committee, accordingly, the Audit Committee consists of 02 members:

- Mrs. Tran Thi Kim Khanh, Independent member of the BOD – Chairwoman of the Audit Committee;
- Mr. Nguyen Doan Liem, Member of the BOD (Non-executive) – Member of the Audit Committee.

## II. REPORT ON THE ACTIVITIES OF THE BOARD OF DIRECTORS IN 2024

### 1. Overview

The socio-economic situation of our country in 2024 continues to show a clear recovery trend, with growth gradually improving month by month, quarter by quarter; Inflation is lower than the target rate, major balances are ensured, results in many important areas meet and exceed the set targets, which is a bright spot in economic growth in the region and the world. GDP in 2024 increases by 7.09% compared to the previous year, among the countries with the highest growth in the region and the world and is highly appreciated by international organizations.

In the domestic market, the ETC market share of high-quality drugs in groups 1 and 2 is fiercely competitive between domestically produced products and imported products as many domestic pharmaceutical enterprises have put into operation and/or continue to invest in building factories that meet EU-GMP standards. Owning factories that meet EU-GMP standards is a competitive advantage for pharmaceutical manufacturers in Vietnam in participating in drug bidding at hospitals and medical facilities according to the provisions of the 2023 Law on Bidding.

According to IQVIA's Quarter 4/2024 report, Vietnam's pharmaceutical industry revenue in 2024 has reached 8.9 billion USD, equivalent to an increase of 11%. Of

which, the retail channel has grown by 12%, while the hospital channel showed a slower growth with a rate of 9% in 2024 compared to the compound annual growth rate in the last three years of more than 10% in both value and volume. In general, all aspects of the pharmaceutical distribution sector in 2024 showed a slower growth compared to the previous year, but the growth rate of generic drugs has been recorded as the highest. In addition, vaccines are also the main driving force behind the development of the entire industry, especially bacterial vaccine products with an impressive growth rate of 40%.

The Government and relevant Ministries/Sectors are highly interested in expanding international cooperation in the pharmaceutical sector through actively implementing many practical activities such as organizing and supporting the implementation of trade promotion programs, connecting domestic pharmaceutical enterprises with the world's leading pharmaceutical corporations with strengths in production technology, aiming to turn the pharmaceutical industry into a spearhead industry and shortcut the development of the Vietnamese pharmaceutical industry.

## **2. Activities of the Board of Directors in 2024**

In 2024, the Board of Directors operated according to its functions, duties and powers in compliance with the Law on Enterprises, the Company's Charter and applicable laws. Meetings by the Board of Directors were organized and conducted in accordance with the provisions of the law, the Company's Charter and regulations.

- Members of the Board of Directors fully attended in Board meetings and unanimously gave timely instructions, contributing to the implementation of the targets set forth by the General Meeting of Shareholders' Resolution.

- Matters approved by the Board of Directors during the year include:

+ Convening the 2024 Annual General Meeting of Shareholders and report contents to be presented at the Meeting; Payment of dividends for 2023 and first advance payment of dividends for 2024; Establishment of the Audit Committee and issuance of the operating regulations of the Audit Committee.

+ Assignment of duties to members of the Board of Directors.

+ Dismissal of Mr. Cong Viet Hai as General Director; Appointment of Mr. Ta Van Dung as Acting General Director.

+ Approval of 2024 plans: 2024 sales and profit plans of Business Centers; Expenditure plans and cash flow plans; Sales plans and business performance evaluation indicators, salaries and bonuses for 2024.

+ Provision for moldy during transportation.

+ Voting on matters within the authority of joint stock companies with capital contributions from Central Pharmaceutical CPC1.JSC: Tuyen Quang Pharmaceutical Joint Stock Company, Hanoi CPC1 Pharmaceutical Joint Stock Company and Imexpharm Corporation.

+ Approval of transactional contracts between the Company and related parties.

+ Assignment of duties to the Chairwoman of the Board of Directors and legal representative to conduct transactions with the Bank.

+ Establishment of the Internal Audit Department.

+ Finalization of the 2023 salary fund; Agreement on the average income of employees; Salary and bonus of the Board of Directors and Chief Accountant in 2024.

+ Other matters under the authority of the Board of Directors.

### **3. Results of the Board of Directors' supervision of the General Director and other managers**

In 2024, the Board of Directors dismissed the General Director and appointed a replacement Acting General Director, and at the same time completed the personnel of the Board of Management: Appointed 01 permanent Deputy General Director and 01 Deputy General Director of administration, personnel, and assigned duties with the aim of increasing the strength of the Board of Management in the management and business development of the Company.

The Board of Directors has directed and supervised the activities of the Board of Management, promptly resolving issues arising under the authority of the Board of Directors.

The Board of Directors assesses: The Board of Management has performed its assigned tasks in accordance with the provisions of law, the Company's Charter, the Resolutions of the General Meeting of Shareholders and the Resolutions and Decisions of the Board of Directors, specifically:

- The Board of Management has periodically reported at Board of Directors meetings or made ad hoc reports upon request when issues arise under the authority of the Board of Directors and the Chairwoman of the Board of Directors, thereby promptly providing instructions, solutions and support to facilitate the operations of the Board of Management.

- Successfully convened the 2024 Annual General Meeting of Shareholders on 11 April 2024.

- Results of implementing key tasks and solutions in 2024 under the direction of the Board of Directors:

(1) The implementation of the KPI-based salary and bonus plan for managers and all employees has just been implemented in the stage of searching and evaluating the KPI consulting unit. The Board of Directors is required to continue implementing and completing it in 2025 to improve labor efficiency and quality, attract talented personnel to contribute to the Company's development, while reviewing, evaluating, and restructuring the Company's personnel.

(2) Regarding the search and negotiation with domestic pharmaceutical manufacturers and foreign partners to exploit and develop new products: In 2024, through the introduction and direction of the parent company, Vietnam Pharmaceutical Corporation, CPC1 has been working with 01 Korean partner on the distribution of biological pharmaceuticals and continues to negotiate with 01 Japanese company to cooperate in distributing Japanese products in the Vietnamese market. During the year, CPC1 successfully conducted a centralized national drug bidding for 04 antibiotic products of 01 domestic manufacturing company for the 02 years 2024-2026; Distributed 02 new products of foreign pharmaceutical companies.



(3) Strengthened debt collection, reduced debt ratio, especially overdue receivables and bad debts: The financial resources for the Company's business activities are mainly from the money collected from customers' debts (accounting for over 99%). Therefore, the Company always pays attention and focuses on debt management and collection. The debt monitoring department always actively follows up, learns about customers' difficulties and problems, promptly supports additional forms and documents so that customers can complete their payment records soon. At the same time, closely coordinate with the sales department and sales staff to exchange information about customers such as: Payment sources, payment capacity, changes in personnel, etc.

Regarding building standards and controlling inventory: Since the Company has not been proactive in sourcing goods, has been completely dependent on suppliers/manufacturers, and goods do not arrive on schedule, the company will consider building standards for inventory in a suitable time.

(4) Regarding good control of cash flow plan to optimize financial costs: The Company has established and issued the spending plan and cash flow plan for the year. Payments to suppliers account for nearly 90% of total cash outflow, so functional departments unify payments, renegotiate payments with suppliers to extend debt period and arrange payment schedules, estimate short-term loans to ensure balance between cash inflow and cash outflow, and maintain reputation with suppliers.

(5) The repair and upgrade work to use and/or exploit the rental of the No. 1 storage warehouse system of Ho Chi Minh City Branch before September 2024: Due to design adjustments, lack of floor steel and concrete pouring for the threshold and quality control area, adding a warehouse sub-label. Change the Hardernet floor troweling plan to a 3mm thick self-leveling Epoxy paint plan that is abrasion and impact resistant. Wall skirting and Epoxy wall paint 0.8m high. Ensure the cleanliness and aesthetics of the pharmaceutical storage warehouse according to GSP standards while not incurring additional costs compared to the approved estimate, so the completion schedule needs to be extended. The branch is actively looking for partners to rent the warehouse immediately after acceptance and put into use to optimize the Company's resources.

(6) Deploying Oracle NetSuite ERP software: Oracle NetSuite ERP software has gone live since 1 January 2025; meeting requirements for management, administration, risk control and increasing work efficiency.

- Disclosed information fully, transparently and promptly in accordance with the regulations of the Stock Exchange and the State Securities Commission on regular information disclosure.

- Under the close direction of the Board of Directors, the Board of Management and management staff have operated the Company to exceed the profit target approved by the 2024 Annual General Meeting of Shareholders.

#### **4. Execution of salary and remuneration payments to the Board of Directors and the Supervisory Board**

Payment of salaries and remuneration to the Board of Directors and the Supervisory Board in accordance with the Resolution of the 2024 Annual General Meeting of Shareholders

## 5. Transactions with related parties

In 2024, the Company continued to execute and sign new transaction contracts with the following related companies:

No.	Name of organization	Relationship with the Company	Tax code	Head office address	Transaction period
1	Vietnam Pharmaceutical Corporation – JSC	Parent Company of CPC1	0100109385	12 Ngo Tat To, Van Mieu, Dong Da, Hanoi	Since 2020
2	Hanoi CPC1 Pharmaceutical Joint Stock Company	Mr. Nguyen Doan Liem - is a member of the Board of Directors of Hanoi CPC1	010408939	Ha Binh Phuong Industrial Cluster, Van Binh Commune, Thuong Tin District, Hanoi City	02 transactions starting in 2016 and 2017
3	Imexpharm Corporation	Mrs. Han Thi Khanh Vinh - is a member of the Board of Directors of Imexpharm	1400384433	No. 4, 30/4 Street, Ward 1, Cao Lanh City, Dong Thap Province	2024
4	OPC Pharmaceutical Joint Stock Company	Mrs. Han Thi Khanh Vinh - is a member of the Board of Directors of OPC	0302560110	1017 Hong Bang, Ward 12, District 6, Ho Chi Minh City	2024

All transactions comply with the provisions of law and the Charter, ensuring harmony and no conflicts of interest between the parties are detected.

## 6. Environmental and social operations

The Board of Directors acknowledges and appreciates the commitment of the Board of Management in integrating environmental, social and governance (ESG) factors into the Company's sustainable development strategy.

Regarding the environment, CPC1 has focused on fully complying with relevant legal regulations, effectively controlling waste treatment activities, saving resources, and gradually fulfilling the responsibility of a pharmaceutical importer, meeting the increasing requirements of partners in the supply chain. CPC1 has seriously declared financial contributions to support product and packaging recycling activities in accordance with the Law on Environmental Protection and its implementing guidelines.

Regarding social responsibility, the Company maintains the spirit of accompanying the community and the healthcare sector, clearly demonstrating the role of a responsible enterprise, contributing to spreading positive values to society.

The Board of Directors affirms that ESG-oriented sustainable development will continue to be the guiding principle in CPC1's development strategy, and is also a core criterion to increase sustainable value for shareholders.

## 7. Results of performing the contents of the Resolution of the 2024 Annual General Meeting of Shareholders

### 7.1 Results of performing key production and business targets

Regarding the 2024 production and business results of Central Pharmaceutical CPC1.JSC: Revenue reaches VND 2,026 billion, completing 90% of the plan, decreasing by 6% compared to 2023, however, the profit target exceeds the plan and grows at a high rate: Profit before tax reaches VND 144 billion, attaining 120% of the plan and increasing by 10% compared to 2023, specifically as follows:

*Unit: Million VND*

ITEM	Actual 2023 <sup>1</sup>	Plan 2024	Actual 2024	Actual 2024 compared to	
				Plan 2024	Actual 2023
Net revenue	2,158,359	2,250,000	2,025,737	90.0%	93.9%
Profit before tax	131,257	120,568	144,219	119.6%	109.9%
Profit after tax	102,953	96,454	113,759	117.9%	110.5%
Dividend	15%	18%	Expected 20%	111%	133%

#### Financial indicators:

INDICATOR	Unit	2023 <sup>2</sup>	2024
Gross profit margin	%	15.87	15.36
Profit before tax Margin	%	6.08	7.12
Profit after tax Margin	%	4.77	5.62
Profit after tax/Total assets (ROA)	%	8.42	8.49
Profit after tax/Equity (ROE)	%	28.24	23.47
Financial expenses/Net revenue	%	2.67	2.05
Selling expenses/Net revenue	%	6.06	6.47
General and administrative expenses/Net revenue	%	1.69	2.09

- Gross profit margin in 2024 is 15.36%, decreasing by 0.51% compared to 2023.

- Profit before tax margin increased gradually over the years, increasing in 2024 by 1.04% compared to 2023.

<sup>1</sup> Restated figures according to the Financial Statements ended 31 December 2024 audited by Ernst & Young Vietnam Limited.

<sup>2</sup> Restated figures according to the Financial Statements ended 31 December 2024 audited by Ernst & Young Vietnam Limited.

- Profit after tax margin in 2024 increases by 0.85% compared to 2023.
- Profit after tax/Total assets ratio in 2024 increases by 0.07% compared to 2023.
- Profit after tax/Equity ratio: 23.47% in 2024, decreasing by 4.77% compared to 2023.
- Financial expenses/Net revenue ratio in 2024 is 2.05%, decreasing by 0.62% compared to 2023. Selling expenses/Net revenue ratio in 2024 increases by 0.41% compared to 2023. General and administrative expenses/Net revenue ratio in 2024 increases by 0.41% compared to 2023.

## **7.2 Performance of other matters**

- Issuance of the Charter, Operating Regulations of the Board of Directors, Internal Regulations on Corporate Governance, Regulations on Organizing Online General Meetings of Shareholders upon the approval of the 2024 Annual General Meeting of Shareholders; Operating Regulations of the Audit Committee.

- Selection of Ernst & Young Vietnam Co., Ltd. as the financial statement auditor for fiscal year 2024.

- Payment of 2023 dividend at a rate of 15% in cash on 27 September 2024.

- First interim dividend payment in 2024 at a rate of 8% in cash; payment on 20 December 2024.

## **7.3 General assessment**

In 2024, the Board of Directors has been active, complied with general regulations, directed promptly, and closely supervised the activities of the Board of Management in organizing and implementing the set goals and plans. The members of the Board of Directors have fulfilled their responsibilities as Company managers in a responsible manner for the work and development of the Company. The Company has been managed and operated according to good governance practices, ensuring the reasonable use of cash flow for business activities to ensure the interests of shareholders and stakeholders. The well-implemented policies and regimes for employees have created trust and stability among employees in the Company.

## **III. ORIENTATION AND TASKS IN 2025**

### **1. Forecast of the general situation**

#### **1.1. Socio-economic situation**

Organizations such as the OECD, IMF and EU believe that the global GDP growth rate in 2025 will increase slightly or stabilize at 3,2% - 3,3%<sup>3</sup>. For Vietnam, the Government has set a GDP growth target of at least 8% in 2025 because this is a year of special importance, a year of acceleration, breakthrough, reaching the finish line and the final year of implementing the 5-year Socio-Economic Development Plan 2021 - 2025, implementing the revolution of streamlining the organizational apparatus, consolidating the fundamental factors, creating a premise for Vietnam to confidently enter a new era - an era of striving to develop richly and prosperously for the nation. At the regular meeting in January 2025, Prime Minister Pham Minh Chinh requested to continue to prioritize promoting growth, focusing

<sup>3</sup> Report attached with Official Letter No. 2257/BTC-TCDN dated 25 February 2025 of the Ministry of Finance at the Government Standing Conference working with state-owned enterprises..

on renewing traditional driving forces, promoting new driving forces. Promoting harmonious trade with major partners, effectively exploiting 17 signed free trade agreements, new markets, potential markets such as the Middle East, Latin America, Africa, etc.

## **1.2. Pharmaceutical industry situation**

The global Pharmaceutical industry is undergoing a period of strong transformation. In 2025, the Pharmaceutical industry will witness many new and advanced trends due to the impact of factors such as: Changes in the pharmaceutical market structure from chemical drugs to biologics and biosimilars, digital technology, requirements for sustainable development and green growth, etc. All will be strategic turning points that help shape the future of the entire industry.

According to IQVIA's report, the Vietnamese pharmaceutical market has a high growth rate with a total value from 3.4 billion USD in 2015 to 8.9 billion USD in 2024, corresponding to a compound growth rate of 10.5% in the period 2015 - 2024; expected to reach 10 billion USD in 2026. The country currently has more than 238 pharmaceutical factories meeting WHO-GMP standards, 17 factories meeting EU-GMP standards, mainly focusing on generic drug production, 5,144 wholesale establishments and 66,727 drug retail establishments.

According to the assessment, the Vietnamese pharmaceutical industry is currently only at level 3 according to the WHO's 4-level classification scale. The trends of the world pharmaceutical industry are both challenges and opportunities for development for Vietnamese pharmaceutical enterprises. Along with the National Assembly's approval of the Law amending and supplementing a number of articles of the Law on Pharmacy on 21 November 2024, the Ministry of Health is urgently developing a draft Decree detailing and guiding the implementation of a number of articles of the Law on Pharmacy as well as amending a series of related circulars, which will not only contribute to removing obstacles and difficulties for pharmaceutical enterprises, but also encourage domestic enterprises to research and produce high-tech drugs, specialized drugs, essential drugs, herbal medicines and traditional medicines produced from available medicinal materials in the country; Attracting investment in production, research, receiving technology transfer for the production of high-tech drugs, specialized drugs, and innovative drugs, while increasing the rate of proactively ensuring a portion of domestically produced raw materials, focusing on research and production of biological drug ingredients, drug ingredients from available medicinal materials in Vietnam, etc., creating an environment for the development of the pharmaceutical industry towards becoming a spearhead industry focusing on science and technology, research and development, bringing sustainable benefits directly to patients and the Vietnamese healthcare system, contributing to realizing the goals stated in Decision 376/QD-TTg dated 17 March 2021, Decision 1165/QD-TTg dated 9 October 2023 of the Prime Minister.

## **2. Operational directions of the Board of Directors in 2025**

In 2025, the Board of Directors will continue to maintain the regular quarterly meeting regime as prescribed and organize extraordinary meetings, collect written opinions from Board members to implement the Resolution of the 2025 Annual General Meeting of Shareholders, carry out issues related to corporate governance



and direct the implementation of the Company's key tasks in 2025, specifically as follows:

2.1 Implement the contents according to the Resolution of the 2025 Annual General Meeting of Shareholders, focusing on completing the 2025 business plan with the following targets:

No.	Item	Unit	Plan for 2025
1	Revenue	Million VND	2,187,551
2	Profit before tax	Million VND	128,785
3	Profit after tax	Million VND	103,028
4	Dividend rate	%	20

## 2.2 Key tasks to be performed by the Board of Directors in 2025

The Board of Directors directs and supervises the Board of Management in implementing key tasks:

- Actively seek and negotiate with domestic pharmaceutical manufacturers and foreign partners to diversify markets, diversify products, proactively participate in the global supply chain while ensuring stability and sustainable development.

- Develop and deploy OTC sales channels; Establish appropriate functional departments for OTC sales activities

- Complete the salary and bonus plan according to KPI for managers and all employees; Continue to innovate personnel work, recruit and effectively use human resources; Train high-quality human resources; Attract and promote talents.

- Manage debt collection well, reduce debt ratio, especially overdue receivables and bad debts.

- Strengthen advanced management, promote digital transformation, apply artificial intelligence in all aspects of the Company's operations.

- Other tasks: Continue to search for warehouse rental partners and complete the conversion of the company name on the Land Use Rights Certificate at the land areas managed and used by the Company. Disclose information fully, accurately and promptly in accordance with the law.

Above is the report of the Board of Directors assessing the performance of the Board of Directors in 2024 and the direction and tasks of operations in 2025. The results achieved in 2024 continue to affirm that Central Pharmaceutical CPC1.JSC is on the path of sustainable development. At the same time, it is also an important foundation for us to be confident in achieving greater achievements in the future. In 2025, Central Pharmaceutical CPC1.JSC commits to a growth rate of 8% or more, creating a solid foundation to achieve a double-digit growth rate in the period of 2026 - 2030 according to the Directive No. 09/CT-TTg dated 21 March 2025 of the Prime Minister and the direction of Vietnam Pharmaceutical Corporation – JSC, while approaching the milestone of celebrating the 55th anniversary of the Company's establishment in 2026.

On behalf of the Board of Directors, I would like to express my sincere thanks to the Board of Management and all employees of Central Pharmaceutical CPC1.JSC for their continuous efforts and hard work for the development and success of CPC1.

I would like to sincerely thank our shareholders, investors, customers and partners for their trust and support for the sustainable and prosperous development of CPC1.

Sincerely,

**ON BEHALF OF THE BOARD OF DIRECTORS**  
**CHAIRWOMAN**

**Recipients:**

- As above;
- Board of Directors;
- Archives: VT, Secretary.



**Han Thi Khanh Vinh**



Hanoi, 09 April 2025

**REPORT  
ON SUMMARY OF WORK IN 2024 AND PLAN FOR 2025**

To: The General Meeting of Shareholders of Central Pharmaceutical CPC1.JSC

**PART I. 2024 PERFORMANCE RESULTS**

**1. Situational characteristics**

In 2024, Vietnam's economy took place in the context of the world economy gradually recovering, global trade was still unstable, facing many risks and uncertainties. Geopolitical instability and military conflicts caused fluctuations in gasoline prices, raw material prices, freight rates, prolonging transportation and delivery times, creating pressure on inflation, slowing growth.

Our country's economy achieved a growth rate of 7.09%, exceeding the set target of 6 - 6.5%, the production of goods and services maintained a stable growth direction, ensuring to meet the consumption needs of the people and exports. The State Bank has coordinated monetary policy tools, flexibly and appropriately managed exchange rates, stabilized the foreign exchange market, contributed to maintaining macroeconomic stability and controlling inflation. The Government continued to implement policies to reduce, extend, and postpone taxes, fees, and land rents to support businesses to overcome difficulties, stabilize and develop production.

After a bright year in 2023, the growth momentum of the pharmaceutical industry slowed down in the first 10 months of 2024, especially in the first and second quarters. According to the survey results of Vietnam Report, the revenue of many enterprises did not fluctuate too much compared to the same period in 2023, but the rate of enterprises with declining profits increased significantly (from 21.1% to 37.5%).

Changes in some legal documents have a major impact on pharmaceutical businesses, including CPC1: (1) Circular 08/2023/TT-BYT, effective from 14 April 2023, abolishes Circular 14/2020/TT-BYT regulating some contents in bidding for medical equipment at public medical facilities, leading to European goods as well as Indian and Chinese goods being able to bid in the same group for one item, so the winning bid price will be the lowest price. The Company's goods are mainly European goods that cannot compete with cheap goods from India or China. (2) The 2023 Law on Bidding takes effect from 1 January 2024, but hospitals cannot implement it immediately due to the lack of guiding documents. The new bidding law also does not mention that medical facilities are allowed to purchase an additional 20% if the bidding packages do not apply the "additional purchase option" right from the planning stage of contractor selection. Therefore, the signed contracts for additional purchase of 20% are not implemented, greatly affecting the sales results in 2024.

The Company's business results are largely influenced by the source of goods and bidding activities: (1) The company won the ARV negotiation package for 2 years 2023 - 2024, however, before the package ended in March 2024, the supplier did not supply enough goods, causing a decrease in sales and affecting the Company's responsibility to supply goods to treatment facilities. The Company did not continue to participate in bidding for the ARV package for the next 02 years because the low bid did not cover the



costs; (2) The national drug procurement packages ended in August 2024, so the revenue of the 4th quarter did not grow as strongly as usual every year. During the supply process, some items were interrupted because the manufacturer did not supply enough goods.

Competition in terms of goods sources and sales policies among enterprises is increasingly fierce. In this competition, enterprises that are not public or unlisted companies and small and medium-sized enterprises are gradually gaining more advantages over CPC1 due to flexible policies and low distribution costs. In addition, revenue from some of the Company's key products has decreased due to price competition with similar products in subgroup V.

In the first 06 months of 2024, foreign currency exchange rates increased by 3%-5% compared to the beginning of the year. The Company's business sources are mainly imported, accounting for nearly 70%, due to frequent transactions in foreign currencies such as USD, EUR, SGD, the fluctuating exchange rates have affected the Company's financial resources and business results.

## 2. Business results in 2024

*Unit: Million VND*

ITEM	Actual 2023 <sup>1</sup>	Plan 2024	Actual 2024	Actual 2024/ Actual 2023	Actual 2024/ Plan 2024
Revenue from goods sold and services rendered	2,158,359	2,250,000	2,025,737	93.86%	90.0%
Revenue deductions	-		-		
Net revenue	2,158,359	2,250,000	2,025,737	93.86%	90.0%
Cost of goods sold	1,815,765		1,714,611	94.43%	
Gross profit	342,594		311,126	90.81%	
Financial revenue	16,601		22,834	137.54%	
Financial expenses	57,545		41,445	72.02%	
In which: Interest expense	17,780		12,426	69.89%	
Selling expenses	130,825		131,079	100.19%	
Administration expenses	36,385		42,377	116.47%	
Net operating profit	134,440		119,059	88.56%	
Other profits	(3,183)		25,160		
Profit before tax	131,257	120,568	144,219	109.88%	119.62%
Current CIT expense	32,184		26,581		
Deferred CIT expense	(3,879)		3,879.17		
Profit after tax	102,953	96,454	113,759	110.50%	117.94%

### Assessment:

- Net revenue in 2024 reached VND 2,025.7 billion, equivalent to 90% of the 2024 plan, decreased by 6.1% compared to 2023 (adjusted).

- Profit before tax reaching 144.2 billion VND, equivalent to 119.6% of the 2024 plan, increased by 9.9% compared to 2023 (adjusted).

<sup>1</sup> Restated figures according to the Financial Statements ended 31 December 2024 audited by Ernst & Young Vietnam Limited.

- Profit after tax: reaching 113.8 billion VND, equivalent to 117.9% of the 2024 plan, increased by 10.5% compared to 2023 (adjusted).

The Company's business situation in 2024 is more difficult than in 2023 according to the analysis of the influencing factors above. Revenue from some of the Company's key products decreased due to price competition with similar products in group V, imported goods were not on schedule, and there were some times in 2024 when there was a shortage of goods. Inventory at the end of the year increased due to imported goods being pushed back in the fourth quarter while the national drug procurement packages ended in August 2024, the source of revenue decreased, making it difficult for the Company to balance cash flow. Profit before tax and Profit after tax increased compared to 2023 because in 2024 the company received compensation from the insurance company for the shipment for which the company had set aside in 2023.

### 3. Results of performing key tasks

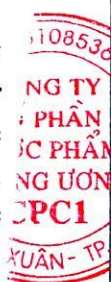
- **Expanded cooperation and exploiting and developing product sources:** In 2024, the company successfully negotiated and conducted centralized national drug bidding for 04 antibiotic products of 01 domestic manufacturing company for 02 years 2024-2026; Distributed 02 new products of foreign pharmaceutical companies. Continued to negotiate and work with 01 Korean company and 01 Japanese company to cooperate in product distribution in 2025.

- **Regarding finance:** (1) Managed receivables well, strictly implemented monthly debt reporting regulations, reconciled and collected debt reconciliation records; (2) For payables to suppliers, especially foreign partners, limited the risk of exchange rate increases, the Company regularly monitored the market, discussed with financial consultants to obtain information, forecast future exchange rate fluctuations and chose good exchange rates at the time of payment.

- **Ensured compliance:** (1) Reviewed and controlled transactions between the Company and related parties according to the provisions of law to ensure efficiency, no conflicts of interest and disadvantages for the company; (2) Participated in contributing opinions to draft changes to legal documents affecting the Company's operations such as: Draft amended Circulars of the Ministry of Health, and draft amendments and supplements to the Law on Pharmacy...;(3) Issued a set of model contracts applicable to units with key provisions ensuring compliance with legal regulations; (4) Organized dissemination, training, and participate in dissemination sessions of departments and branches to update new changes in legal documents, thereby proposing measures/solutions, issuing and amending internal regulations, rules, and procedures suitable for the Company's operations.

- **Regarding assets, facilities, machinery and equipment:**(1) Implemented the repair of the foundation of warehouse No. 1 of Ho Chi Minh Branch, scheduled to be completed in March 2025; relocated the electrical cabinet system of warehouse No. 2 as requested by the authorities to ensure fire and explosion prevention and additional camera installation at the warehouse; (2) Repaired some damaged items at the Headquarters warehouse after storm Yagi; (3) Renovated the Nghe An branch warehouse to ensure that it meets the requirements for distributing narcotic drugs, psychotropic drugs, and precursors; (4) Equiped and replaced computers for some units with the goal of upgrading to be compatible with new software... (5) Continued to adjust the legal entity for land use and register assets attached to land at address 356 - 356A Giai Phong Street.

- Officially deployed Oracle Netsuite software to replace BFO ERP software, the operational time from 1 January 2025 is slower than planned due to the complexity of the operations during the implementation process. In the coming time, the software will continue to be refined to be more complete.



- Disclosed information fully and promptly in accordance with regulations.

- In 2024, the Company continued to be honored in the list of Top 10 prestigious Vietnamese Pharmaceutical Companies - the distribution and trading industry of pharmaceuticals, equipment and medical supplies organized by Vietnam Report.

## **PART II. BUSINESS PLAN FOR 2025**

### **1. Business plan targets for 2025**

In 2025, some changes in state institutions, policies and legal documents will affect the company's operations: (1) The 2020 Law on Environmental Protection stipulates "Recycling responsibilities of organizations and individuals producing and importing", CPC1 must review and study to make annual payments to the Environmental Protection Fund; (2) Changes in the merger of state management agencies and administrative locations, therefore, the company needs to review and update, proactively carry out procedures for changing administrative management agencies in the fields of business locations, tax management... to avoid delays affecting business operations; (3) Changes in the US Government's aid policy: In early March 2025, the administration of US President Donald Trump announced the cancellation of most foreign aid contracts of the US Agency for International Development (USAID) and the decision to dissolve USAID seriously affected humanitarian programs around the world. It is necessary to assess the impact of this change on a number of contracts that have been signed and are being implemented at CPC1 to come up with a quick solution, minimizing damage to CPC1 due to objective impacts, specifically the Contract with Pepfar..., promoting the rapid resolution of outstanding issues.

Business operations face certain difficulties:(1)Competition from distribution enterprises is increasing and exchange rate pressure is affecting sales and profits, distribution fees tend to decrease, some partners stop distributing through CPC1; (2) Some of the Company's key products are out of stock or suppliers do not continue to produce, some have increased prices or price competition; (3) Revenue has decreased due to the end of large bid packages in 2024 and early 2025, creating huge pressure to compensate for revenue right from the beginning of the year, the newly won bid package at the end of 2024 can only partially compensate.

Some costs will increase in 2025 due to: (1) Changes and additions to the Board of Management; (2) Increase in land rent at 356, 356A Giai Phong due to the state increasing the unit price; (3) Costs of repairing the warehouse foundation of the Ho Chi Minh branch and repairing the warehouse and office in Hanoi; (4) Foreign currency exchange rates and interest expenses tend to increase compared to 2024; (5) Costs of implementing new ERP software and some other costs with increased unit prices such as electricity, water costs....

The Company and businesses are waiting for support from authorities on changes in policy mechanisms and more specific guidance documents when implementing the revised and supplemented Law on Pharmacy approved in November 2024, the Law on Bidding, along with the 2023 Law on Prices in a more appropriate direction.

Given the above situation, the Company has set a number of key business targets for 2025 as follows:

<b>No.</b>	<b>Item</b>	<b>Unit</b>	<b>Actual 2024</b>	<b>Plan 2025</b>	<b>Comparing Plan 2025 with Actual 2024 (%)</b>
1	Revenue	Million VND	2,025,737	2,87,551	108.0

No.	Item	Unit	Actual 2024	Plan 2025	Comparing Plan 2025 with Actual 2024 (%)
2	Profit before tax	Million VND	144,219	128,785	89.3
3	Profit after tax	Million VND	113,759	103,028	90.6
4	Dividend	%	Expected 20%	20	100.0

## 2. Key targets:

- Continue to expand cooperation with domestic and foreign partners. Develop new products: Register 5 - 8 products under the CPC1 brand.

- Develop KPIs, review, evaluate and restructure personnel.

- Develop and deploy sales channels and OTC products.

- Look for partners to rent warehouse A - warehouse no.1, Ho Chi Minh City branch to optimize resources.

- Continue to review professional regulations, processes and regulations on professional expertise to ensure full compliance with GSP, GDP and corporate governance requirements.

- Organize training courses to improve professional skills for employees of units. Organize updates and training on new legal documents to meet the business activities of the Company.

Above is the report of the Board of Management on the performance results in 2024 and the plan for 2025 of Central Pharmaceutical CPC1.JSC.

Respectfully submitted to the General Meeting of Shareholders for consideration and approval.

Sincerely,

### Recipients:

- Above;
- Board of Directors;
- Archives: VT, TCHC.

ACTING GENERAL DIRECTOR



Ta Van Dung



Số: 614/BC- CPC1

Hanoi, 09 April 2025

**REPORT ON ACTIVITIES  
OF THE INDEPENDENT BOARD MEMBER  
IN THE AUDIT COMMITTEE IN 2024**

To: General Meeting of Shareholders of Central Pharmaceutical CPC1.JSC

*- Pursuant to the Law on Enterprises No. 59/2020/QH14 dated 17 June 2020, as amended and supplemented by Law No. 03/2022/QH15 passed by the National Assembly on 11 January 2022;*

*- Pursuant to the Charter of Central Pharmaceutical CPC1.JSC issued on 11 April 2024;*

*- Pursuant to the Operational Regulations of the Audit Committee.*

I, Mrs. Tran Thi Kim Khanh, Independent Member of the Board of Directors and Chairwoman of the Audit Committee of Central Pharmaceutical CPC1.JSC, respectfully present to the General Meeting of Shareholders the following report on the supervising activities of the Audit Committee in 2024:

**I. Organization and Activities of the Audit Committee**

The Audit Committee, under the Board of Directors, was established pursuant to Resolution No. 32/NQ-BOD dated 12 June 2024. Its members include:

- Mrs. Tran Thi Kim Khanh – Independent Board Member, Chairwoman of the Committee.

- Mr. Nguyen Doan Liem – Non-executive Board Member, Committee Member.

The Committee operates in accordance with the Regulations issued by the Board of Directors, ensuring full compliance with legal provisions and the Company's Charter. In 2024, the Committee held two regular meetings to review, discuss, and provide opinions on matters within its assigned functions.

**II. Evaluation of Coordination with the Board of Directors, Board of Management, and Other Key Managers**

Throughout the supervising process, the Audit Committee maintained effective coordination with members of the Board of Directors, the Board of Management, and relevant departments. The Board of Management facilitated the supervision work by providing timely and sufficient information. Based on this, the Audit Committee analyzed, consolidated, and presented recommendations to the Board of Directors in meetings to improve management practices and enhance operational efficiency.



### **III. Supervision Results in 2024**

#### **1. Supervision of Financial Statements**

The Audit Committee reviewed and assessed the 2024 Financial Statements after the audit conducted by Ernst & Young Vietnam Limited. The financial statements were prepared in accordance with Vietnamese Accounting Standards and accurately reflected the Company's financial position and business results.

The accounting policies and estimation methods were applied consistently, with no material changes recorded in the reporting period. The independent auditing firm issued an unqualified opinion, and the financial statements were disclosed in accordance with regulations.

#### **2. Supervision of Related Party Transactions**

The Audit Committee reviewed transactions with related parties and found them to be transparent and compliant with applicable laws, the Company's Charter, and internal regulations. No signs of conflict of interest or regulatory violations were detected in the executed transactions.

#### **3. Internal Control and Risk Management System**

In 2024, the Audit Committee coordinated with the Internal Audit Department of the parent company – Vietnam Pharmaceutical Corporation - JSC – to develop and implement a thematic audit plan at CPC1. Recommendations from the internal audit were seriously considered and implemented by the Board of Management. The Company also enhanced its control capabilities by improving risk management processes, supported by the newly established Legal Department.

#### **4. Supervision of the Board of Directors, Board of Management, and Independent Auditor**

The Audit Committee closely monitored the activities of the Board of Directors through participation in meetings, information exchange, and voting on critical matters. The Board of Management's operations were deemed compliant with the strategic direction and effectively implemented the Board's resolutions.

The independent auditing firm, Ernst & Young, fulfilled its contractual obligations and maintained objectivity and independence throughout the audit process.

### **IV. Activity Orientation for 2025**

In 2025, the Audit Committee will focus on the following key tasks:

- Monitoring the quality of the preparation and presentation of periodic financial statements to ensure accuracy, reasonableness, and compliance with accounting standards and legal requirements;
- Evaluating the effectiveness of the internal control and risk management systems, including follow-up on the implementation of internal and external audit recommendations;
- Strengthening the Internal Audit Department by consolidating personnel and aiming to build a dedicated team within the Company, in replacement of the current support mechanism from the parent company;

- Reviewing and providing opinions on related party transactions subject to the approval of the Board of Directors or the General Meeting of Shareholders, ensuring compliance and conflict-of-interest prevention;
- Proposing the appointment of the independent auditor for 2025 to the General Meeting of Shareholders, and monitoring the auditor's independence and objectivity throughout the engagement;
- Enhancing coordination between the Audit Committee, the Board of Directors, the Board of Management, and relevant departments to improve supervision effectiveness and promote transparent and professional corporate governance across the Company.

#### **V. Conclusion**

- The Audit Committee has fulfilled its assigned functions and duties, contributing to improved transparency and effectiveness in corporate governance.
- As an Independent Board Member, I commit to continued close collaboration with the Board of Directors and the Board of Management in strengthening the governance system, increasing shareholder value, and supporting the sustainable development of the Company.

Sincerely thank the General Meeting of Shareholders for your trust and support.

#### **Recipients:**

- *As above;*
- *Board of Directors;*
- *Archives: Clerical, Secretary.*

#### **INDEPENDENT BOARD MEMBER CHAIRWOMAN OF THE AUDIT COMMITTEE**



**Tran Thi Kim Khanh**





Hanoi, 09 April 2025

**PROPOSAL**  
**2025 ANNUAL GENERAL MEETING OF SHAREHOLDERS**  
**Regarding the Approval of the Audited 2024 Financial Statements**

To: GENERAL MEETING OF SHAREHOLDERS  
CENTRAL PHARMACEUTICAL CPC1.JSC

Pursuant to the Law on Enterprises No. 59/2020/QH14 dated June 17, 2020, as amended and supplemented by Law No. 03/2022/QH15, passed by the National Assembly on January 11, 2022;

Pursuant to the Charter of Central Pharmaceutical CPC1.JSC;

Pursuant to the audited 2024 Financial Statements of Central Pharmaceutical CPC1.JSC.

The Board of Directors of Central Pharmaceutical CPC1.JSC respectfully submits to the General Meeting of Shareholders for approval the audited Financial Statements of Central Pharmaceutical CPC1.JSC, which were audited by Ernst & Young Vietnam Limited Liability Company and issued on 31 March 2025. The 2024 Financial Statements have been published on the Company's website.

Respectfully submitted to the General Meeting of Shareholders for consideration and approval.

Respectfully

**Recipients:**

- As above;
- Archives: VT, Secretary.

**ON BEHALF OF THE BOARD OF DIRECTORS**



**CHAIRWOMAN**

**Han Thi Khanh Vinh**



**PROPOSAL**  
**2025 ANNUAL GENERAL MEETING OF SHAREHOLDERS**  
**Approval of the 2024 Profit Distribution Report and the 2025**  
**Profit Distribution Plan**

*To:* GENERAL MEETING OF SHAREHOLDERS  
CENTRAL PHARMACEUTICAL CPC1.JSC

Pursuant to the Law on Enterprises No. 59/2020/QH14 dated June 17, 2020, as amended and supplemented by Law No. 03/2022/QH15, passed by the National Assembly on January 11, 2022;

Pursuant to the Charter of Central Pharmaceutical CPC1.JSC;

Pursuant to the audited 2024 Financial Statements of Central Pharmaceutical CPC1.JSC.

The Board of Directors of Central Pharmaceutical CPC1.JSC respectfully reports to the General Meeting of Shareholders on the profit distribution for 2024 and the profit distribution plan for 2025 as follows:

**1. Profit Distribution for 2024**

*Unit: VND*

No	Category	Planned 2024	Proposal for adjustment	Actual Amount
1	Retained Earnings from Previous Years			93,138,292,343
2	Adjusted additional Profit after tax			92,398,247,706
3	Net Profit After Tax for 2024	96.454.000.000		113,758,603,232
4	Total Distributable Profit for 2024			299,295,143,281
	<b>Including:</b>			
4.1	Dividend Payment	18%	20%	41,958,000,000
4.2	Allocation to Welfare Fund	4 billion		4,000,000,000
4.3	Bonus Fund Allocation for Achieving and Exceeding Profit Targets	Achieving and Exceeding Profit Targets 5% of net profit after tax if targets are met and an additional 10%		7,418,390,485



No	Category	Planned 2024	Proposal for adjustment	Actual Amount
		for exceeding targets		
4.4	Bonus Allocation for the Board of Directors, Executive Board, Chief Accountant, and Corporate Secretary	BOD: 2 months of remuneration per member Corporate Secretary: 2 months of remuneration		101,333,333
		- Executive Board, Chief Accountant: 1.5 months of actual salary in 2024		246,250,000
5	<b>Remaining Undistributed Net Profit</b>			<b>245,571,169,463</b>

## 2. Profit Distribution Plan for 2025

No	Category	2025 Plan
1	Welfare Fund Allocation	4 billion VND
2	Dividend Payout Ratio	18%
3	Bonus Fund Allocation for Achieving and Exceeding Profit Targets	5% of net profit after tax if targets are met, plus an additional 10% for exceeding targets
4	Bonus Allocation for the Board of Directors, Executive Board, Chief Accountant, and Corporate Secretary	-BOD: 2 months of remuneration per member - Corporate Secretary: 2 months of remuneration - Executive Board, Chief Accountant: 1.5 months of actual salary in 2025

The Board of Directors respectfully submits to the General Meeting of Shareholders for review and approval.

Respectfully

**Recipients:**

- As above;
- Archives: VT, Secretary.

**ON BEHALF OF THE BOARD OF DIRECTORS  
CHAIRWOMAN**



**Han Thi Khanh Vinh**



Hanoi, 09 April 2025

**PROPOSAL****Proposal on the Selection of the Independent Auditor for Fiscal Year 2025**

To: GENERAL MEETING OF SHAREHOLDERS  
CENTRAL PHARMACEUTICAL CPC1, JSC

Pursuant to the Law on Enterprises No. 59/2020/QH14 dated June 17, 2020, as amended and supplemented by Law No. 03/2022/QH15, passed by the National Assembly on January 11, 2022;

Pursuant to the Charter of Central Pharmaceutical CPC1.JSC.

The Board of Directors respectfully submits to the 2025 Annual General Meeting of Shareholders the proposal to select an independent auditing firm to conduct the review of the semi-annual financial statements and the audit of the Company's 2025 financial statements, as follows:

**1. Criteria for Selecting the Auditing Firm**

- The audit should be listed by the State Securities Commission as eligible to audit financial statements.
- The firm should have proven experience in auditing pharmaceutical and listed enterprises.
- It should have a qualified team of auditors capable of meeting the Company's audit timelines.
- The audit fee should be competitive and aligned with market standards.

**2. Proposal**

Based on the above criteria, the Board of Directors proposes selecting one of the Big Four auditing firms (Ernst & Young Vietnam Limited, Price Waterhouse Coopers Vietnam Limited, KPMG Vietnam Limited, Deloitte Vietnam Limited) to conduct the review of the semi-financial statements and the audit of the Company's 2025 financial statements.

We respectfully request the General Meeting of Shareholders to authorize the Board of Directors to decide on the selection of a suitable auditing firm.

In the event that negotiations with the big Four audit firms are unsuccessful, we respectfully request the General Meeting of Shareholders to approve authorizing the Board of Directors to select another audit firm from the list published by the Ministry of Finance/State Securities Commission.

We respectfully submit this proposal for the General Meeting's review and approval.

Respectfully.

**Recipients:**

- As above;
- Archives: VT,  
Secretary.

**ON BEHALF OF THE BOARD OF DIRECTORS****CHAIRWOMAN****Han Thi Khanh Vinh**

**PROPOSAL****2025 ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**Regarding the report on the remuneration of the Board of Directors (BOD), Supervisory Board (SB), and the Chief Supervisor's salary for 2024, and the approval of the 2025 BOD remuneration plan.**

To: GENERAL MEETING OF SHAREHOLDERS  
CENTRAL PHARMACEUTICAL CPC1.JSC

The Board of Directors of Central Pharmaceutical CPC1.JSC respectfully reports to the 2025 Annual General Meeting of Shareholders on the remuneration of the Board of Directors (BOD), the Supervisory Board (SB), and the Chief Supervisor's salary for 2024, as well as the 2025 BOD remuneration plan, as follows:

**A. Report on the Remuneration of the Board of Directors (BOD), the Supervisory Board (SB), and the Chief Supervisor's Salary for 2024**

Based on the Resolution of the 2024 Annual General Meeting of Shareholders of CPC1 Central Pharmaceutical CPC1.JSC approved on April 11, 2024;

Based on the business performance results of 2024;

The Board of Directors respectfully submits to the 2025 Annual General Meeting of Shareholders for consideration and approval the remuneration of the Board of Directors (BOD), the Supervisory Board (SB), and the Chief Supervisor's salary for 2024 as follows:

The remuneration fund for the Board of Directors (BOD), the Supervisory Board (SB), and the Chief Supervisor's salary for 2024: 748,363,636 VND

*(Seven hundred forty-eight million, three hundred sixty-three thousand, six hundred thirty-six VND).*

Details are as follows:

Unit: VND

No	Position	Amount 2024
<b>I</b>	<b>Board of Directors (BOD)</b>	
1	Chairwoman of the BOD	196,272,727
2	Independent Board Member	129,545,455
3	BOD Member	274,545,455
<b>II</b>	<b>Supervisory Board (SB) (as of April 10, 2024)</b>	
1	Chief of SB	134,545,455
2	Supervisory Board Member	13,454,545

**B. 2025 BOD Remuneration Plan**

Based on the Charter of Central Pharmaceutical CPC1.JSC;

Based on the 2025 business plan.

The Board of Directors respectfully submits to the 2025 Annual General Meeting of Shareholders for approval the 2025 BOD Remuneration Plan as follows:

No	Position	Quantity	2025 Plan (VND/month)
1	Chairman of the BOD	1	25,000,000
2	Independent Board Member	1	20,000,000
3	BOD Member	3	8,000,000

We respectfully submit this proposal for the General Meeting's review and approval.  
Respectfully

**Recipients:**

- As above;
- Archives: VT, Secretary.

**ON BEHALF OF THE BOARD OF DIRECTORS  
CHAIRWOMAN**



**Han Thi Khanh Vinh**

