



Hanoi, ... March 2026

DRAFT

REPORT OF THE BOARD OF DIRECTORS
On performance of the 2021-2026 term
and the orientation and tasks for the 2026-2031 term

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

Pursuant to the Law on Enterprises No. 59/2020/QH14 passed by the National Assembly of the Socialist Republic of Vietnam on 17 June 2020, as amended and supplemented by Law No. 03/2022/QH15 passed on 11 January 2022 and Law No. 76/2025/QH15 passed on 17 June 2025;

Pursuant to the Charter of Central Pharmaceutical CPC1.JSC (5th amendment) dated 11 April 2024.

The Board of Directors of Central Pharmaceutical CPC1.JSC respectfully reports to the General Meeting of Shareholders on the performance of the Board of Directors during the 2021-2026 term and the orientation and tasks for the 2026-2031 term as follows:

During its second term (2021-2026), the Board of Directors of Central Pharmaceutical CPC1.JSC has fully performed its functions, duties, and powers in accordance with the Law on Enterprises, the Company's Charter, internal corporate governance regulations, and relevant legal provisions. The Board of Directors has proactively carried out governance activities, provided strategic direction, and supervised management operations to ensure the Company's stable and sustainable development.

I. THE BOARD OF DIRECTORS AND AUDIT COMMITTEE FOR THE 2021-2026 TERM

1. Board of Directors (BOD)

During the 2021-2026 term, the Company's Board of Directors was duly consolidated in accordance with applicable laws and the Company's Charter. The composition of the Board ensures a balance among executive members, non-executive members, and independent members, thereby enhancing transparency, objectivity, and the effectiveness of corporate governance.

Members of the Board of Directors have fully fulfilled their responsibilities in participating in strategic planning, making key decisions, and supervising management operations.

No.	Members of the Board of Directors	Position	Appointment Date/ Dismissal Date	
			Appointment Date	Dismissal Date
1	Ms. Han Thi Khanh Vinh	Chairwoman	26 April 2021	
2	Ms. Tran Thi Kim Khanh	Independent Member	11 April 2024	
3	Mr. Nguyen Huy Thanh	Member	26 April 2021	
4	Ms. Bui Thi Thanh Hai	Member	11 April 2024	
5	Mr. Nguyen Doan Liem	Member	26 April 2021	
6	Ms. Nguyen Hong Nhung	Member	26 April 2021	11 April 2024
7	Ms. Nguyen Thuy Dung	Member	26 April 2021	11 April 2024

2. Audit Committee

On 11 April 2024, the 2024 Annual General Meeting of Shareholders approved the change in the Company's organizational structure and management model in accordance with Point b, Clause 1, Article 137 of the Law on Enterprises. Accordingly, the Company adopted a governance model comprising the General Meeting of Shareholders, the Board of Directors, and the General Director, and established an Audit Committee under the Board of Directors. This transition complies with legal regulations and contributes to improving the governance mechanism toward greater modernity, transparency, and efficiency.

On 12 June 2024, the Board of Directors issued resolutions and decisions on the establishment of the Audit Committee and promulgated the Charter of Organization and Operation of the Audit Committee. The Audit Committee is responsible for assisting the Board of Directors in overseeing the internal control system, risk management, financial reporting, and legal compliance.

No.	Members of the Audit Committee	Position	Appointment Date/ Dismissal Date		Qualification
			Appointment Date	Dismissal Date	
1	Ms. Tran Thi Kim Khanh	Chairwoman	12 June 2024		Master of Business Administration
2	Mr. Nguyen Doan Liem	Member	12 June 2024		Bachelor of Pharmacy

II. ACTIVITIES OF THE BOARD OF DIRECTORS FOR THE 2021–2026 TERM

1. General Assessment

The 2021–2026 term took place in the context of significant fluctuations in both the domestic and global economies. The early period of the term was heavily impacted by the COVID-19 pandemic, leading to disruptions in global pharmaceutical supply chains, volatility in raw material prices and logistics costs. In addition, the global tightening of monetary policies increased capital costs, while geopolitical risks and exchange rate fluctuations exerted pressure on input costs and business performance.

For the pharmaceutical industry, the 2021–2026 period presented numerous challenges but also opened up new development opportunities. Meanwhile, population aging, rising per capita income, and the Government’s policy of expanding universal health insurance coverage served as key drivers supporting the steady growth of Vietnam’s pharmaceutical market. However, in the context of high interest rates, significant exchange rate volatility, and disrupted global supply chains, pharmaceutical companies in Vietnam faced increasing input costs, directly affecting expenses, profit margins, and operational efficiency. Furthermore, prior to the effective date of the amended Law on Pharmacy (1 July 2025), certain issues related to delays in the issuance and renewal of drug registration licenses, as well as mechanisms for bidding and payment settlement in the ETC channel, had a partial impact on business operations.

In response to this context, the Board of Directors identified key strategic directions to ensure stable operations and enhance the Company’s competitiveness, including:

- Stabilizing business operations in the post-pandemic period;
- Promoting sustainable profit growth;
- Enhancing corporate governance and risk management capabilities;
- Strengthening the financial foundation;
- Expanding cooperation with domestic and international partners.

During the term, the Board of Directors held periodic meetings and conducted written consultations in accordance with regulations to promptly review and decide on matters within its authority. Meetings were conducted in compliance with regulations, with the participation of the Board of Management and relevant departments, ensuring that decisions were thoroughly discussed, objective, and effective.

2. Key Matters Reviewed and Resolved by the Board of Directors

During the 2021–2026 term, the Board of Directors focused on directing and resolving several important matters, including:

Organizational and governance matters

- Electing the Chairperson of the Board of Directors for the 2021–2026 term;
- Appointing and dismissing the General Director and consolidating the Board of Management.
- Assigning responsibilities among members of the Board of Directors.
- Establishing specialized departments to enhance governance efficiency, including the IT Department, Legal Department, Internal Audit Department, and Marketing Department.
- Establishing the Audit Committee and issuing its Charter of Organization and Operation.

Enhancement of governance framework

- Issuing and amending key regulations such as the Financial Management Regulation, Internal Spending Regulation, and Regulation on the Management of Capital Representatives.
- Clearly defining the roles and responsibilities of the Board of Directors, the Chairperson, and the General Director.
- Strengthening internal control systems and risk management.

Strategy and business development

- Approving annual plans for revenue, profit, cash flow, and performance indicators.
- Directing the expansion of cooperation with domestic and international partners, and seeking and developing new supply sources.
- Participating in decisions related to the Company's capital contributions in other enterprises.

Financial management

- Approving financial plans and cash flow plans.
- Approving transactions with banks.
- Reviewing related-party transactions and dividend policies.

Overall assessment: During the 2021–2026 term, the Board of Directors effectively fulfilled its role in providing strategic direction, supervising management, and issuing key decisions, thereby contributing to improved governance capacity and operational efficiency of the Company.

III. SUPERVISION BY THE BOARD OF DIRECTORS OVER THE BOARD OF MANAGEMENT

During the 2021–2026 term, the Board of Directors exercised its supervisory function over the Board of Management and managerial staff through:

- Periodic meetings of the Board of Directors.
- Periodic and ad hoc reports submitted by the Board of Management.
- The system of financial statements and management reports.
- The activities of the Supervisory Board/Audit Committee and the Internal Audit function.

Through these mechanisms, the Board of Directors closely monitored the Company's operations and promptly issued directions and solutions to address challenges and enhance management and operational efficiency.

The Board of Directors assesses that the Board of Management and the managerial team have generally fulfilled their assigned duties, complied with legal regulations, the Company's Charter, resolutions of the General Meeting of Shareholders, and resolutions of the Board of Directors. Throughout each year of the term, the Board of Management proactively implemented various measures to maintain stable business operations amid fluctuations in the pharmaceutical market.

Key highlights in management and operations include:

- Maintaining stable business operations.
- Expanding cooperation with domestic and international partners to develop supply sources and new products.
- Strengthening cost management, cash flow management, and receivables collection.
- Implementing information technology projects and enterprise management systems (ERP).
- Enhancing internal control systems and risk management.

During the supervision process, the Board of Directors also identified certain shortcomings in management activities, including:

- Slow implementation of certain internal regulations.
- Insufficient proactiveness in seeking and developing new supply sources.
- The need for further improvement in receivables collection and inventory management.
- Inefficiencies in workforce allocation and restructuring.

The Board of Directors has requested the Board of Management to develop corrective measures to enhance governance effectiveness and ensure the Company's sustainable development.

IV. PERFORMANCE RESULTS IN 2025 AND THE 2021 - 2026 TERM

1. Performance results in 2025

1.1. Results of key business targets

Unit: Million VND

No.	Item	Actual 2024	Plan 2025	Actual 2025	Actual 2025/Actual 2024	Actual 2025/Plan 2025
1	Revenue	2,025,737	2,187,551	2,134,450	105.4%	97.6%
2	Profit before tax	144,219	128,785	140,540	97.5%	109.1%
3	Profit after tax	113,759	103,028	113,082	99.4%	109.8%

The business performance in 2025 shows that the Company continued to maintain stability despite ongoing market challenges. Specifically, revenue reached 2,134.45 billion VND, an increase of 5.4% compared to 2024; however, it fell short of the annual target (achieving 97.6% of the plan).

In terms of profitability, profit before tax amounted to 140.54 billion VND, a slight decrease of 2.5% compared to 2024 but exceeding the target by 9.1%. Profit after tax reached 113.08 billion VND, equivalent to 99.4% of the previous year's figure and surpassing the 2025 plan by 9.8%.

These results indicate that the Company effectively controlled costs and improved operational efficiency, thereby offsetting the shortfall in revenue and ensuring that profit targets were exceeded. This reflects the management's flexibility and effectiveness in adapting to market fluctuations.

1.2. Performance results of other key tasks

🚦 Organizational and Human Resources

In 2025, the Company conducted a review and restructuring of its workforce toward a leaner and more efficient model. The reorganization was carried out based on actual needs, ensuring appropriate allocation in line with the functions and responsibilities of each unit, while fully complying with legal regulations and internal policies. As a result, the number of employees was reduced, contributing to cost savings and improved efficiency in the use of human resources.

Alongside this restructuring process, the Company implemented the BSC-KPI project and a salary and bonus system linked to work performance. Evaluation criteria were clearly defined and gradually applied according to a roadmap, thereby enhancing labor productivity and strengthening the proactiveness and accountability of employees. At the same time, remuneration policies were adjusted to align with performance outcomes, creating motivation and supporting the attraction and retention of qualified personnel.

🚦 ERP Implementation

From 1 January 2025, the Company officially implemented the Oracle NetSuite software, replacing the BFO ERP system. The adoption of Oracle NetSuite enables the Company to standardize and fully integrate management activities across finance and accounting, procurement, warehousing, and sales, thereby improving transparency, controllability, and operational efficiency. In addition, the new system provides real-time data, supporting the Management in making timely and accurate decisions, strengthening risk management and compliance, and establishing a solid foundation for digital transformation and sustainable development in the coming period.

🚦 Upgrade of GSP Warehouse Capacity

In 2025, the Company completed the renovation and upgrade of Warehouse A at its Ho Chi Minh City Branch located in Tan Tao Industrial Park. The upgrade was carried out in full compliance with GSP standards, thereby enhancing storage, preservation, and distribution capacity, while optimizing the utilization efficiency of the Company's existing facilities.

2. Performance results for the 2021-2026 term

2.1. Implementation results of key business targets

During the 2021-2026 term, despite facing numerous difficulties and challenges arising from the overall economic environment and market fluctuations, under the close and decisive direction of the Board of Directors and its Chairman, along with the flexible management of the Board of Management and the unity and continuous efforts of all employees, the Company maintained stable business operations and gradually adapted effectively to these changes.

The Company not only sustained reasonable growth but also fulfilled most of the targets set by the General Meeting of Shareholders, notably achieving and exceeding profit targets. This affirms the Company's governance capability, operational efficiency, and solid foundation for sustainable development.

2.2. Summary of Key Performance Indicators

Unit: Billion VND

Item/ Year	Revenue			Profit before tax			Dividend
	Plan	Actual	Actual/Plan	Plan	Actual	Actual/Plan	
2021	2,100.0	2,182.4	103.9%	52	56.9	109.4%	18%
2022	2,200.0	2,159.4	98.2%	57	66.5	114.9%	15%
2023	2,250.0	2,158.3	95.9%	66.5	145.1	218.1%	15%
2024	2,250.0	2,025.7	90.0%	120.6	144.2	119.6%	20%
2025	2,187.5	2,134.5	97.6%	128.8	140.5	109.1%	25% ^(*)

(*) The dividend rate is submitted to the 2026 Annual General Meeting of Shareholders for consideration and approval.

2.3. Key financial indicators

No.	Item	Unit	2021	2022	2023	2024	2025
I	Liquidity Ratios						
1	Current ratio	Times	1.12	1.13	1.37	1.41	1.32
2	Quick ratio	Times	0.79	0.71	0.78	0.60	0.55
II	Capital Structure Ratios						
1	Debt-to-total assets ratio	Times	0.77	0.77	0.64	0.63	0.69
2	Debt-to-equity ratio	Times	3.28	3.27	1.81	1.72	2.27
III	Operating Efficiency Ratios						
1	Inventory turnover	Turnover	4.79	5.69	4.24	2.85	2.11
2	Receivables turnover	Turnover	3.64	3.49	3.62	3.68	3.88
3	Working capital turnover	Turnover	21.65	19.45	10.35	6.10	5.41
4	Total asset turnover	Turnover	1.81	1.88	1.77	1.51	1.29
IV	Profitability Ratios						
1	Net profit / Net revenue	%	2.06%	2.34%	4.77%	5.62%	5.30%
2	Return on average equity (ROE)	%	17.24%	18.86%	28.24%	23.47%	20.54%
3	Return on average assets (ROA)	%	3.74%	4.41%	8.42%	8.49%	6.81%
V	Financial Capacity Indicators						
1	Revenue CAGR	%	6%	-1.10%	-0.04%	-6.10%	5.30%
2	Profit before tax CAGR	%	9.60%	15.10%	100.40%	9.80%	-2.60%

Liquidity Ratios

The Company's liquidity remained at a safe level during the 2021–2025 period; the current ratio consistently stayed above 1, indicating a relatively strong ability to meet short-term obligations.

Capital Structure Ratios

The capital structure generally improved compared to the early years of the period, as the debt-to-total assets ratio declined from the higher levels recorded in 2021-2022 to lower levels in subsequent years.

Operating Efficiency Ratios

Operating efficiency indicators were largely maintained at stable levels, ensuring effective operations and asset utilization.

Profitability Ratios

The Company's profitability indicators showed clear improvement during the 2023–2024 period, with profit margins, ROE, and ROA all increasing significantly, reflecting enhanced business performance.

Financial Capacity Indicators

- Revenue CAGR fluctuated over the years, with negative growth recorded in the 2023-2024 period due to market conditions and operational restructuring. However, in 2025, revenue showed a positive recovery, demonstrating the Company's adaptability and flexible management.

- Profit before tax CAGR remained positive overall, with a notable surge in 2023, reflecting effective cost management and optimization of business operations.

2.4. Assessment of the implementation of GMS Resolutions during the term

During the 2021-2026 term, in order to effectively implement the resolutions of the General Meeting of Shareholders (GMS), the Company faced numerous fluctuations in both the domestic and global economies, geopolitical uncertainties, inflationary pressures, and changes in regulatory policies in the pharmaceutical sector. In this context, the Board of Directors acted proactively and flexibly in its governance role, while strengthening its direction and supervision over the Board of Management to ensure stable operations and sustainable development. Specifically:

✚ Revenue remained stable despite market volatility

Throughout the term, the Company's annual revenue was maintained at over 2,000 billion VND per year, reflecting a stable scale of operations within the pharmaceutical industry. However, from 2022 onwards, revenue was affected by several external factors, including:

- Disruptions in global pharmaceutical supply chains;
- Exchange rate fluctuations and rising import costs of raw materials;
- Bottlenecks in drug procurement mechanisms at healthcare facilities;
- Periodic declines in market demand.

Nevertheless, the Company's annual revenue consistently achieved at least 90% of the planned target, ensuring stable revenue scale and maintaining market share.

✚ Strong profit growth, exceeding targets in multiple years

One of the most notable highlights of the term was the significant improvement in business performance, particularly in profitability.

From a profit before tax of 56.9 billion VND in 2021, the Company recorded impressive growth, surpassing 100 billion VND from 2023 onwards and maintaining this level consistently thereafter. Notably, in 2023 alone, profit before tax experienced exceptional growth, exceeding 218% of the target set by the General Meeting of Shareholders.

These positive results clearly demonstrate the effectiveness of management, as the Company implemented comprehensive measures to optimize costs, improve profit margins, and enhance financial management efficiency, thereby strengthening the foundation for sustainable medium- and long-term growth.

Improved financial efficiency

The Company's financial indicators showed positive trends during the term:

- Pre-tax and after-tax profit margins increased over the years, indicating improved business efficiency.
- Financial expenses as a proportion of revenue decreased, reflecting more effective capital management.
- ROA and ROE remained at favorable levels compared to industry averages.

These results affirm the increasingly effective and sustainable financial management of the Company.

Stable dividend policy, ensuring shareholders' interests

During the term, the Company consistently maintained a reasonable dividend policy, balancing the interests of shareholders with the need to accumulate capital for business operations and development investments.

Maintaining a stable and consistent dividend policy not only ensured shareholders' benefits but also enhanced the Company's reputation and image in the market, while strengthening investor confidence in its long-term sustainable development strategy.

V. CORPORATE GOVERNANCE

During the 2021-2026 term, the Board of Directors implemented several important reforms to enhance governance efficiency and corporate value.

1. Improvement of the governance model

The Company adopted a streamlined governance model to enhance transparency and standardize governance in line with best practices:

- General Meeting of Shareholders, Board of Directors, and General Director.
- Ensuring that at least 20% of Board members are independent members.
- Establishment of the Audit Committee under the Board of Directors.

2. Strengthening supervision and risk control

The Board of Directors closely supervised the implementation of GMS resolutions, approved investment and business cooperation policies, and monitored financial activities, receivables, and cash flows. At the same time, the Company applied modern management systems to enhance operational efficiency.

3. Acting in the interests of shareholders

The Board of Directors ensured the achievement and, in many years, the exceeding of profit targets, while maintaining financial stability. This has contributed to increasing corporate value and strengthening the Company's reputation in the market.

VI. OVERALL ASSESSMENT FOR THE 2021–2026 TERM

1. Key achievements

- Revenue consistently maintained at over 2,000 billion VND per year.
- Profit reached record-high levels in the Company's history.
- The governance model was improved towards greater transparency and professionalism.
- The financial foundation was significantly strengthened, creating favorable conditions for sustainable development.

2. Remaining issues and challenges

- Market volatility and regulatory changes in the pharmaceutical sector continue to pose potential risks.
- Increasingly intense competition within the industry.
- The Company needs to further enhance its market forecasting capability and develop new products to maintain its competitive advantage.

VII. ORIENTATION FOR THE 2026–2031 TERM

1. Forecast for 2026 and pharmaceutical industry trends for 2026-2031

In 2026, Vietnam aims to achieve GDP growth of over 10%, targeting a per capita income of approximately 5,400–5,500 USD. However, this growth outlook is accompanied by rising living costs, particularly in the healthcare sector.

Although household purchasing power and out-of-pocket spending capacity are under pressure, Vietnam's pharmaceutical market continues to be considered one of the key growth markets in Southeast Asia. Many international research organizations forecast that the market size could reach approximately 15–16 billion USD in the coming period, corresponding to a compound annual growth rate of around 7%–9%. This outlook is mainly driven by factors such as population aging, the rise of non-communicable diseases, and the impact of environmental pollution.

However, market growth is increasingly diverging across distribution channels, with a growing focus on the hospital channel (ETC), which currently accounts for approximately 70%-76% of total market share and continues to outperform the OTC channel in terms of growth. This trend is supported by health insurance coverage reaching 95% of the population by the end of 2025, and is expected to be further reinforced by government policies aimed at expanding access to basic healthcare services.

Based on the achievements attained during the 2021-2026 term, together with the development trends of the pharmaceutical industry in the coming period, the Board of Directors has identified the 2026-2031 term as a phase to shape a sustainable development strategy, strengthen competitive positioning, and enhance long-term shareholder value. The Board of Directors aims to develop the Company into a leading enterprise in the pharmaceutical industry, capable of flexibly adapting to market fluctuations while improving operational efficiency and governance quality. The key strategic directions proposed are as follows:

2. Sustainable revenue and profit growth

The Board of Directors aims to maintain and expand the Company's business scale while optimizing cost structure and operational efficiency to ensure stable and sustainable profitability over the years. The Company will focus on key markets, expand its distribution network, and enhance competitiveness to adapt to fluctuations in both domestic and international pharmaceutical markets.

Business plan targets for 2026:

No.	Item	Unit	Actual 2025	Plan 2026	Plan 2026/ Actual 2025 (%)
1	Revenue	Million VND	2,134,450	2,363,642	110.74%
2	Profit before tax	Million VND	140,540	154,587	110.00%
3	Profit after tax	Million VND	113,082	123,669	109.36%
4	Dividend	%	Expected 25%	27%	100.00%

Key business targets for the 2026 - 2031 term:

Unit: Million VND

No.	Item	Plan 2026	Plan 2030	CAGR (%)
1	Revenue	2,363,642	3,000,000	7%-10%
2	Profit before tax	154,587	200,000	8%-10%

The business plan for the 2026–2030 period is developed based on a strategy of stable and sustainable growth, with a focus on improving operational efficiency, in line with the Company's financial capacity, market expansion capability, product portfolio development orientation, and the growth trends of the pharmaceutical industry in the coming years.

During the 2026-2030 period, the Company targets an average annual revenue growth rate of approximately 8%–10%, and an average annual growth rate in profit before tax of approximately 7%–10%, focusing on enhancing governance efficiency, optimizing costs, developing key products, and expanding the distribution system. At the same time, the Company will continue to strengthen financial risk control, inventory management, and capital efficiency to ensure growth aligned with operational effectiveness and financial safety.

The targets up to 2030 are developed based on the assumption that the business environment and government policies in the pharmaceutical sector remain relatively stable. In the event of significant market fluctuations beyond the Company's control (such as geopolitical tensions, changes in procurement policies, exchange rate volatility, financial cost increases, or regulatory changes), the Board of Directors will instruct the Board of Management to review and assess the impacts and submit adjustments of the targets to the General Meeting of Shareholders for consideration in line with actual conditions.

3. Promoting new product development and expanding international cooperation

The Company prioritizes research and development of high-quality pharmaceutical products to meet the diverse demands of both domestic and international markets. Expanding cooperation with international strategic partners will enhance R&D capabilities, facilitate the application of new technologies, improve product quality, and broaden the Company's brand presence in the global market.

4. Enhancing governance capacity in line with modern standards

The Board of Directors identifies corporate governance as a central objective and top priority in the Company's governance orientation and sustainable development strategy. The quality of corporate governance is a key factor determining the efficiency of capital utilization, the effectiveness of risk management, and the protection of the legitimate rights and interests of shareholders, while also contributing to strengthening the Company's reputation and position in the capital market. On that basis, the Board of Directors directs the Board of Management to proactively shift from a passive compliance mindset to a proactive compliance approach, aiming to control and mitigate risks and move toward modern and effective governance.

In line with this orientation, the Board of Directors instructs the Board of Management to enhance the implementation of comprehensive and systematic risk management, considering it an integral component of modern corporate governance, in order to proactively identify, control, and mitigate potential risks arising in the course of operations.

5. Training and development of successor personnel

To ensure resources for medium- and long-term development strategies, the Board of Directors directs the Board of Management to develop specific action plans for training and developing successor personnel, focusing on the following key areas:

- Completing competency frameworks and job standards for each position, especially key managerial roles, as a basis for periodic evaluation and individual development roadmaps.
- Implementing targeted training programs combining internal training and external experts, focusing on core competencies such as executive management, financial management, sales management, leadership skills, and strategic thinking; while promoting on-the-job training to ensure practical applicability and effectiveness.
- Strengthening succession planning through the identification, evaluation, and development of high-potential employees, assigning them challenging tasks, involving them in key projects, and rotating positions to enhance experience and overall capability.
- Closely linking performance evaluation systems (KPI/BSC) with remuneration and talent development policies to motivate employees, encourage continuous learning, and foster long-term commitment to the Company.
- Gradually building a culture of continuous learning and sustainable development across the Company, encouraging innovation, creativity, and knowledge sharing to form a high-quality talent pipeline.

6. Comprehensive digital transformation

To enhance governance efficiency and competitiveness, the Board of Directors directs the implementation of a comprehensive digital transformation across the Company. Key focus

areas include developing an overall digital transformation roadmap; applying management systems to optimize operations; accelerating the digitalization of business, distribution, and customer care activities; strengthening data governance; and enhancing data analytics and decision-making capabilities. In parallel, the Company will focus on developing digital talent and fostering a digital culture, laying the foundation for sustainable growth in the coming period.

7. Enhancing long-term shareholder value

The ultimate objective of the term is to create sustainable value for shareholders through maintaining stable profitability, developing high-value products, and enhancing the Company's reputation and market position. The Board of Directors is committed to implementing long-term strategies to ensure stable, sustainable growth and maximize long-term benefits for shareholders.

With these strategic orientations, the Board of Directors is confident that the Company will continue to grow strongly, maintain its position in the industry, and build a solid foundation for long-term objectives, thereby enhancing sustainable value for all shareholders and related parties.

VIII. ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES

The Board of Directors acknowledges and highly appreciates the proactive efforts of the Board of Management in gradually integrating environmental, social, and governance (ESG) factors into the Company's sustainable development strategy, in line with modern governance trends and best practices.

Regarding environmental responsibilities, the Company strictly complies with all legal regulations on environmental protection in its operations. CPC1 has implemented waste control and management measures in accordance with regulations, utilized resources efficiently and responsibly, and enhanced corporate responsibility within the pharmaceutical supply chain. The Company has also fulfilled its obligations as an importer in compliance with applicable laws, including declaration and financial contributions to support product and packaging recycling activities in accordance with the Law on Environmental Protection and its guiding regulations.

Regarding social responsibilities, the Company places strong emphasis on community-oriented activities and contributions to the healthcare sector, thereby improving the quality of healthcare services for the public. In addition, the Company focuses on building a stable, safe, and transparent working environment, ensuring the legitimate rights and interests of employees, and strengthening the human resource foundation for long-term development.

The Board of Directors affirms that ESG-oriented sustainable development will continue to be a key direction in the Company's long-term strategy. The implementation of environmental, social, and governance commitments not only enhances the Company's reputation and competitiveness but also creates a solid foundation for sustainable value creation for shareholders and related parties.

IX. CONCLUSION

The 2021-2026 term was a period marked by significant fluctuations and challenges, while also recording important achievements in maintaining stable operations and gradually improving business efficiency. Amid strong impacts on the pharmaceutical market from the pandemic, supply chain disruptions, and increasing competitive pressures, the Board of

Directors effectively fulfilled its role in strategic direction, operational oversight, and enhancing shareholder value.

Throughout the term, the Board of Directors focused on directing the implementation of key solutions to stabilize business operations, control costs, strengthen risk management, and reinforce the Company's financial foundation. As a result, the Company achieved its major business targets while progressively improving its governance system toward greater transparency and professionalism, in line with legal requirements and market practices.

These achievements provide an important foundation for the Company to continue implementing its development orientations for the 2026–2031 term, aiming for stable growth and enhanced competitiveness in the market.

The Board of Directors remains committed to fulfilling its mission with responsibility, transparency, and efficiency, ensuring shareholders' interests, promoting sustainable development, and maintaining stable growth, thereby enhancing value for shareholders and stakeholders in the future.

On behalf of the Board of Directors, I would like to express my sincere appreciation to the Management, and all employees of Central Pharmaceutical CPC1.JSC for their continuous efforts and dedication to the Company's development and success. We also extend our heartfelt thanks to our valued shareholders, investors, customers, and partners for their continued trust and support in building a sustainable and prosperous CPC1.

Sincerely,

Recipients:

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

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

Han Thi Khanh Vinh