TIPHARCO PHARMACEUTICAL
JOINT STOCK COMPANY

ANNUAL REPORT 2024



**TOTAL QUALITY** 



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### **GENERAL INFORMATION**

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Minual Report 2024

the company currently holds licenses to produce and distribute 228 pharmaceutical products in the Vietnamese market. These registrations span and dietary supplements. The product portfolio includes antibiotics, central nervous system drugs, musculoskeletal treatments, respiratory medications, cough and cold remedies, allergy and immune support products, digestive aids, drugs, herbal medicines, and health supplements. Notable examples include:



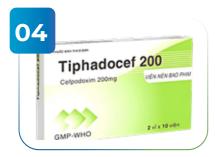




**AUCLATYL 500MG/125MG** 

**AUCLANITYL 500MG/125MG** 

**CEFCENAT 50.VN** 







**CLARITHROMYCIN 500MG** 



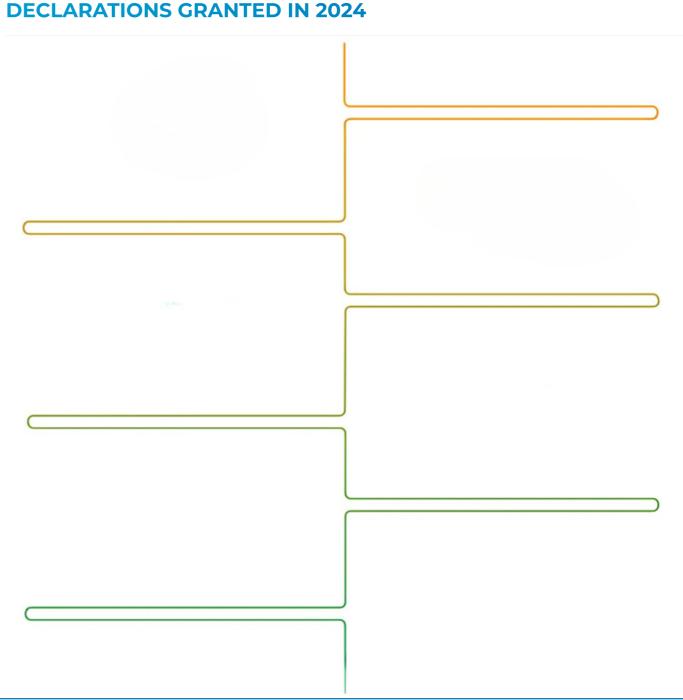
**METFORMIN 850MG** 



SIRÔ HEDERA.VN



NEW DRUG REGISTRATIONS AND HEALTH SUPPLEMENT







Currently, the company's products are distributed to domestic consumers through various channels, including pharmacies, pharmacy chains, hospitals, and pharmaceutical distribution companies. As a result, revenue and profit from the domestic market still account for the vast majority of total sales.

The year 2024 marked a significant milestone as the company officially exported its products for the first time to the Cambodian market. This export  ${\it activity} was conducted through domestic$ partners responsible for distribution and sales in Cambodia.

In addition, several distribution partners are actively exploring opportunities to introduce Tipharco's products to other Southeast Asian markets such as Laos and Singapore, as well as expand into countries in West Asia and Africa







2023 On July 12, 2023, Tipharco's stock (DTG)

was officially transferred from UPCOM to the Hanoi Stock Exchange (HNX). The

company paid dividends for 2022 in both

cash and shares, increasing its charter

capital to VND 72,632,100,000.



#### 1977

The company separated its production and distribution activities, forming two units: Tien Giang Pharmaceutical Enterprise, responsible for manufacturing and cultivating medicinal herbs, and Level II Pharmaceutical Company, in charge of distribution.



#### 1993

Tien Giang Pharmaceutical Enterprise was merged into Tien Giang United Pharmaceutical Enterprise



2017

Tipharco's stock

on

(ticker

listed

2017.

### 2019

symbol: DTG) was officially The company's health supple-UPCOM market ment manuon February 28, facturing plant achieved



Issued shares to pay dividends for 2023, raising the charter capital to VND 83,525,730,000.

2024



Tipharco became the seventh business segment of Bamboo Capital Group, responsible for the pharmaceutical division. In the same year, Tipharco established Tesla Pharmaceutical JSC with the goal of expanding its distribution channels



#### 1976

The company was established under the name Tien Giang Pharmaceutical Company, with the function of manufacturing, trading, and distributing pharmaceutical products to district-level pharmaceutical branches.



Thecompanywasrestructured into a state-owned enterprise and renamed Tien Giang Pharmaceutical and Medical **Equipment Company** 



#### 2006

The company was converted into a joint stock company and renamed Tipharco Pharmaceutical Joint Stock Company

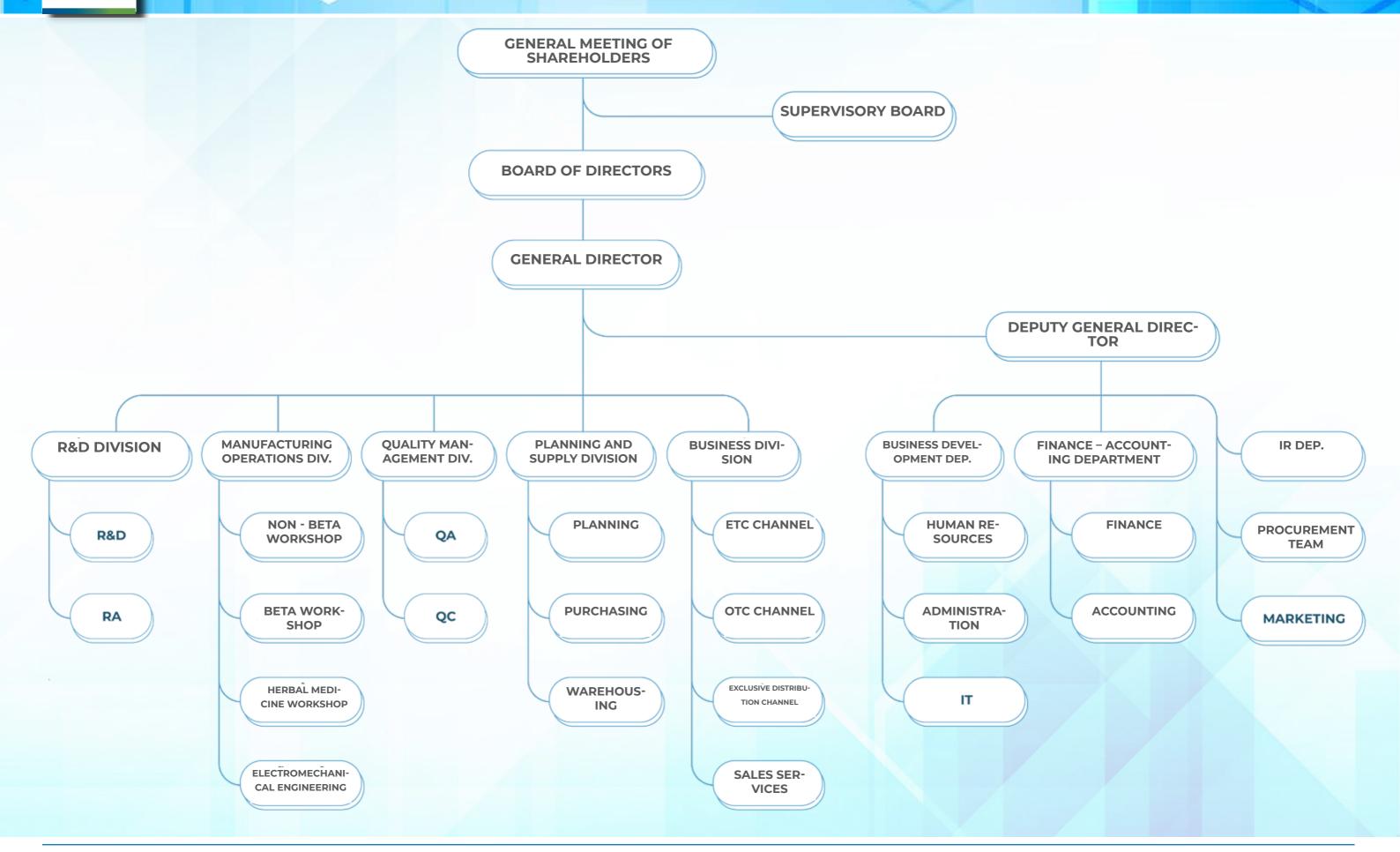


#### 2018

Completion commissioning of the company's herbal medicine production plant.







- » Equipped with modern, high-capacity machinery
- » Fully equipped quality control and testing systems
- » Production lines for tablets, capsules, film-coated tablets, effervescent tablets, granules, and oral powders

Street, My Tho City Construction area : 2,230 m2

**HERBAL MEDICINE** 

MANUFACTURING PLANT

Manufacturing standard

: WHO-GMP

**Designed** capacity

Location

172 million units/

: 15 Doc Binh Kieu

year

#### MODERN MEDICINE PLANT

: 15 Doc Binh Kieu Location

Street, My Tho City

Construction area

: 2,500 m2

Manufacturing standard

: WHO-GMP

**Designed** capacity

. 722 million product units/year

- » Equipped with modern, high-capacity machinery
- » Fully equipped quality control and testing systems
- » Production lines for tablets, capsules, film-coated tablets, effervescent tablets, granules, and oral powders

#### **SUBSIDIARIES AND AFFILIATES**

None



#### October 11, 2024

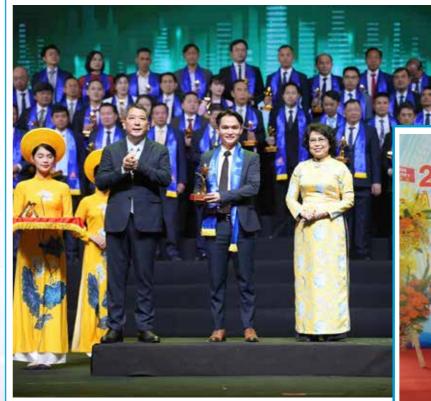
Tipharco was honored with the title "Outstanding Manufacturing and Business Enterprise in Tien Giang Province in 2024."

#### **January 18, 2024**

Tipharco was awarded in the "Top 10 Outstanding Innovative Vietnamese Enterprises" (7th edition).

**December 24, 2024** 

Tipharco was named among the "Top 200 Vietnam Gold Star Award" winners.





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#### **MARKET SIZE**

According to a 2023 report by IQVIA, Vietnam's pharmaceutical industry is projected to maintain a stable growth trajectory, with a compound annual growth rate (CAGR) of 6% to 8% during the 2023–2028 period. Per capita healthcare spending is expected to increase from USD 237 to USD 328 in the same time frame. Currently, Vietnam is the second-largest pharmaceutical market in Southeast Asia, following Indonesia.



VIn terms of supply, domestically manufactured pharmaceutical products currently meet approximately 60% of market demand. Under the National Strategy for Pharmaceutical Industry Development to 2030, the goal is to have locally manufactured drugs meet 80% of domestic demand and account for 70% of the market value. Additionally, the strategy targets localization of 20% of the input raw material demand, aiming to establish Vietnam as a regional hub for high-

# GROWTH PROSPECTS FOR VIETNAM'S PHARMACEUTICAL SECTOR

Economic growth and rising income levels continue to support industry expansion. Vietnam's GDP is estimated to grow by 7.09% in 2024, with the 2025 target set above 8%. Per capita GDP is projected to rise from USD 4,300 in 2023 to approximately USD 4,900 by 2025, enhancing the population's capacity to spend on healthcare.

Public awareness of health and wellness is increasing. According to a 2023 survey by Roland Berger, up to 78% of respondents expressed willingness to spend more on health-related products and services, indicating strong consumption growth potential in the industry.

The country's rapidly aging population presents both challenges and opportunities for the pharmaceutical sector. Vietnam is

among the fastest-aging populations globally. With a population exceeding 100 million, the proportion of citizens aged 60 and above reached 13.9% in 2023 and is expected to surpass 25% by 2050. By 2036, Vietnam will officially transition into an aged society. Older individuals typically require more medication and healthcare services due to age-related conditions.

The government continues to roll out supportive policies for the domestic pharmaceutical sector. These new policies aim to promote local production, reduce dependency on imports, and encourage investment in research and development, thereby enhancing competitiveness and the industry's self-sufficiency.

# CORE OBJECTIVES

Tipharco aims to offer a diverse product portfolio with superior quality to meet the varied needs of consumers. The company is oriented toward developing a wide range of pharmaceutical products, from western medicines to traditional herbal remedies, ensuring international quality standards at accessible costs for the domestic market and catering to multiple customer segments.

All products manufactured at Tipharco's facilities strictly comply with rigorous quality standards. The company is committed to delivering safe, effective, and internationally compliant products for medical treatment.

In addition, Tipharco focuses on developing modern, effective treatment solutions that are easy to use, costefficient, and minimize side effects



compared to traditional chemical pharmaceuticals. The company aspires to help people improve their health in a natural, safe, and sustainable way.

As part of its long-term strategy, Tipharco aims to expand its market reach and enhance export capacity. While continuing to strengthen its position in the domestic market, the company is committed to building a reputable pharmaceutical brand in Southeast Asia and other potential international markets, contributing to elevating Vietnam's pharmaceutical industry on the global map.



### MEDIUM- AND LONG-TERM STRATEGIC **DEVELOPMENT**

- Accelerate Research and Development (R&D): Tipharco invests heavily in R&D to expand its product portfolio, addressing the increasingly diverse and demanding needs of the market. Strengthening R&D also enhances the company's competitiveness and reinforces its position in the pharmaceutical industry.
- Optimize production processes and apply modern technologies: The company focuses on optimizing manufacturing through advanced technology, improving efficiency, ensuring strict quality control, shortening time-to-market, and reducing production costs. These efforts lay the groundwork for sustainable operational efficiency.
- Invest in modern facilities and quality control systems: Tipharco is gradually constructing new manufacturing plants equipped with cutting-edge technology and modern production lines. At the same time, it is implementing strict international quality control systems, especially those in compliance with EU-GMP regulations.
- Boost development of herbal product lines: As part of its product diversification



- strategy, Tipharco aims to increase the share of herbal products in its revenue structure and offerings. The company is actively researching natural, safe, and well-tolerated herbal-based medicines that effectively support treatment by integrating modern and traditional medicine.
- Promote strategic partnerships and market expansion: Tipharco seeks to strengthen cooperation with strategic partners both domestically and internationally, expand its distribution network, and develop product lines tailored to the needs, consumption habits, and legal requirements of each target market worldwide.



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# **SUSTAINABLE DEVELOPMENT GOALS**

#### **Environmental Goals**

Tipharco strongly recognizes that protecting the environment and contributing to sustainable social development is a shared responsibility of the business community. Across all operations, the company embraces green, eco-friendly production models, minimizing negative impacts on surrounding ecosystems.

The company implements advanced manufacturing processes, invests in renewable energy at its plants, and rolls out resource optimization strategies through initiatives such as:

- » Minimizing waste generation
- » Conserving and reusing water
- » Using eco-friendly packaging and materials
- » Promoting recycling and energy conservation

In addition, Tipharco actively works to reduce greenhouse gas emissions and explores carbon credit mechanisms to offset its emissions, aiming for sustainable development that harmonizes economic growth with environmental protection.

#### **Social and Community Goals**

As a company in the healthcare sector, Tipharco is not only committed to delivering high-quality products but also actively engages in community initiatives for a healthier and more sustainable society. Key focuses include:

- » Improving health and workplace safety: Constantly enhancing the working environment to ensure safety and wellness for employees while improving internal health and welfare standards.
- » Promoting public health and education: Supporting public health programs, providing free medical checkups and treatment, and contributing to education initiatives in underprivileged areas to improve living conditions and development opportunities.
- » Supporting local enterprises: Prioritizing local suppliers and service providers to boost regional economic development and create more job opportunities.
- » Focusing on a sustainable future: All of Tipharco's efforts aim to create long-lasting value for the community and contribute to building a better future for generations to come.



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### COPING WITH COMPETITIVE PRODUCT RISKS

» According to the Director of the Drug Administration of Vietnam (DAV) in December 2024, Vietnam currently has 238 pharmaceutical manufacturing plants that meet WHO-GMP standards. However, only 19 plants have achieved EU-GMP or equivalent certifications—one of the most stringent international standards. The domestic pharmaceutical sector has managed to cover all 13 categories of essential medicines as defined by the World Health Organization (WHO), comprising over 800 different active pharmaceutical ingredients (APIs). Local enterprises have also succeeded in producing specialized dosage forms such as extended-release tablets, lyophilized injections, effervescent tablets, and targeted therapies for cardiovascular diseases, diabetes, and

endocrine disorders.

- » This rapid development has intensified competition—not only among domestic manufacturers but also between local and international pharmaceutical companies.
- » In response, Tipharco recognizes the need for proactive investment to enhance its competitiveness. The company is developing plans to attract investment and construct new facilities that meet EU-GMP standards, aiming to improve product quality and expand access to international markets.
- » Simultaneously, Tipharco focuses on research and development (R&D) of generic and biosimilar drugs to stay ahead of market trends. The company also strengthens partnerships with strategic investment and manufacturing partners to optimize production processes, improve operational efficiency, and reduce costs—laying a solid foundation for long-term sustainable growth.

### COPING WITH POLICY CHANGE RISKS

- » As a publicly listed company on the Hanoi Stock Exchange (HNX), Tipharco is required to strictly comply with existing legal regulations, including the Law on Enterprises, the Law on Securities, the Labor Code, and related decrees, circulars, and sub-laws.
- » Given that Vietnam's legal framework is evolving, with frequent updates to policies and regulations, 2024 saw the National Assembly pass Law No. 56/2024/QH15, amending nine key laws including the Securities Law. Additionally, the Ministry of Finance issued Circular No. 68/2024/TT-BTC to revise regulations aimed at facilitating Vietnam's upgrade to emerging market status.
- » As a pharmaceutical manufacturer, Tipharco must also comply with sector-specific legislation such as the Law on Pharmacy and the Law on Procurement. Notably, the amended Law on Pharmacy—approved on November 21, 2024, and effective from July 1, 2025—introduces several positive changes,

including streamlined administrative procedures and enhanced incentives for pharmaceutical businesses, helping reduce costs and improve access to medicines for the public.

- » In recognition of the legal environment's significant impact on operations, Tipharco has established an internal legal department to monitor regulatory changes and advise management on potential implications. This team is also tasked with identifying and mitigating legal risks to ensure the company remains fully compliant.
- » Additionally, Tipharco is implementing an internal reporting system to handle legal queries and issues as they arise, allowing employees to report regulatory conflicts or procedural difficulties. By proactively managing policy risks and fostering a culture of compliance, Tipharco aims to maintain operational transparency and build a professional, sustainable brand in the market.







### COPING WITH EXCHANGE RATE RISKS

As a company that imports part of its pharmaceutical ingredients and equipment while selling domestically produced products in the local market, Tipharco is directly affected by exchange rate fluctuations, particularly involving the US dollar—the dominant currency in international pharmaceutical trade.

In 2024, the USD/VND exchange rate reached a record high, with the interbank rate hitting VND 25,485/USD by the end of December—an increase of 4.6% from the beginning of the year. This sharp rise significantly raised import costs, adversely affecting Tipharco's profit margins and business performance.

#### **COPING WITH OTHER RISKS**

In addition to economic, regulatory, and market risks, Tipharco's operations are also exposed to force majeure risks such as natural disasters, fires, earthquakes, epidemics, and climate change. While such events cannot be completely prevented, the company can take measures to minimize their impact.

To safeguard assets, Tipharco maintains comprehensive insurance coverage for all factories, offices, and business locations to ensure recovery and continuity in the event of major disruptions.

At the same time, the company has developed response scenarios and contingency plans tailored to specific risk types. Early warning systems, evacuation maps, and emergency response procedures are regularly reviewed and

» To mitigate these impacts, Tipharco's Finance and Accounting Department has taken proactive measures, including: » Closely monitoring and regularly updating exchange rate movements in domestic and international markets

Forecasting exchange rate trends and developing scenarios to balance foreign currency needs in the short and medium term

Through these strategies, Tipharco has maintained financial stability amid market volatility and strengthened its capacity to manage financial risks—creating a solid foundation for sustainable business development.

updated to enhance readiness.

Tipharco also prioritizes disaster response training, particularly in fire prevention and firefighting (FPFF). Regular drills are conducted for all employees to raise awareness and improve responsiveness in emergencies, ultimately protecting human life and company assets.

These efforts demonstrate Tipharco's strong commitment to building a safe, stable working environment and maintaining resilient production capabilities, even under uncontrollable adverse conditions.

### COPING WITH RAW MATERIAL SUPPLY RISKS

A portion of Tipharco's raw materials is imported from foreign markets. In 2024, complex geopolitical developments and fluctuations in global oil prices directly impacted the supply chain, resulting in longer lead times, higher transportation costs, and increased prices for key raw materials.

Moreover, pharmaceutical regulations in Vietnam require that only pre-approved APIs from the Drug Administration of Vietnam be used in production, limiting the company's flexibility to switch suppliers when market disruptions occur. To address these challenges, Tipharco has developed an effective and long-term plan to manage raw material risks. The Supply Planning Department plays a central role in closely monitoring price movements and making timely procurement decisions to ensure cost control and supply stability. The company also actively seeks new suppliers with equivalent quality standards and ensures compliance with technical

and regulatory requirements. The Supply Planning Department collaborates with the R&D Division to register additional raw materials with the DAV. This strategy not only diversifies the supply base but also strengthens Tipharco's negotiating power, reinforcing its competitive edge in a dynamic market environment.







# **OPERATION IN THE YEAR** 1. Business Performance in 2024 2. Organization and Human Resources 3. Investment Activities and Project Implementation 4. Financial Performance 5. Shareholder Structure and Changes in Equity Investment SIRO

#### TIPHARCO'S BUSINESS PERFORMANCE IN 2024 IS SUMMARIZED IN THE TABLE BE-LOW:

STT	Indicators	TH 2023	KH 2024	TH 2024	%ТН/КН	%2024/ 2023
1	Net revenue	372,6	406,0	364,1	89,7%	97,7%
2	Profit before tax	37,7	40,8	29,0	71,1%	77,0%
3	Profit after tax	30,6	33,2	23,1	69,7%	75,6%
4	Dividend	20%	15%	15%	100,0%	75,0%

> Following an impressive year in 2023, the pharmaceutical industry's growth slowed down in 2024 due to weak purchasing power in the OTC market and rising production costs. Amid these challenging industry conditions, Tipharco's business results fell short of the annual plan. However, the company's leadership implemented a flexible business strategy, effectively leveraging competitive advantages and focusing on targeted customer segments. As a result, Tipharco maintained relatively stable revenue, with only a slight decline compared to 2023. Specifically, net revenue in 2024 reached VND 364.1 billion, representing a 2.3% decrease year-overyear.

> In 2024, global economic fluctuations, supply chain disruptions, and a sharp increase in the USD/VND exchange rate contributed to higher raw material costs, pushing up overall production expenses and adversely affecting Tipharco's profit margins. Additionally, operating expenses rose significantly compared to the previous year. Consequently, Tipharco recorded a pre-tax profit of VND 29.0 billion and a post-tax profit of VND 23.1 billion, down 23.0% and 24.4%, respectively, from 2023.

#### **TIPHARCO'S BUSINESS PERFORMANCE IN 2024:**

Indicators	TH 2023	KH 2024	TH 2024	%ТН/КН	%2024/ 2023
Net revenue	372,6	100,0%	364,1	100,0%	97,7%
Cost of goods sold	284,9	76,5%	286,2	78,6%	100,5%
Gross profit	87,7	23,5%	77,9	21,4%	88,8%
Selling expenses	14,2	3,8%	12,3	3,4%	86,9%
Administrative expenses	28,5	7,7%	31,2	8,6%	109,6%
Financial revenue	0,1	0,0%	0,3	0,1%	311,6%
Financial expenses	8,0	2,2%	6,0	1,7%	75,4%
Profit from business activities	37,0	9,9%	28,6	7,9%	77,3%
Other profits	0,6	0,2%	0,4	0,1%	73,7%
Profit before tax	37,7	10,1%	29,0	8,0%	77,0%
Profit after tax	30,6	8,2%	23,1	6,4%	75,6%



#### LIST OF EXECUTIVE LEADERSHIP

No.	Member	Position	Ownership percentage		
I. Bo					
1	Mr. Dang Viet Anh	Chairman of the Board	0%		
2	Mr. Le Thanh Tung	Vice Chairman of the Board Chief Executive Officer (CEO)	0,17%		
		Member of the Board of Directors			
3	Mrs. Ly Thi Xuan Mai	Deputy Chief Executive Officer (Deputy CEO)	0,17%		
4	Mrs. Dang Thi Thu Hang	Member of the Board of Directors	24,41%		
5	Mrs. Tran Thi Kieu Tien	Member of the Board of Directors	0%		
6	Mr. Luu Hoai Nam	Member of the Board of Directors	1,44%		
7	Mr. Thai Van Hung	Independent Member of the Board of Directors	0%		
8	Mr. Nguyen Quoc Khanh	Independent Member of the Board of Directors	0%		
II. S	upervisory Board				
1	Mr. Dong Hai Ha	Head of the Supervisory Board	0%		
2	Mrs. Tran Thi Bich Nhi	Deputy Head of the Supervisory Board	0%		
3	Mr. Le Van Son	Member of the Supervisory Board	0%		
III. E	III. Executive Management Team				
1	Mrs. Le Thi My Tien	Chief Accountant	0,01%		





#### **PROFILE OF EXECUTIVE LEADERSHIP**

01

#### Mr. Dang Viet Anh Member of BOD

- > Year of birth: 1978
- > Education: Master of Business Administration
- > Positions held at other organizations:

Kon Tum Sugar JSC – Chairman of the BOD	Kon Tum Sugar JSC – Chair- man of the BOD	
Son La Sugarcane JSC – Chairman of the BOD	From 10/2015 – present	

### 02

#### Mr. Le Thanh Tung Member of BOD cum CEO

- > Year of birth: 1990
- **Education:** PhD in Investment and Finance
- > Positions held at other organizations:

BCG Energy JSC – Member of the Board of Directors	From 06/2023 – present
TRACODI JSC – Member of the Board of Directors	From 04/2023 – present
BCG Land JSC – Member of the Board of Directors	From 07/2023 – present

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#### PROFILE OF EXECUTIVE LEADERSHIP

Ms. Ly Thi Xuan Mai **Member of BOD cum Deputy General Director** 

> Year of birth: 1992

> Education: Bachelor of Finance

> Positions held at other organizations: None

Ms. Dang Thi Thu Hang **Member of BOD** 

> Year of birth: 1977

> Education: Bachelor of Commerce

> Positions held at other organizations:

Nam Phuong Ha Tien Co., Ltd – Chairwoman	From 08/2022 – present
Kon Tum Sugar JSC – General Director	From 10/2019 – present
Tra Vinh Sugar JSC – Chairwoman of the Board	From 10/2019 – present

#### Mr. Luu Hoai Nam **Member of BOD**

> Year of birth: 1984

**Education:** Bachelor of International Economics

> Positions held at other organizations: None

#### Ms. Tran Thi Kieu Tien **Member of BOD**

> Year of birth: 1984

**Education:** Bachelor's Degree

> Positions held at other organizations:

Tesla Pharma JSC – Chairwoman of the Board	From 01/2024 – present
Magnolia Investment JSC – CEO / Board Member	From 02/2021 – present
Phuong Nam Ecotourism JSC – General Director	From 07/2023 – present
An Giang JV Mining and Construction Materials Co., Ltd – Member of the Members' Council	From 03/2024 – present
HTC Holding JSC – Independent Board Member	From 04/2024 – present
BCG Eco JSC – Member of the Board of Directors	From 08/2024 – present

#### Mr. Thai Van Hung **Independent Member of BOD**

> Year of birth: 1972

> Education: Bachelor in Chemical Engineering

> Positions held at other organizations:

Tuy Hoa Sugar JSC – Vice Chairman cum Deputy CEO	Since 12/2019
Son La Sugar JSC – BOD Member cum Deputy CEO	Since 09/2018
Kon Tum Sugar JSC – BOD Member cum Deputy CEO	Since 09/2018

#### PROFILE OF EXECUTIVE LEADERSHIP

#### Mr. Nguyen Quoc Khanh **Independent Member of BOD**

> Year of birth: 1984

> Education: Engineer in Food Technology, BA in Business Ad-

ministration, BA in English Linguistics
> Positions held at other organizations:

Vinamilk JSC – Executive Director of R&D	From 09/2009 – present
Driftwood Dairy Holding Corp – Independent BOD Member	From 03/2014 – present
Asia Coconut Processing JSC – BOD Member	From 03/2018 – present
Gilimex JSC – Independent BOD Member	From 04/2019 – present
Bamboo Capital Group – Independent BOD Member	From 05/2019 – present
Tapiotek JSC – Vice Chairman of the BOD	From 10/2022 – present



#### Mr. Dong Hai Ha **Head of Supervisory Board**

> Year of birth: 1977

> Education: Civil Engineer, Master in Construction Management,

Bachelor of Law

> Positions held at other organizations:

BCG Energy JSC – Head of Supervisory Board	From 07/2022 – present
Aurai Wind Energy JSC – BOD Member	From 08/2020 – present
BCG Wind Soc Trang JSC – BOD Member	From 09/2020 – present
BCG Khai Long Wind Power 1 JSC – Vice Chairman of the BOD	From 02/2021 – present
BCG Khai Long Wind Power 2 JSC – Vice Chairman of the BOD	From 10/2020 – present
BCG Khai Long Wind Power 3 JSC – Vice Chairman of the BOD	From 05/2021 – present
Dong Thanh Wind Power 1 Co., Ltd – Member of Members' Council	From 02/2021 – present
Dong Thanh Wind Power 2 Co., Ltd – Member of Members' Council	From 02/2022 – present
BCG Land JSC – Head of Supervisory Board	From 06/2022 – present
Bamboo Capital Group – Head of Supervisory Board	From 07/2022 – present
AAA Insurance JSC – Head of Supervisory Board	From 08/2022 – present
Nguyen Hoang Development JSC – Head of Supervisory Board	From 05/2023 – present
Tracodi E&C Co., Ltd – Head of Supervisory Board	From 06/2023 – present

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#### PROFILE OF EXECUTIVE LEADERSHIP

Ms. Tran Thi Bich Nhi **Deputy Head of Supervisory Board** 

> Year of birth: 1964

> Education: Bachelor of Economics

> Positions held at other organizations:

Son La Sugar JSC – Member of the Board of Di-From 05/2016 - present rectors Kon Tum Sugar JSC – Head of Supervisory Board From 07/2015 – present

Mr. Le Van Son **Member of the Supervisory Board** 

> Year of birth: 1959

**Education:** Bachelor of Law

> Positions held at other organizations:

Vietnam Taxi Co. – Chairman of the Members' Council	From 02/2023 – present
Dai Nam Security Co., Ltd – Independent Council Member	From 03/2023 – present
BCG Foundation JSC – Member of the Board of Directors	From 04/2024 – present



#### Ms. Le Thi My Tien **Chief Accountant**

> Year of birth: 1978

> Education: Bachelor of Economics (Major in Finance & Credit)

> Career Background:

10/1999 – 07/2003: Tien Giang Pharma & Medical Co. – Accounting Staff

07/2003 - 08/2012: Tien Giang Pharma & Medical Co. - Deputy Head of Accounting Dept

02/2006 – 08/2012: Tipharco JSC – Head of Supervisory Board

(Equitization 02/2006) - Deputy Head of Accounting Dept

From 08/2012 – present: Tipharco JSC – Chief Accountant

**> Positions held at other organizations:** None

#### **CHANGES IN EXECUTIVE MANAGEMENT IN 2024: None**



#### **NUMBER OF EMPLOYEES:**

No.	Indicators	2023	2024
	Total Number of Employees	278	265
1	Breakdown by Gender		
_	Male	126	119
	Female	152	146
2	Breakdown by Age Group		
	Under 30 years old	66	64
_	30–50 years old	196	179
	Over 50 years old	16	22
3	Breakdown by Functional Division		
_	Production Division	108	113
	Sales Division	37	32
_	Support Division	133	120
4	Breakdown by Management Level		
_	Executive Management	02	2
	Department Heads/Deputy Heads/Branch	28	26
	Directors (Functional Departments)		
	Specialists/Staff	248	237
5	Breakdown by Education Level		
_	Doctorate, Master's degree	6	5
_	Bachelor's degree	70	71
-	Engineer	8	6
	College diploma	65	60
_	Intermediate diploma	88	83
_	Others	41	40

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## 02

# OPERATION IN THE YEAR OVERVIEW OF BUSINESS OPERATIONS

#### **EMPLOYEE POLICIES**



#### **Working Conditions**

- Working Hours: The company operates on an 8-hour/day, 5.5-day/week schedule, with a 1-hour lunch break. Employees have Saturday afternoons and Sundays off. In cases of urgent business needs, employees are expected to work extra hours. The company ensures compliance with labor laws and provides fair compensation. Indirect departments work standard office hours, while direct production staff work in shifts.
- ➤ Leave, Holidays, Sick and Maternity Leave: Employees are entitled to 11 public holidays annually, in accordance with the Labor Code. Foreign employees are entitled to an additional day off for their national day and one day for the Vietnamese Lunar New Year. Employees who have worked for 12 months or more receive 12 days of paid annual leave. Others receive pro-rated leave based on their tenure.
- > Work Environment: The office is designed to be modern and well-ventilated. Direct labor staff are fully equipped with tools, machinery, and safety gear for a clean and safe working environment.



#### **Recruitment Policy**

Recruitment is aligned with the company's development strategy and annual planning. The company prioritizes hiring graduates from universities and postgraduate institutions—both domestic and international—with strong expertise and relevant experience. It also encourages the recruitment of recent graduates with excellent academic records to build a long-term talent pipeline.



#### Employee Stock Ownership Plan (ESOP)

After finalizing annual business results, the Executive Board proposes criteria and a stock issuance policy to the Board of Directors. Once finalized, the draft is submitted to the Annual General Meeting of Shareholders for approval and implementation. In the past five years, the company has not issued ESOP shares.



#### **Training Policy**

Tipharco prioritizes training to enhance employee expertise and performance. A structured and scientific training process has been developed to ensure high effectiveness. Outstanding employees are sent to attend training courses organized either in-house or by universities and vocational institutions to improve skills and knowledge. The company also arranges field visits for staff to explore new technologies and practical applications in the industry. Annual occupational safety and fire prevention training is conducted regularly. All operators receive on-the-job technical training, and managers are encouraged to attend short-term courses to enhance their professional capabilities.



#### **Compensation and Bonus Policy**

> Salary and bonus regulations are based on employee contributions to the company's development. In addition to national holiday bonuses, Tipharco provides performance-based and ad-hoc rewards for individuals or teams with notable achievements or innovative contributions. Salaries and allowances are based on an internally developed pay scale agreed upon with employees. Bonuses are distributed quarterly and annually based on business results and the General Meeting of Shareholders' profit allocation decisions. The company also provides annual recreational trips, scholarships for employees' children, holiday and birthday gifts, and financial support during hardships. Tipharco organizes cultural and sports events to improve employee well-being and contribute to community welfare.



#### **Allowance Policy**

- Tipharco complies with all regulations on employee benefits. Depending on their roles, employees may also receive hazardous duty allowances or travel allowances for long-term assignments far from home.
- > Overall, Tipharco's employee policies in recent years have proven effective in creating healthy internal competition, motivation, and loyalty among employees—strengthening their long-term commitment to the company.



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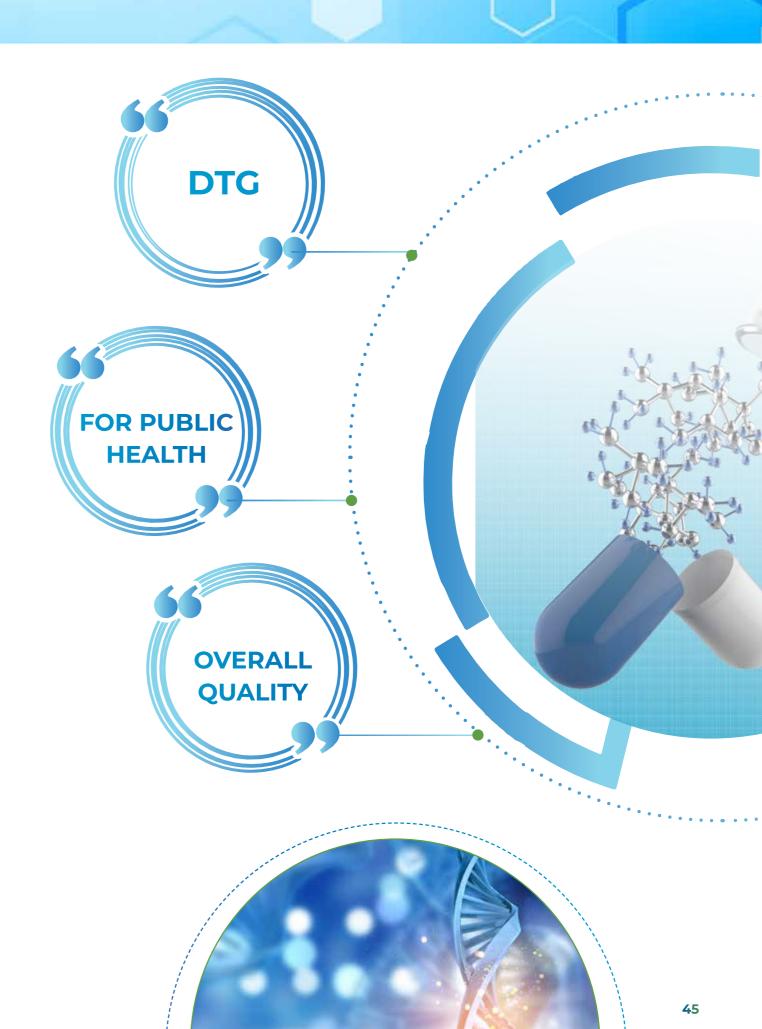


In 2022, the company established Tesla Pharmaceutical JSC to expand its distribution channels. As of December 31, 2023, the investment value was VND 6.5 billion. However, Teslaoperatedataloss, accumulating nearly VND 1.3 billion in deficits. As a result, Tipharco decided to divest from this investment, completing the transaction in June 2024 and recovering VND 6.5 billion

### INVESTMENTINPRODUCTION CAPACITY UPGRADES

In September 2024, Tipharco received a GMP-WHO compliance inspection from the Drug Administration of Vietnam. The results confirmed that the production lines at the Modern Medicine Plant (including both Betalactam and Non-Betalactam lines), along with the herbal medicine and health supplement facilities, met all regulatory standards and were approved to continue operations.

Looking ahead, the company is considering upgrading its existing facilities or building new plants to meet higher production standards such as EU-GMP, PIC/S GMP, and US FDA





#### **FINANCIAL POSITION**

#### Unit: Million

NO.	ITEMS	2023	2024	2024/2023
1	Total Assets	306.6	336.8	109.9%
2	Net Revenue	372.6	364.1	97.7%
3	Operating Profit	37.0	28.6	77.3%
4	Other Income .	0.6	0.4	73.7%
5	Profit Before Tax	37.7	29.0	77.0%
6	Profit After Tax	30.6	23.1	75.6%
7	Dividend Payout Ratio	20%	15%	75.0%







#### **KEY FINANCIAL INDICATORS**

INDICATOR	UNIT	2023	2024
Solvency Ratios			
Current Ratio	times	1.39	1.53
Quick Ratio	times	0.48	0.83
Capital Structure Ratios			
Debt/Total Assets Ratio	%	46.9%	44.8%
Debt/Equity Ratio	%	88.5%	81.0%
Operating Capacity Ratios			
Inventory Turnover	turnover	2.18	2.44
Total Asset Turnover	turnover	1.31	1.13
Profi tability Ratios			
Profi t After Tax/Net Revenue Ratio (ROS)	%	8.2%	6.4%
Return on Average Equity (ROE)	%	20.5%	13.3%
Return on Average Assets (ROA)	%	10.8%	7.2%
Operating Profi t/Net Revenue Ratio	%	9.9%	7.9%



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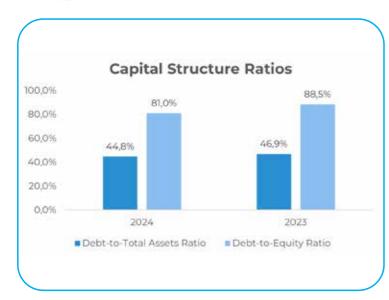




In 2024, the company's liquidity ratios showed positive improvements. Specifically, the current ratio increased from 1.39 to 1.53, indicating that current assets could better cover current liabilities.

Notably, the quick ratio rose significantly from 0.48 to 0.83, reflecting improved ability to meet short-term obligations using highly liquid assets (excluding inventories). This is a promising sign of enhanced short-term financial security



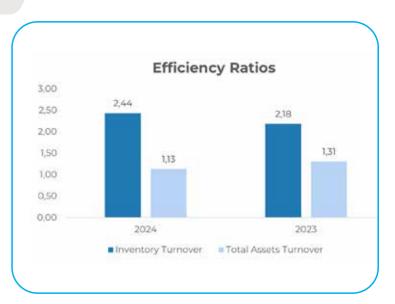


The company's financial structure in 2024 showed greater stability compared to the previous year. The debt-to-total assets ratio slightly declined from 46.9% to 44.8%, and the debt-to-equity ratio decreased from 88.5% to 81.0%. This demonstrates that the company is gradually reducing its reliance on debt financing and increasing the use of equity in its operations, thereby enhancing financial autonomy and reducing long-term financial risk



#### **Operating Efficiency Ratios**

efficiency indicators Operating showed mixed results. inventory turnover ratio improved from 2.18 to 2.44 times, indicating better inventory management and turnover. However, the total asset turnover decreased from 1.31 to 1.13 times, suggesting less efficient use of assets in generating revenue compared to the previous year.



This decline is a result of asset growth while revenue remained nearly unchanged from 2023. Nevertheless, the asset turnover ratio remained above 1, reflecting relatively stable asset utilization efficiency



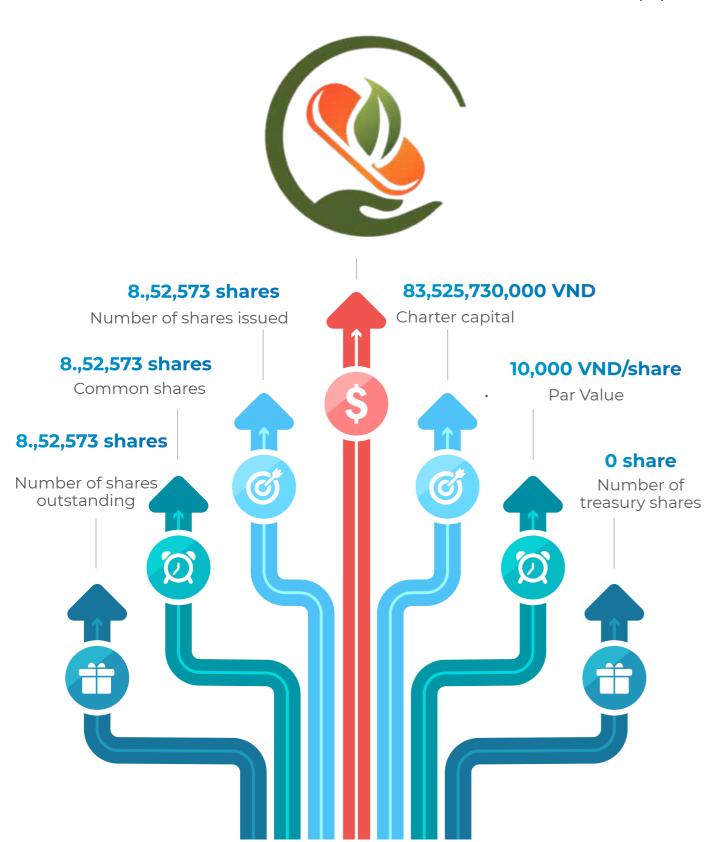
In 2024, both the net profit margin and the operating profit margin declined to 6.4% and 7.9%, respectively, from their 2023 levels. Higher production and operating costs led to a decrease in Tipharco's profit margins. Consequently, the return on equity (ROE) and return on assets (ROA) also dropped to 13.3% and 7.2%, respectively



# 02

#### SHAREHOLDER STRUCTURE AND CHANGES IN EQUITY INVESTMENT

As of 31/12/2024



#### SHAREHOLDER STRUCTURE

As of 25/12/2024

NO.	SUBJECT	NUMBER OF SHAREHOLDERS	NUMBER OF SHARES	(%) RATE
	Domestic Shareholders	373	8,344,969	99.94%
1	Organizations	3	2,186,357	26.17%
ı	Individuals	370	6,158,612	73.77%
	Preferred Shareholders		-	0.00%
	Foreign Shareholders	10	7,604	0.06%
2	Organizations	-	-	0.00%
2	Individuals	10	7,604	0.06%
	Preferred Shareholders	-		0.00%
3	Treasury Shares	-	-	0.00%
	Total	383	8,352,573	100.00%

#### LIST OF MAJOR SHAREHOLDERS

As of 18/03/2025

NAME	SHAREHOLDER CLASSIFICATION	NUMBER OF SHARES HELD	OWNERSHIP PERCENTAGE
Nguyen Ho Nam	Domestic Individual Shareholder	2,076,325	24.86%
Dang Thi Thu Hang	Domestic Individual Shareholder	2,038,568	24.41%
Nguyen Phuong Hoa	Domestic Individual Shareholder	941,296	11.27%
BAMBOO CAPITAL GROUP JOINT STOCK COMPANY	Domestic Institutional Shareholder	1,754,957	21.01%
MAGNOLIA INVESTMENT CORPORATION	Domestic Institutional Shareholder	431,100	5.16%

<sup>»</sup> The maximum foreign ownership ratio at the Company according to legal regulations: The maximum foreign ownership ratio of DTG is 50% (According to document No. 5390/UBCK-PTTT dated August 15, 2022, from the State Securities Commission).

<sup>»</sup> The current foreign ownership ratio at the Company, based on the data on foreign investor holdings as of December 31, 2024, from VSDC: 8,404 shares, accounting for 0.10% of DTG's charter capital.

#### **CHANGES IN OWNER'S INVESTMENT CAPITAL**

Since the establishment of the Company until now, the Company has not implemented any reduction in its charter capital. However, the Company has increased its charter capital 8 times, specifically

Unit: VND million

NO.	TIME	ADDITIONAL CHARTER CAPITAL	CHARTER CAPITAL AFTER INCREASE	METHOD OF CAPITAL INCREASE	APPROVING AUTHORITY
1	00/2015	750	15,750	Issuance of ESOP shares	» SSC » DPI
2	06/2015	7,500	23,250 Private placement of shares		» SSC » DPI
3	12/2016	1,162,5	24,412.5	Issuance of ESOP shares	» SSC » DPI
4	12/2016	9,570	33,982.5	Private placement of shares	» SSC » DPI
5	04/2018	20,000	53,982.5	Issuance of ESOP shares, private placement, and public offering	» SSC » DPI
6	09/2019	9,176,78	63,159.28	Stock dividend issuance	» SSC » DPI
7	09/2023	9,472,82	72,632.10	Stock dividend issuance	» SSC » DPI
8	07/2024	10.893,63	83.525,73	Stock dividend issuance	» SSC » DPI

TREASURY SHARE TRANSACTIONS None

**OTHER SECURITIES** 

None





### 03

# REPORT AND ASSESSMENT BY THE EXECUTIVE BOARD EVALUATION OF BUSINESS PERFORMANCE



### Evaluation of Sales Activities and Distribution Channels

No.	Indicators	2023 Actual	2024 Actual	% 2024 Actual
1	OTC Channel	264	234	64,3%
2	ETC Channel	40	78	21,4%
3	Exclusive Distribution Channel	63	46	12,6%
4	Other Revenue	6	6 6	
Net Rev	venue	297	364	100,0%

- In 2024, the OTC channel remained the primary distribution channel, accounting for 64.3% of total net revenue. However, this proportion declined from 71% in 2023, reflecting general market difficulties.
- The ETC channel experienced significant growth, nearly doubling compared to 2023, reaching VND 78 billion and contributing 21.4% of total revenue. This improvement resulted from the company's revenue diversification efforts and strategic shift toward the ETC channel to offset declines in OTC sales, despite lower profit margins.
- In contrast, revenue from the exclusive distribution channel decreased from VND 63 billion to VND 46 billion, reducing its share to 12.6%. This decline may be attributed to changes in partnership strategies or external disruptions from contract manufacturing partners





#### **Evaluation of Output by Manufacturing Plant**

No.	Factory	Output 2023	Output 2024	Growth
1	Betalactam Factory	122.748.606	155.146.216	126%
2	Non-Betalactam Factory	164.072.846	147.250.782	90%
3	Medicinal Herbs	15.092.518	8.048.000	53
Total		301.913.970	310.444.998	103

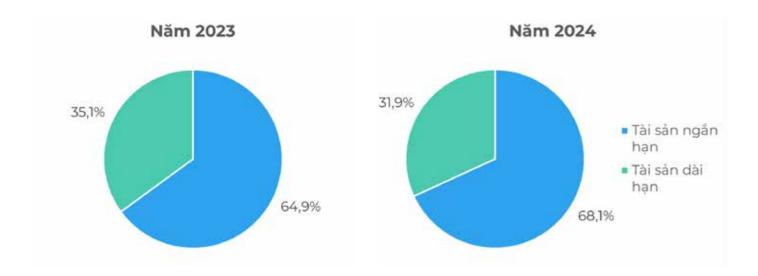
- In 2024, total production output reached 310.4 million units, a modest 3% increase compared to 2023. However, this growth was not evenly distributed across all manufacturing plants.
- The Betalactam Plant recorded strong growth, producing 155.1 million units, a 26% increase year-over-year. This improvement is likely attributed to enhancements in machinery, production processes, and operational efficiency following upgrade investments made in the previous year.
- In contrast, the Non-Betalactam Plant experienced a decline in output, producing only 147.2 million units, equivalent to 90% of the 2023 level. This may reflect production adjustments aligned with market demand or price competition leading to changes in business strategy.
- > Herbal Medicine production saw a significant drop, reaching only 53% of the 2023 output. This decline may be due to restructuring of the product portfolio or changes in the supply chain of raw herbal materials.
- Although total output posted a slight increase, the variation across product groups indicates a strategic shift by the company to focus on products with stronger competitive advantages. However, the downward trends at the Non-Betalactam and Herbal Plants should be closely monitored, and appropriate measures should be taken in the near fu-

### BÁO CÁO VÀ ĐÁNH GIÁ CỦA BAN TỔNG GIÁM ĐỐC **FINANCIAL POST**



Items	Year 2023	Year 2024	Actual 2024/ Actual 2023	Proportion in 2023	Proportion in 2024
Current Assets	199.121	229.501	15,3%	64,9%	68,1%
Non-current Assets	107.461	107.329	-0,1%	35,1%	31,9%
Total Assets	306.582	336.830	9,9%	100,0%	100,0%

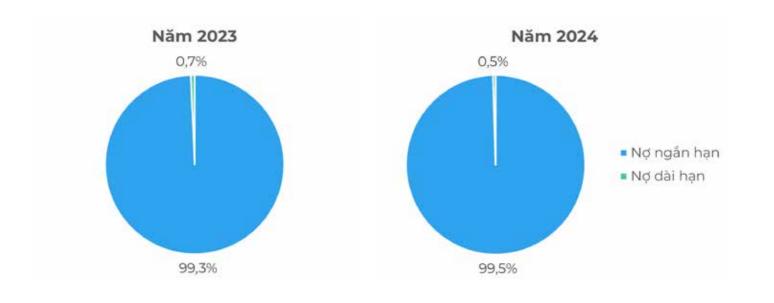
- > As of December 31, 2024, Tipharco's total assets showed a significant shift in structure, with an increasing proportion of current assets aimed at enhancing liquidity and ensuring sufficient cash flow for business operations. Specifically, current assets reached VND 229,501 million, marking a 15.3% increase compared to the end of 2023. This growth mainly stemmed from the company's divestment from its subsidiary and an increase in holdings of highly liquid assets. Cash and cash equivalents stood at VND 16.4 billion, a sharp 55.6% increase year-over-year, while short-term receivables rose to VND 108.5 billion, up 102.4% from December 31, 2023.
- In contrast, non-current assets totaled VND 107,329 million, slightly down by 0.1% from the previous year. As a result, the asset structure underwent a notable change: current assets accounted for 68.1% of total assets, up from 64.9% at the end of 2023, while non-current assets decreased to 31.9%, down from 35.1% in the same period last year. This strategic adjustment reflects the company's effort to improve asset management efficiency and strengthen its short-term financial flexibility.





Items	Year 2023	Year 2024	Actual 2024/ Actual 2023	Proportion in 2023	Proportion in 2024
Short-term Liabilities	142.934	150.044	5,0%	99,3%	99,5%
Long-term Liabilities	984	728	-26,1%	0,7%	0,5%
Liabilities	143.918	150.772	4,8%	100,0%	100,0%

> As a manufacturing enterprise, Tipharco requires a substantial amount of working capital to ensure continuous and efficient business operations. Therefore, the company's liabilities are primarily short-term, accounting for over 99% of total liabilities as of December 31, 2024. Among these, short-term trade payables reached VND 18,977 million, representing 12.6% of total liabilities; while short-term borrowings and finance lease liabilities amounted to VND 111,293 million, making up the largest share at 73.8%. In 2024, there were no significant changes in the company's liability structure, and no overdue payables were reported. This indicates a stable financial position, ensured solvency, and strong control over debt management.



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#### **FUTURE DEVELOPMENT PLANS**



In 2024, the company did not undergo any major changes in its organizational structure or management policies. The governance system continued to operate steadily under the established model, ensuring effective business administration and operational execution. During the year, the company focused on improving and standardizing production processes to enhance efficiency. Additionally, it developed a rational workforce planning strategy for production to optimize costs and resources. Strict control over operational processes not only minimized waste but also laid a solid foundation for the application of advanced management solutions in the upcoming period. These improvements helped strengthen internal capabilities, enhance competitiveness, and support the company's long-term sustainable development.





#### **Business Plan for 2025**

Indicator	Actual in 2024	Plan for 2025	Plan 2025/ Actual 2024	Proportion in 2023
Net Revenue	364,1	400,0	109,9%	99,3%
Profit Before Tax	29,0	29,0	100,0%	0,7%
Net Profit After Tax	23,1	23,1	100,0%	100,0%
Dividend Payment	15,0%	15,0%	100,0%	



#### **Implementation Strategies**

- Investment in Modern Equipment and Production Process Improvements: Investing in new machinery will help automate production, reduce errors, and increase productivity. The company also plans to optimize production processes—from raw material intake to packaging and distribution—to reduce production time, enhance product quality, and minimize unnecessary costs.
- > Strict Quality Control and Faster Time-to-Market: Tipharco will implement stringent quality control systems throughout the production cycle, from input materials to finished products. Regular inspections will ensure compliance with international standards such as GMP and ISO, helping shorten product launch times while maintaining high quality.
- > Sourcing High-Quality, Cost-Effective Materials: The company will focus on building strong relationships with reputable suppliers to ensure a stable and high-quality supply of raw materials. In addition to maintaining existing supplier relationships, Tipharco will expand and diversify its supplier base to mitigate risks related to market volatility. The company will also apply negotiation strategies and close collaboration to secure competitive pricing without compromising quality.
- > Reducing Operating Costs: In addition to production optimization, Tipharco will work to reduce operating expenses by reassessing organizational structure, eliminating unnecessary processes, streamlining workflows, and minimizing redundant departments. The use of financial, HR, and ERP software systems will further automate management processes, cut personnel costs, and improve operational efficiency.

Mipharco Báo cáo thường niên 2024





#### **BUSINESS PERFORMANCE IN 2024**

In 2024, Tipharco recorded net revenue of VND 364.1 billion, a 1.6% increase compared to VND 358.4 billion in 2023 (based on the separate financial statement). This result was achieved despite ongoing market difficulties, reflecting the effectiveness of the company's flexible business strategies, optimal use of competitive advantages, and focus on target customer groups. Continuous improvements in production processes and product quality also played a key role in driving revenue growth—particularly across the company's three core sales channels: OTC, ETC, and contract manufacturing.

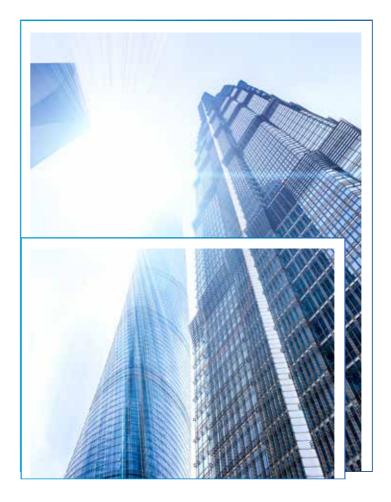
However, net profit stood at VND 23.1 billion, down from VND 30.9 billion in 2023. This decline was mainly due to rising operating costs and margin volatility, as the pharmaceutical industry faced increased input costs, exchange rate fluctuations, and intense market competition.



#### NEW PRODUCT DEVELOPMENT

In 2024, the company received licenses for 12 new products, notably Hedecare+ syrup, a health supplement that supports cough relief. It is formulated with ivy leaf extract imported from Europe, combined with local herbal ingredients such as honey, ginger oil, cajeput oil, and Indian borage.

In addition, Tipharco is in the process of registering 16 new products, including drugs for blood lipid control, diabetes, and muscle relaxants, as well as health supplements for liver detoxification, stroke prevention, and beauty care. These products are expected to be approved soon and launched in 2025.



The Board of Directors (BOD) closely monitored the Executive Board's activities, promptly addressing issues within its authority and supporting the Executive Team in fulfilling its management responsibilities.

The Executive Board demonstrated strong leadership and regularly reported to the BOD through monthly updates and special reports as needed, ensuring effective governance and company operations.

All management activities adhered strictly to the company's Organizational and Operational Regulations and Financial Management Policies.

Executive Board also actively

implemented social and philanthropic initiatives, underscoring Tipharco's commitment to community responsibility and its contribution to sustainable social value creation.

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### 04

# EVALUATION BY THE BOARD OF DIRECTORS ON COMPANY OPERATIONS STRATEGIC DIRECTION OF THE BOARD OF DIRECTORS FOR 2025



#### **BUSINESS PERFORMANCE TARGETS FOR 2025**

No,	Content	2024 imple- mented	2025 Plan	Growth
1	Net Revenue	364,1	400,0	109,9%
2	Profit before tax	29,0	29,0	100,0%
3	Profit after tax	23,1	23,1	100,0%
4	Dividend Payout	15,0%	15,0%	100,0%



#### **BUSINESS FORECAST FOR THE 2025-2029**

Nội dung	IM 2024	2025	2026	2027	2028	2029
Net Revenue	364,1	400	440	490	524,7	561,8
Revenue Growth Rate		9,9%	10,0%	11,4%	7,1%	7,1%
Profit after tax	23,1	23,1	29,9	33,1	35,3	39,5
Profit after tax		0,0%	29,4%	10,7%	6,6%	11,9%
Growth Rate		0,070	23,470	10,7 70	0,070	11,570





#### **BUSINESS DIRECTIONS FOR 2025-2029**

Business Activities: The company will continue to optimize its distribution system, maximize existing customer groups, and expand its customer base across ETC, OTC, contract manufacturing, and health supplement channels. The goal is to enhance competitiveness, maintain sustainable partnerships, and promote mutual development and growth.

Production Activities: Emphasis will be placed on operational stability and efficiency, ensuring product quality, optimizing operations, and improving safety standards in the storage of raw materials and finished products. At the same time, gradual investments in technology will help improve productivity and control costs.

Research and Development (R&D): The company will focus on upgrading the quality and production processes of existing products while accelerating new product development in key areas such as antibiotics, cardiovascular and diabetes treatments, digestive health, herbal medicine, and health supplements. This aligns with market demand and modern treatment trends.

Raw Material Procurement: Tipharco will prioritize diversifying its supplier base and developing an optimized procurement plan to ensure supply chain resilience, reduce exposure to price volatility, and enhance cost-efficiency in production.

Annual Report 2024



#### **BUSINESS DIRECTIONS FOR 2025–2029**



#### **Human Resources Strategy**

- > Continue to foster a professional, transparent work environment, ensuring employee rights and optimal working conditions. The aim is to build a cohesive workplace where individuals feel valued and secure in their roles.
- > Strengthen the core leadership team, where each manager acts as a role model, demonstrates professionalism, builds trust, and upholds accountability. All employees are expected to maintain discipline, contributing to Tipharco's efficient and sustainable operations.



#### **Shareholder Strategy**

- > Maintain transparency in corporate governance, build trust with shareholders, and ensure that information is clearly and publicly disclosed to help shareholders understand the company's operations.
- > Commit to respecting shareholder rights and securing investment returns through a stable dividend policy, with the goal of increasing share value over time.
- > Expand the shareholder base and enhance company value, working toward becoming a strong, reliable public company trusted by longterm investors.



#### **Capital Strategy**

- Manage capital and cash flow effectively, ensuring balanced financial resources to support business operations and minimize risks related to debt, interest rates, and currency fluctuations.
- > Strengthen capital mobilization efforts and seize M&A opportunities to scale operations and collaborate with other pharmaceutical companies, aiming to build a comprehensive ecosystem in the pharmaceutical industry.



MIPHARCO Annual Report 2024



### SUSTAINABLE DEVELOPMENT REPORT

- 1. Sustainable Development Strategy
- 2. Status of Implementation of the United Nations' 17 Sustainable

**Development Goals** 

- 3. Economic Growth
- 4. Environmental Impact
- 5. Raw Material Management
- **6. Energy Consumption**
- 7. Water Consumption
- 8. Compliance with Environmental Laws
- 9. Labor-Related Policies
- 10. Report on Local Community Responsibility



## BÁO CÁO PHÁT TRIỂN BỀN VỮNG SUSTAINABLE DEVELOPMENT STRATEGY



In alignment with its business development goals, Tipharco is committed to sustainable growth—integrating environmental preservation and societal advancement into its operations. The company has established environmental and social sustainability strategies as follows:

ENVIRONMENTAL STRATEGY

#### **MINIMIZING ENVIRONMENTAL IMPACT:**

- > Reduce greenhouse gas emissions and other pollutants during production.
- > Utilize renewable energy and natural resources efficiently.
- Minimize waste generation and ensure safe waste treatment.
- > Protect biodiversity and ecosystems.

#### **DEVELOPING ECO-FRIENDLY PRODUCTS:**

- Research and develop pharmaceutical products with minimal environmental impact.
- > Use sustainably sourced raw materials.
- ➤ Minimize packaging and utilize recyclable materials.

#### **COMPLIANCE WITH ENVIRONMENTAL REGULATIONS:**

- ➤ Ensure full compliance with all applicable environmental laws and regulations.
- > Regularly assess and improve environmental performance.

SOCIAL AND COMMUNITY STRATEGY

#### **ENSURING OCCUPATIONAL HEALTH AND SAFETY:**

- > Provide a safe and healthy working environment.
- ➤ Conduct training to raise awareness about workplace safety.
- > Support employee health and well-being.

#### **DEVELOPING HIGH-QUALITY HUMAN RESOURCES:**

- > Attract and retain talent.
- > Investinemployee training and professional development.
- > Create opportunities for career advancement and growth.

#### **CONTRIBUTING TO THE COMMUNITY:**

- > Support public healthcare and education programs.
- > Generate employment and contribute to local economic development.
- > Carry out charitable and social responsibility initiatives.

#### **ENSURING BUSINESS ETHICS:**

- > Adhere to ethical principles in all business activities.
- Maintain transparency and accountability.
- > Build trust-based relationships with all stakeholders.



PHARCO Báo cáo thường niên 2024

## BÁO CÁO PHÁT TRIỂN BÊN VỮNG

## STATUS OF IMPLEMENTATION OF THE UNITED NATIONS' 17 SUSTAINABLE DEVELOPMENT GOALS

#### **POPULATION**

Sustainable Development Goals (SDGs)	Target groups	Operational directions	Achievements	Action Program
	Employees and Related	Providing equal	Total number of employees: 265	Continue expanding business
	Parties.	employment opportunities		operations and increasing recruitment
		regardless of gender, age, or	Average monthly salary: VND 11.135 million — $$	of local labor.
	Personnel involved	religion. Creating stable jobs	nearly twice the average GRDP per capita in	
	in the Company's	and increasing income for	Tien Giang Province (VND 6.3 million).	Maintain stable income for employees,
	value chain, including:	employees as a foundation		with the goal of consistently exceeding
	suppliers, distributors,	for poverty reduction,	Proportion of women: Board of Directors:	the local GRDP per capita in areas where
	credit institutions, etc.	improving education,	3 out of 8 members; Executive Board and	the Company operates.
		enhancing  quality  of  life, and	Department Heads: 12 out of 29 positions;	
	Communities residing	narrowing social inequality	Company-wide: 146 out of 265 employees.	Evaluate employee performance based
	in areas where the			on job effectiveness, ensuring equal
	Company operates.		Annual health check-ups are provided for all	opportunities for all individuals who
			employees.	meet job requirements.
	Company Shareholders.			
			Training programs were conducted	Monitor and assess the overall health
			continuously throughout 2024.	of employees, with supportive policies
				for medical treatment—committed to
				standing by employees and ensuring
				their well-being to the fullest extent.

### SUSTAINABLE DEVELOPMENT REPORT

## STATUS OF IMPLEMENTATION OF THE UNITED NATIONS' 17 SUSTAINABLE DEVELOPMENT GOALS

#### **ENVIRONMENTAL GROUP**

Resources and Raw Develop economic Materials Used in activities in parallel with the Production and Business Process.  Emissions (including technological upgrades wastewater, gas and improved production emissions, solid waste, etc.)  13 **winds**  15 **winds**    10 **winds**	Sustainable Development Goals (SDGs)	Target groups	Operational directions	Achievements	Action Program
prioritized in production, with preference given to recycled products.	Goals (SDGs)  6 Nước sạch Và về sinh  9 Cổng nghiệp, sáng tạo Và Phát triển hạ táng Cổ Trách nhiệm	Resources and Raw Materials Used in the Production and Business Process. Emissions (including: wastewater, gas emissions, solid waste,	Develop economic activities in parallel with environmental protection through investments in technological upgrades and improved production methods, alongside monitoring energy, raw material, and resource usage, as well as tracking emissions released into the	Conserve water resources by maximizing reuse and treating internal wastewater before discharging it into centralized treatment systems.  Utilize self-generated electricity to reduce dependence on the national power grid and promote the use of energy-saving measures.  Equip facilities with air conditioning systems, AHUs, personal protective equipment, and provide hazardous work allowances to employees.  The Production, R&D, and Quality Control departments continuously assess and improve production processes, methods, and technologies to enhance productivity, reduce waste, and conserve energy.  Ensure that gas emissions meet environmental standards and are non-toxic to the environment and nearby residential communities. Emission treatment systems are regularly monitored to ensure complete purification of air before it is released.  Waste generated during production is classified and stored appropriately.  Hazardous waste is handed over to licensed treatment units, while plastic and metal waste is delivered to recycling partners to support a circular economy and minimize environmental discharge.  Environmentally friendly raw materials are prioritized in production, with preference given to	Continue operating the solar power system already installed at the Company.  Conduct feasibility studies to evaluate the installation of solar power systems across all existing manufacturing facilities.  Complete the installation of inverter systems for two AHUs, estimated to reduce energy consumption by 30% compared to pre-installation levels.  Finalize a lean, efficient production process, reducing processing time, cutting costs, and improving labor productivity.  Closely monitor and control wastewater, emissions, and waste throughout the production

## STATUS OF IMPLEMENTATION OF THE UNITED NATIONS' 17 SUSTAINABLE DEVELOPMENT GOALS

#### **COMMUNITY - SOCIETY**

Sustainable Development Goals (SDGs)	Target groups	Operational directions	Achievements	Action Program
11 CÁC THÀNH PHỐ VÀ CÔNG ĐỒNG BỆN VỮNG	Employees and Related	Support the establishment,	Reduce the negative impacts of socio-economic	Promote cooperation with
The state of the s	Parties.	development, and linkage	fluctuations on the environment in local areas.	organizations, agencies, and
♠ <mark></mark> ■■	Communities residing	of sustainable communities	Create favorable conditions for the labor union to	financial institutions in the
nussis .	in areas where the	at the local, national, and	operate, care for the lives of workers, and protect	region and expand international
16 HÒA BÌNH,	Company operates.	international levels. Increase	their rights and interests.	cooperation.
16 HÒA BÌNH, CÔNG LÝ VÀ CÁC THỂ CHẾ MẠNH MẾ,	Company Shareholders.	collaboration, innovation,	Coordinate with social insurance organizations to	Engage with science, technology,
		and the dissemination of	address the legal rights of workers.	and innovation. Promote the
		environmentally-friendly	Regularly engage with international organizations	development, dissemination, and
7 QUAN HỆ ĐỐI TÁC VÌ CÁC MỤC TIỆU		technologies.	to enhance production technology, manufacturing	advocacy of environmentally-
VI CASC HIGH TICK			techniques, and foster business collaboration for	friendly technologies.
			mutual development.	Ensurepublicaccesstoinformation
				and protect fundamental
				freedoms in accordance with
				national laws and international
				agreements.
				Promote and enforce non-
				discriminatory laws and policies
				for sustainable development.

#### **Business Results in 2024**

**Revenue: VND 364.1 billion** 

Net Profit After Tax: VND 23.1 billion



#### CONTRIBUTION TO THE STATE BUDGET AND DIVIDEND PAYOUT RATIO

Content	2018	2019	2020	2021	2022	2023	2024
State Budget	1,8	1,8	0,2	0,2	3,8	7,3	5,3
Contribution							
Dividend Payout	3,0%	17.0%	10,0%	7,5%	0.0%	20,0%	15,0%
Ratio (%)	3,0%	17,0%	10,0%	7,5%	0,0%	20,0%	13,0%



#### **COMPANY'S LABOR UTILIZATION**

Indicators	Unit	In 2023	In 2024
Labor			
Total number of employees	Person	278	265
Employees in charge of occupational health and safety	Person	1	1
Employees in charge of medical care	Person	1	2
Female employees	Person	152	146
Employees working under hazardous or dangerous conditions	Person	70	65
Employees with disabilities	Person	-	-
Elderly employees	Person	4	4
Occupational Accidents			
Total number of occupational accidents	Case	-	-
Total number of injured employees	Person	-	-
Total cost of occupational accidents	VND	-	-
Employee Health Classification Results			
Category I	Person	27	17
Category II	Person	103	123
Category III	Person	64	48
Category IV	Person	34	40
Category IV	Person	1	5
Annual health check-up expenses	VND	129.910.200	134.000.000
Allowances for hazardous environment protection		-	-
Total number of employees receiving benefits under applicable regimes	Person	148	148
Total expense	VND	213.780.000	294.424.100

## BÁO CÁO PHÁT TRIỂN BỀN VỮNG ENVIRONMENTAL IMPACT

#### MEASURES AND SOLUTIONS TO REDUCE GREENHOUSE GAS EMISSIONS

- > Replace high-energy-consuming equipment with modern, energy-efficient devices; optimize lighting with LED systems; and improve ventilation and air conditioning systems.
- > Effectively manage waste through reduction, recycling, and proper treatment processes
- > Prioritize the use of sustainably sourced, environmentally friendly materials to reduce negative environmental impacts.
- > Select suppliers committed to environmental protection and encourage them to adopt greenhouse gas mitigation measures.
- > Optimize transportation by using fuel-efficient vehicles, optimizing delivery routes, and using green energy to reduce emissions during logistics.
- > Use renewable energy sources such as solar and wind power to reduce dependence on fossil fuels.
- > Apply advanced emission treatment technologies to reduce hazardous gas emissions and improve wastewater treatment.
- > Plant trees within and around factory premises to absorb CO<sub>2</sub>.
- > Raise employee awareness about environmental protection through training and communication programs.
- > Strictly comply with government regulations on environmental protection.

#### **CENTRALIZED WASTE STORAGE AND TREATMENT**

At Tipharco, waste storage and treatment are carried out systematically and in full compliance with environmental regulations. At each manufacturing site, household waste is sorted and stored in designated areas, then collected daily by certified waste management providers to ensure hygiene and prevent environmental contamination. Hazardous and industrial waste is strictly classified at the point of generation. These types of waste are stored in specially designed, covered storage areas that meet all technical standards for hazardous waste containment. Once full or on a scheduled basis, the waste is handed over to licensed hazardous waste treatment units for proper disposal.

Additionally, recyclable waste is collected separately and delivered to qualified local recycling entities, helping reduce landfill waste and promote a circular economy model. Strict control over the storage, sorting, and treatment process reflects Tipharco's strong commitment to environmental protection while minimizing risks from waste sources and ensuring safety for both employees and the surrounding community.



### **ENERGY CONSUMPTION**

#### TOTAL VOLUME OF INPUT MATERIALS USED IN THE YEAR

No.	Raw Materials	Unit	Quantity
1	Active Ingredients and Excipients	Kg	288.739
2	Capsules	Cái	78.918.265
3	Packaging Materials	Kg	132.790
4	Packaging Materials	Cái	24.197.481

> Due to the specific nature of the pharmaceutical industry and its production processes, the application of recycled materials faces considerable challenges. Specialized components such as active pharmaceutical ingredients (APIs), excipients, and packaging designed specifically for medicine preservation are generally not reusable. As a result, the use of recycled materials in the company's operations is primarily limited to paper-based packaging and protective shipping materials.







#### **FUEL CONSUMPTION**

> Gasoline: 13,313 liters.

➤ Diesel: 5,778 liters

#### **ELECTRICITY CONSUMPTION**

> Grid electricity: 4,425,470 kWh

## **ENERGY EFFICIENCY INITIATIVES**

- In the pharmaceutical manufacturing sector, reducing energy consumption not only lowers operational costs but also contributes to environmental protection and sustainable development. Tipharco has implemented multiple initiatives to optimize energy use at its factories and offices.
- > Specifically, the company has replaced traditional lighting systems with energy-saving LED lights, upgraded its air conditioning systems to high-efficiency inverter models, and conducted regular maintenance to ensure optimal performance.
- > Additionally, Tipharco has improved production processes by deploying energyefficient machinery, rationalizing production schedules, and turning off unnecessary equipment to avoid electricity waste. The company is also gradually adopting renewable energy sources, such as solar power, to reduce reliance on fossil fuels.
- > For transportation activities, Tipharco promotes fuel-saving strategies by optimizing delivery routes, using fuel-efficient vehicles, and maintaining its fleet regularly. These efforts significantly contribute to reducing greenhouse gas emissions and support a greener, more efficient production model.

Mirharco Báo cáo thường niên 2024

## SUSTAINABLE DEVELOPMENT REPORT WATER CONSUMPTION

#### TOTAL WATER CONSUMPTION DURING THE YEAR

18.500 L > Total Water Input

> Self-Produced Water 18.500 L

➤ Domestic Water Supply: 18.500 L

> Total Wastewater Discharged: 3.074 L

> Total Water Consumed 15.426 L

WATER SUPPLY PROVIDER: Tien Giang Water Supply One Member Limited Liability Company

The wastewater treatment system receives water from domestic wastewater sources, RO filtered wastewater, and water from equipment cleaning activities. After the pH, BOD-COD-TSS, and mineral concentrations meet discharge standards, it will be discharged directly into the local centralized wastewater collection system. A small amount of domestic water used within the factory premises (plant watering, street washing, fire protection system testing and inspection, etc.) will follow the storm water drainage without treatment

Ultimately, the water used by the Company will be distributed into the Company's manufactured finished goods, evaporated, and directed into the centralized wastewater treatment system

Water from the supply unit, upon entering the factory system, undergoes filtration through an RO filtration system, guaranteeing the absence of impurities and safety hazards. This is of utmost importance as the Company's products are intended for human treatment and health protection.

> The majority of RO-purified water will be channeled for pharmaceutical production and used in the postproduction cleaning of machinery, equipment, and tools. The remaining excess water will be repurposed by the Company, processed into bottled water for internal consumption.

cung cấp nước Nước dùng Hệ thống loc nước RO rong sinh hoạt Sử dụng Sử dụng Sử dụng vê sinh sản xuất nội bộ công cụ dụng cụ máy móc thiết bi Hệ thống xử lí nước thải Mang loc không khí Hệ thống thu gom xử lí nước thải Bay hoi ra Lưu kho tập trung thành phẩm môi trường

Đơn vi

WATER FLOW PATHWAY AT THE COMPANY

During the production process, a portion of the water used will evaporate, and chemicals will be absorbed by the filtration system and released into the environment through evaporation. For sanitation activities, water will be directed to the wastewater treatment system, with a portion evaporating during sterilization and being discharged into the external environment.

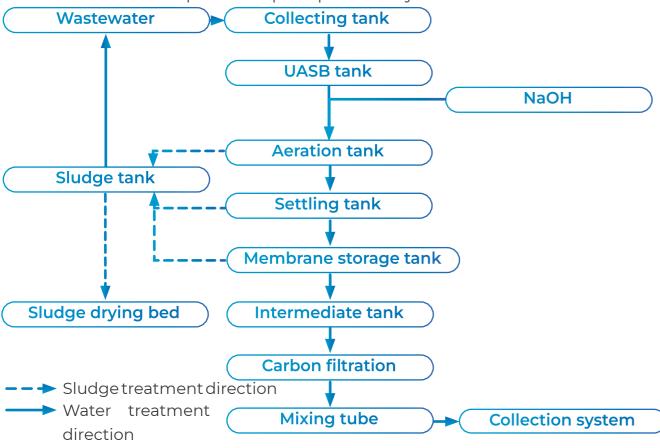
Mipharco Báo cáo thường niên 2024

#### WASTEWATER TREATMENT SYSTEM

- > All wastewater generated from production processes is collected and treated to meet required standards before being discharged into the local wastewater treatment system.
- Tipharco places special emphasis on investing in wastewater treatment systems, particularly due to the pharmaceutical industry's exposure to hazardous chemicals that pose risks to human health and the environment. Recognizing the critical importance of this issue, the Executive Board has directed investments into modern wastewater treatment systems for the company's manufacturing facilities.

#### WASTEWATER TREATMENT SYSTEM AT THE HERBAL MEDICINE PLANT

➤ Wastewater generated during production is collected into drainage pits and undergoes seven treatment stages, including pumping, filtration, mixing, and sedimentation, before being transferred to the centralized wastewater treatment system of the industrial cluster. Below is the operational principle of the system:

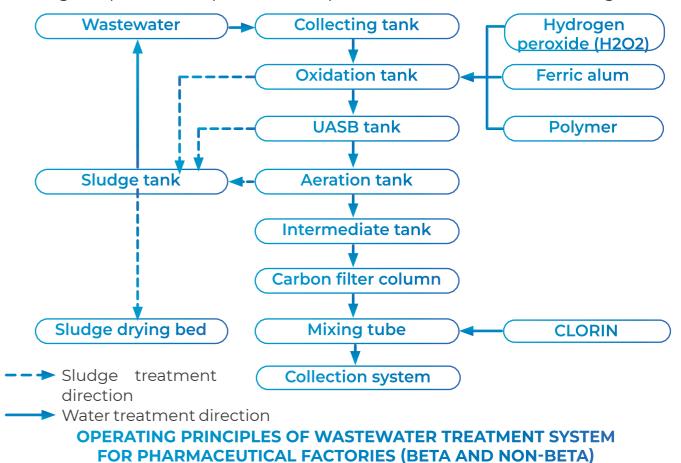


#### OPERATING PRINCIPLES OF HERBAL MEDICINE PLANT WASTE-WATER TREATMENT SYSTEM

The wastewater treatment system at the herbal medicine plant has a capacity of 30 m<sup>3</sup> per day, sufficiently meeting production needs and local effluent quality standards.

#### MODERN MEDICINE PLANT (TAN DUOC) WASTEWATER TREATMENT SYSTEM

- ➤ Wastewater generated from production activities and domestic use at the plant is collected in a two-compartment collection tank located within the treatment area. When the tank reaches capacity, the wastewater is pumped into the oxidation tank. Here, chemicals including hydrogen peroxide (H<sub>2</sub>O<sub>2</sub>) and ferric sulfate are added (Fenton process), combined with agitation to decolorize and reduce the COD (Chemical Oxygen Demand) of the wastewater.
- The treated water is then pumped to an anaerobic equalization tank, where both concentration and flow are balanced. Organic matter is further broken down by anaerobic microorganisms during this stage.
- Next, the treated water is pumped to an intermediate tank via a membrane bioreactor (MBR) filtration system. In this stage, disinfection chemicals are added to eliminate microorganisms before the water is released into the environment through a final activated carbon filtration system.
- ➤ The wastewater treatment system at the Tan Duoc plant has a capacity of 24 m³ per day, ensuring compliance with production requirements and local water discharge standards



TIPHARCO

### **LABOR-RELATED POLICIES**



During the management and operation of its manufacturing facilities, Tipharco regularly directs specialized departments to monitor and update legal documents on environmental protection and apply them in practice. As a result, the company's business activities consistently comply with the requirements of the Law on Environmental Protection, including rigorous implementation of impact assessments, monitoring and analysis, preventive planning, environmental incident response, fire prevention, and the treatment of emissions and waste

In 2024, Tipharco did not violate any environmental laws or regulations and was therefore not subject to any penalties or fines.

Tipharco has developed a competitive employee welfare policy aimed at attracting and retaining talent. Employee benefits include both material and non-material values that supplement base salary. These benefits encompass insurance programs, financial support, healthcare measures, occupational safety initiatives, and other incentives. Tipharco employees enjoy the following:

#### "FINANCIAL SUPPORT"

Financial support in special circumstances such as weddings, funerals, natural disasters, epidemics, accidents, and illness, as regulated

#### "TOURISM"

Annual travel, team-building activities, and sports events, depending on the company's business performance.

#### "HEALTH"

- > Annual health check-ups.
- > Annual supplementary health insurance (in addition to mandatory health insurance)

#### "BENEFITS"

In addition to a 13th-month salary bonus, the company offers year-end bonuses based on KPI performance, holiday bonuses, and overtime pay in accordance with current regulations.









Mirharco Báo cáo thường niên 2024

## SUSTAINABLE DEVELOPMENT REPORT LABOR-RELATED POLICIES

## **EMPLOYEE TRAINING ACTIVITIES**

- In the pharmaceutical industry, the quality of human resources plays a crucial role in ensuring compliance with strict technical and regulatory standards in production and quality management. Aware of this, Tipharco prioritizes employee training and development as a strategic focus—aiming to build a workforce with solid expertise, strong skills, and the ability to meet evolving market demands.
- In 2024, the company conducted 27 training courses with 673 employee attendances, a reduction from 53 courses and 915 attendances in 2023. This was due to a shift toward a more streamlined training policy, focusing on specialized content tailored to job roles and real-world requirements. Despite fewer courses, Tipharco ensured the continuity and effectiveness of training by combining direct instruction with on-the-job training.
- > Average training hours in 2024 also adjusted accordingly: Management staff received 15 hours of training (down from 30 hours in 2023); d. Employees received 658 total hours (down from 885 hours). P. By gender: male employees averaged 269 hours, and female employees 404 hours of training.
- > Looking ahead, Tipharco will continue to review and enhance its internal training system, update content in line with industry trends, and expand programs focused on soft skills and vocational development—aiming to build a high-quality, long-term committed workforce.

TRAINING AND DEVELOPMENT INDICATORS				
Training Data	2023	2024		
Number of training courses organized	53	27		
Number of employees trained	915	673		
Average Training Hours	2023	2024		
Managerial level	30	15		
Staff level	885	658		
Male employees	366	269		
Female employees	549	404		

### REPORT ON LOCAL COMMUNITY RESPONSIBILITY

As a pharmaceutical company, Tipharco is committed not only to contributing to local socio-economic development but also to building a healthier community. In 2024, the company carried out various initiatives aimed at fostering a strong and sustainable community, including:

#### "SPRING OF LOVE AND SHARING" PROGRAM – THANH TAN COMMUNE, TAN PHUOC **DISTRICT, TIEN GIANG PROVINCE**

Tipharco partnered with organizations from the provincial police, a medical team from the provincial police infirmary, and the Tan Phuoc Youth Union to organize this program. Over 200 local residents received free health check-ups and medications, along with meaningful gifts.



#### **JOURNEY OF LOVE - SPRING SUNSHINE 2024**



On February 6, 2024, Tipharco, in collaboration with Bamboo Capital Group (BCG), Eximbank, and the People's Committee of My Phong Commune, donated 200 Tet gift packages worth VND 120 million

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#### **JOURNEY OF LOVE - SPRING SUNSHINE 2024**



Tipharco also committed to providing 150 free health check-ups and medications to low-income residents in My Phong, to be conducted after the Lunar New Year. This was part of a national charitable initiative distributing over 3,000 gift packages across nearly 15 provinces.

#### "CONNECTING LOVE" PROGRAM SERIES

#### 150 Free Check-ups – My Phong Commune, Tien Giang (March 24, 2024)

Tipharco organized a program offering 150 free medical examinations for disadvantaged residents, promoting public health and community care



#### CHUỗI CHƯƠNG TRÌNH "HÀNH TRÌNH KẾT NỐI YÊU THƯƠNG"

#### Tipharco cấp phát 200 phần thuốc miễn phí cho người dân có hoàn cảnh khó khăn tại huyện Chợ Gạo, tỉnh Tiền Giang

Ngày 2/7/2024, tiếp nối chương trình từ thiên " HÀNH TRÌNH KẾT NỐI YÊU THƯƠNG" năm 2024, CTCP Dược Phẩm Tipharco phối hợp cùng Đoàn Công an tỉnh Tiền Giang, Đoàn Trường Đại học Cảnh sát nhân dân, Đoàn huyên Chơ Gao, Cum đoàn DN cổ phần tư nhân và Cụm Đoàn chăm sóc sức khỏe gồm: Bênh viên đa khoa tỉnh Tiền Giang, Bênh viên Mắt, Bênh viên Phụ sản, Bệnh viện Tâm thần, Bệnh viện Y học cổ truyền,...tổ chức chương trình nằm trong khuôn khổ các hoạt đông chung sức, tình nguyện vì cộng đồng trong Chiến dịch "Hành quân xanh", "Kỳ nghỉ hồng" năm 2024 trên địa bàn tỉnh.

Đến với huyện Chợ Gạo trong chương trình này ban tổ chức đã trao tặng 200 phần thuốc để hỗ trợ trong chương trình khám chữa bệnh, cấp phát thuốc và tặng quà cho người dân thuộc diện gia đình chính sách, gia đình có hoàn cảnh khó khăn trên địa bàn huyện.







Mirharco Báo cáo thường niên 2024

#### "CONNECTING LOVE" PROGRAM SERIES

#### 200 Free Medication Packages - Ward 7, Da Lat City, Lam Dong (July 2, 2024)

Working with local youth and medical associations, Tipharco donated 200 packages to ethnic minorities and underprivileged families in the Central Highlands.







#### "CONNECTING LOVE" PROGRAM SERIES

#### 100 Free Medication Packages - Thanh Loc Commune, Cai Lay District, Tien Giang (July 21, 2024)

Tipharco supported 100 disadvantaged households with essential medicine and daily necessities as part of a rural environment and social welfare campaign







MIPHARCO Báo cáo thường niên 2024

#### "CONNECTING LOVE" PROGRAM SERIES

## 100 Free Medication Packages – Tan Phuoc District, Tien Giang (July 28, 2024)

Tipharco provided medicine and gifts to Vietnamese Heroic Mothers, policy families, and elderly individuals in difficult circumstances.







#### "CONNECTING LOVE" PROGRAM SERIES

#### Medicine Donation - Long Hung Commune Health Station, Tien Giang

Tipharco donated essential medicines to improve the quality and availability of local healthcare services for low-income residents.

## 600 NOTEBOOKS DONATED - DINH BO LINH PRIMARY SCHOOL, TIEN GIANG (MAY 28, 2024)

Supporting education, Tipharco provided 600 notebooks to students during the academic year-end ceremony.

#### FOR OUR SEAS AND ISLANDS - FOR OUR FRONTLINE DEFENDERS

On October 22, 2024, Tipharco responded to a call from the Ho Chi Minh City Vietnam Fatherland Front Committee by officially committing a donation of VND 100 million to the "For Our Seas and Islands – For the Nation's Frontlines" fund.





PHARCO Báo cáo thường niên 2024

#### SUPPORT FOR NORTHERN VIETNAM DURING TYPHOON YAGI

In September 2024, northern provinces of Vietnam were severely impacted by Typhoon Yagi. Responding to the crisis.

September 11: Tipharco sent 25 boxes of essential medicines to affected areas in collaboration with a Hanoi-based volunteer group.

September 13: Another convoy carrying medicine and supplies departed from Tien Giang, aided by local youth organizations in Go Cong and My Tho.







September 16: Under the Bamboo Capital initiative and in cooperation with the Ministry of Health, Tipharco donated VND 1.2 billion worth of essential medicines and health supplements to help prevent postflood disease outbreaks.

September 19: Tipharco contributed VND 20 million to the Vietnam Fatherland Front Committee of Tien Giang Province to support recovery efforts after Typhoon No. 3.









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## CORPORATE GOVERNANCE **BOARD OF DIREC**

#### **COMPOSITION AND STRUCTURE OF THE BOARD OF DIRECTORS**

No.	Name	Position	Ownership percentage
1	Mr. Dang Viet Anh	Chairman of the Board of Directors	0%
2	Mr. Le Thanh Tung	Vice Chairman of the Board of Directors Chief Executive Officer (CEO)	0,17%
3	Mrs. Ly Thi Xuan Mai	Member of the Board of Directors Deputy Chief Executive Officer (Deputy CEO)	0,17%
4	Mrs. Dang Thi Thu Hang	Member of the Board of Directors	24,41%
5	Mrs. Tran Thu Kieu Tien	Member of the Board of Directors	0%
6	Mr. Luu Hoai Nam	Member of the Board of Directors	1,44%
7	Mr. Thai Van Hung	Independent Member of the Board of Directors	0%
8	Mr. Nguyen Quoc Khanh	Independent Member of the Board of Directors	0%

#### **SUBCOMMITTEES OF THE BOARD OF DIRECTORS: None**



#### **ACTIVITIES OF THE BOARD OF DIRECTORS**

In 2024, the Board of Directors held 23 meetings, all conducted in compliance with the provisions of the Law on Enterprises and the company's charter. Resolutions passed by the Board were reviewed, monitored, and publicly disclosed in accordance with applicable regulations, as detailed below:

No.	Resolution/ Decision No.	Resolution Titles	Date	Ap- proval rate
1	01/2024/NQ- HĐQT-DTG	BOD Resolution re: Approval of a related-party transaction	11/01/2024	100%
2	02/2024/NQ- HĐQT-DTG	BOD Resolution re: Approval of investment in infrastructure and factory repair for Q3–Q4/2023	12/01/2024	100%
3	03/2024/NQ- HĐQT-DTG	BOD Resolution re: Approval of purchase of production materials (Amoxicillin Compacted, Potassium Clavulanate (Avicel), and Potassium Clavulanate (Syloid))	18/01/2024	100%
4	04/2024/QÐ- HÐQT-DTG	BOD Resolution re: Transfer of all investment capital in Tesla Pharmaceutical JSC	30/01/2024	100%
5	05/2024/QÐ- HÐQT-DTG	BOD Resolution re: Approval of purchase of production materials (Cefalexin)	05/02/2024	100%
6	06/2024/NQ- HĐQT-DTG	BOD Resolution re: Approval of purchase of production materials (Cefuroxime Axetil (Covalent))	21/02/2024	100%
7	07/2024/NQ- HĐQT-DTG	BOD Resolution re: Implementation of the 2024 Annual General Meeting of Shareholders (AGM)	29/02/2024	100%
8	08/2024/QÐ- HÐQT-DTG	BOD Decision re: Establishment of the 2024 AGM Organizing Committee	29/02/2024	100%
9	09/2024/QÐ- HÐQT-DTG	BOD Resolution re: Approval of purchase of production materials (Cefalexin)	04/03/2024	100%
10	10/2024/QÐ- HÐQT-DTG	BOD Resolution re: Approval of purchase of production materials (Metformin (Abhilash))	11/03/2024	100%
11	11/2024/QÐ- HÐQT-DTG	BOD Resolution re: Approval of final shareholder list, shareholder verification team, AGM agenda and documents	01/04/2024	100%
12	12/2024/NQ- HĐQT-DTG	BOD Resolution re: Approval of purchase of production materials (Amoxicillin Compacted)	02/04/2024	100%

## CORPORATE GOVERNANCE BOARD OF DIRECTORS

#### **ACTIVITIES OF THE BOARD OF DIRECTORS**

No.	Resolution/ Decision No.	Resolution Titles	Date	Ap- proval rate
13	13/2024/NQ- HÐQT-DTG	BOD Resolution (Meeting held on April 4, 2024)	08/04/2024	100%
14	15/2024/QÐ- HÐQT-DTG	BOD Resolution re: Approval of additional and updated AGM materials	22/04/2024	100%
15	16/2024/NQ- HĐQT-DTG	BOD Decision re: Amendment and supplementation of the Board's Operating Regulations (1st revision)	23/04/2024	100%
16	17/2024/NQ- HÐQT-DTG	BOD Resolution re: Disposal of fixed assets	24/04/2024	100%
17	18/2024/NQ- HÐQT-DTG	BOD Resolution re: Implementation of share issuance to pay 15% stock dividend for 2023	06/05/2024	100%
18	19/2024/NQ- HÐQT-DTG	BOD Resolution re: Record date for 15% stock dividend distribution for 2023	06/06/2024	100%
19	20/2024/NQ- HĐQT-DTG	BOD Resolution re: Selection of auditing firm for 2024	14/06/2024	100%
20	21/2024/NQ- HĐQT-DTG	BOD Resolution re: Report on full divestment from Tesla Pharmaceutical JSC	14/06/2024	100%
21	22/2024/NQ- HĐQT-DTG	BOD Resolution re: Summary of share issuance results for 2023 stock dividend and odd-lot handling	28/06/2024	100%
22	23/2024/QÐ- HÐQT-DTG	BOD Resolution re: Registration to increase charter capital and amend company charter	09/07/2024	100%
23	24/2024/QÐ- HÐQT-DTG	BOD Resolution re: Closure of a company branch	18/09/2024	100%
24	25/2024/QÐ- HÐQT-DTG	BOD Resolution re: Approval of a related-party transaction	19/09/2024	100%
25	26/2024/NQ- HĐQT-DTG	BOD Resolution re: Approval of cooperation for developing export markets for pharmaceuticals and health supplements, and related-party transaction	01/10/2024	100%

#### **ACTIVITIES OF INDEPENDENT MEMBERS OF THE BOARD OF DIRECTORS**

In 2024, the independent members of the Board of Directors consistently upheld transparency and objectivity in their work. They played a crucial role in oversight, risk prevention, and ensuring the efficient operation of the company. Additionally, they actively contributed to the Board's decision-making process by critically evaluating business strategies and plans, providing strategic advice, and closely monitoring the activities of both the Board and the Executive Management.

Independent Board Members' Assessment of Board Activities in 2024:

- All important matters were discussed openly and democratically within the Board. Each issue was thoroughly analyzed before resolutions were passed. The Executive Board strictly complied with and implemented the Board's resolutions.
- The Board continuously improved its governance practices, striving toward international standards.
- The Board consistently complied with regulations on the approval, supervision, and disclosure of transactions between the company and related parties—including insiders, subsidiaries, or entities under the company's control—ensuring transparency in accordance with legal requirements.
- The Board's oversight and management of business operations were carried out in full compliance with applicable laws and the company's charter, ensuring stability and operational efficiency.

## LIST OF BOARD MEMBERS WITH CORPORATE GOVERNANCE TRAINING CERTIFICATES

The company assigned personnel from the Investor Relations Department and the Corporate Governance Officer to participate in corporate governance training programs organized by the State Securities Commission, the Stock Exchange, and other relevant institutions.

TIPHARCO

## **CORPORATE GOVERNANCE** SUPERVISORY

## TRANSACTIONS, REMUNERATION, AND BENEFITS OF THE BOARD OF DIRECTORS, EXECUTIVE MANAGEMENT, AND THE SUPERVISORY BOARD / AUDIT COMMITTEE

#### MEMBERS AND STRUCTURE OF THE SUPERVISORY BOARD

No.	Members of Board of Supervisors (BoS)	Position	Ownership Percentage
1	Mr. Dong Hai Ha	Head of the BoS	0%
2	Mrs. Tran Thi Bich Nhi	Deputy head of the BoS	0%
3	Mr. Le Van Son	Member of the BoS	0%

#### **ACTIVITIES OF THE SUPERVISORY BOARD**

In 2024, the Supervisory Board closely monitored the activities of the Board of Directors and the Executive Management based on four core principles: rationality, legality, integrity, and prudence in the management and operation of the business. Key supervisory activities included:

- > Reviewing the company's financial position and financial statements.
- > Overseeing all aspects of company operations, including recruitment and personnel appointments, sales, procurement, financial accounting, legal compliance, information disclosure, risk management, investments, management of subsidiaries, preparation of the annual report, and the handling of loans and repayment.
- > Monitoring the organization of the General Meeting of Shareholders and the implementation of its resolutions and meeting minutes.
- > Supervising the involvement of major and minority shareholders in management, and addressing shareholder feedback related to the company and the group.
- > Controlling risks during the implementation of new investment projects.

Based on ongoing supervision and regular updates from the Board of Directors and the Executive Management, the Supervisory Board concluded that all activities were in strict compliance with the strategy approved by the General Meeting of Shareholders. Furthermore, management decisions were implemented flexibly, in line with market realities and within the bounds of the law.

The company's financial statements were found to be accurate, truthful, and fully compliant with legal and internal regulations. Tipharco also successfully adapted to new state policies, ensuring legal compliance while balancing the interests of shareholders, investors, and its business strategy.

#### SALARIES, BONUSES, REMUNERATION, AND OTHER BENEFITS

No.	Name	Position	Salaries, Bonus tion, and Oth	
			2023	2024
1	Mr. Dang Viet Anh	Chairman of the Board of Directors	36.000.000	57.500.000
2	Mr. Le Thanh Tung	Vice Chairman of the BOD cum General Director	601.268.086	1.311.616.772
3	Mrs. Ly Thi Xuan Mai	Deputy General Director	838.812.453	1.184.914.960
4	Mrs. Dang Thi Thu Hang	Member of the Board of Directors	27.000.000	36.000.000
5	Mrs. Tran Thu Kieu Tien	Member of the Board of Directors	1.280.378.857	42.000.000
6	Mr. Luu Hoai Nam	Member of the Board of Directors	27.000.000	36.000.000
7	Mr. Thai Van Hung	Independent Member of the Board of Directors	27.000.000	36.000.000
8	Mr. Nguyen Quoc Khanh	Independent Member of the Board of Directors	-	28.500.000
9	Mr. Dong Hai Ha	Head of the Supervisory Board	-	28.500.000
10	Mrs. Tran Thi Bich Nhi	Deputy Head of the Supervisory Board	27.000.000	24.000.000
11	Mr. Le Van Son	Member of the Supervisory Board	-	9.500.000
12	Mrs. Le Thi My Tien	Chief Accountant	435.755.151	414.137.007
	Tot	3.300.214.547	3.208.668.739	

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# CORPORATE GOVERNANCE TRANSACTIONS REMUNERATION, AND BENEFITS OF THE BOARD OF DIRECTORS, EXECUTIVE MANAGEMENT, AND THE SUPERVISORY BOARD / AUDIT COMMITTEE

#### **INSIDER TRADING**

No.	Trans- action execu- tor	Relationship with internal persons	ov at the beg	er of shares vned inning of the eriod	Numbe ov at the e	Reasons for increasing,	
			Number of shares	Percentage	Number of shares	Percentage	decreasing
1	Mr. Luu Hoai Nam	Member of the Board of Directors	248.420	3,42%	120.583	1,66%	Portfolio structure and dividend re- ceipt
2	Magnolia Invest- ment Joint Stock Company	Organizations related to a member of the Board of Directors	249.870	3,44%	374.870	5,16%	Portfolio expansion and dividend receipt
3	Mr. Le Thanh Tung	Vice Chairman of the Board of Directors Chief Executive Officer (CEO)	0	0	14.375	0,20%	Personal investment and dividend receipt
4	Mrs. Ly Thi Xuan Mai	Member of the Board of Directors Deputy Chief Executive Officer (Deputy CEO)	0	0	14.375	0,20%	Personal investment and dividend receipt



#### **CONTRACTS OR TRANSACTIONS WITH INSIDERS**

Name of organization/ individual	Relationship with the Com- pany	NSH No.* date of issue, place of issue	Address	Time of transactions with the Company	Resolution No. or Decision	Content, quan- tity, and total trans- action value (Unit: VND)
Mrs. Tran Thi Kieu Tien	Member of the Board of Directors	074184000014 - 25/05/2022 - Police Department	47B, Street 5, Binh Trung Dong Ward, Thu Duc city, Ho Chi Minh city	Transactions completed in 06/2024	Resolution No. 06/2024/ NQ-BOD-DTG of the Board of Directors issued on January 30, 2024 and Resolution No. 23/2024/ NQ-BOD-DTG of the Board of Directors issued on June 14, 2024.	Buyback of the Company's equity investment in Tesla Pharmaceutical JSC - VND 3,3 billion
Magnolia Investment Joint Stock Company	Organizations related to a member of the Board of Di- rectors . Major shareholder holding over 5% of voting shares	0316713198 - 8/2/2021 - Ho Chi Minh City Department of Planning and Investment	25/10, Street 3, Quarter 2, An Khanh Ward, Thu Duc City, Ho Chi Minh City	Monthly execution in 2024	Resolution No. 89/2022/ NQ-HĐQT- DTG of the Board of Directors issued on December 21, 2022 and Resolution No. 03/2024/ NQ-ĐHĐCĐ- DTG of the General Meeting of Shareholders issued on April 23, 2024	Total office rental expenses: 1.963.776.000 VND (excluding tax)  Contractual deposit expenses: 305.145.000 VND

## TRANSACTIONS: REMUNERATION, AND BENEFITS OF THE BOARD OF DIRECTORS, EXECUTIVE MANAGEMENT, AND THE SUPERVISORY BOARD / AUDIT COMMITTEE

#### **INSIDER TRADING**

Name of organization/individual	Relationship with the Com- pany	NSH No.* date of issue, place of issue	Address	Time of transactions with the Company	Resolution No. or Decision	Content, quantity, and total transaction value (Unit: VND)
AAA Insurance Corporation	Organizations related to a member of the Board of Directors	30GP/KDBH - 28/02/2005 - Ministry of Finance	10-12 Street 52, Thanh My Loi Ward, Thu Duc City, Ho Chi Minh City	Executed in 2024 (depending on insurance expiration date)	Resolution No. 01.1/2024/ NQ-HĐQT- DTG of the Board of Directors issued on January 11, 2024 and Resolution No. 03/2024/ NQ-ĐHĐCĐ- DTG of the General Meeting of Shareholders issued on April 23, 2024.	Total insurance expenses for factories, sales outlets, and transportation vehicles: 344.238.826 VND (excluding tax)



#### Financial statement auditing entity:



MOORE AISC Auditing and Informatics Services Co., Ltd.

Address: 389A Dien Bien Phu Street, Ward 4, District 3, Ho Chi Minh City.

**Phone:** (028) 3832 9129 – 3834 3346 Auditor's opinion: Full acceptance





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#### TIPHARCO PHARMACEUTICAL JOINT STOCK COMPANY

**LEGAL REPRESENTATIVE GENERAL DIRECTOR** 

