

No: 28.../2025/BC - VMD

Ha Noi, 19.. April 2025

## ANNUAL REPORT

Year 2024

**TO:** - The State Securities Commission  
- Ho Chi Minh City Stock Exchange

### I. General information.

#### 1. General information.

- Name of listing company: VIMEDIMEX MEDI - PHARMA JOINT STOCK COMPANY

- Business registration certificate No. 0300479760 issued by the Department of Planning and Investment of Ho Chi Minh City for the first time on June 12, 2006, the 36th change on March 27, 2023.

- Charter capital as of December 31, 2024: VND 154,402,680,000 (*One hundred and fifty-four billion, four hundred and two million, six hundred and eighty thousand VND*)

- Owner's equity as of December 31, 2024: VND 416,654,408,201

- Head office address: 8th floor, Vimedimex building, No. 46-48 Ba Trieu, Hang Bai ward, Hoan Kiem district, Hanoi city, Vietnam. Ho Chi Minh City Transaction Office: 6th Floor, Vimedimex Building 246 Cong Quynh, District 1, Ho Chi Minh City

- Phone number: (024) 3350 2032

- Fax number: (028) 3925 2265

- Website: [www.vietpharm.com.vn](http://www.vietpharm.com.vn)

- Stock symbol: VMD

- Formation and development process:

**Firstly:** Choosing a pharmaceutical career is choosing an environment full of difficulties and hardships; choosing to make efforts, practice and strive on the path of constantly exploring and discovering knowledge; accepting to spend a lot of effort and intelligence, but the benefits and economic gains may be completely disproportionate. Therefore, the pharmaceutical career can only be for those who are truly dedicated and have vision, truly talented and virtuous, truly both red and professional. The pharmaceutical career is the full embodiment of the revolutionary spirit of the communists, the humanistic and selective distillation of human wisdom, of the



intersection between Eastern and Western philosophies, where compassion and love for humanity are the highest goals in life. That is why, on November 6, 1984, the Ministry of Health gave birth to the Medical Import-Export Company, established under Decision No. 1106/BYT-QD of the Minister of Health. As the first State-owned enterprise to import and export pharmaceuticals and medical equipment of the Ministry of Health, Socialist Republic of Vietnam, the Company is directly under the Vietnam Pharmaceutical Enterprises Union. Born in the smoke of war, hunger, cold, bombs, death... for the Company is not a story someone told. It was the fierce war years when bullets flew every day, right before our eyes, that forged a Company ready to overcome all difficulties and challenges. However, thanks to the war, the Company's staff became a unified block and each member through the generations had a deep pride in being born as a member of the Ministry of Health.

**Second:** On April 22, 1993, the Medical Import-Export Company was renamed to Ho Chi Minh City Medical Import-Export Company II, abbreviated as Vimedimex II (HCM) according to Decision No. 415/BYT-QD of the Minister of Health.

**Third:** In 2006, Ho Chi Minh City Medical Import-Export Company II changed its operation form to a Joint Stock Company according to Decision No. 5077/QD-BYT dated December 26, 2005 of the Minister of Health on approving the plan and converting Ho Chi Minh City Medical Import-Export Company II into a Joint Stock Company with the official name of Vimedimex Medi - Pharma Joint Stock Company (Vimedimex Company). The Company's charter capital at the time of equitization was VND 25 billion according to the Business Registration Certificate No. 4103004872 issued by the Department of Planning and Investment of Ho Chi Minh City on June 12, 2006, in which the State shareholder's shareholding ratio accounted for 51% of the Company's charter capital. The Company's motto is "Product quality is the personality of the Enterprise".

**Fourth:** On March 15, 2007, Vimedimex Company issued 271,244 convertible bonds, par value VND 100,000/bond for the purpose of investing in the Commercial Center, Pharmaceutical and Office project at No. 45 Vo Thi Sau, District 1, Ho Chi Minh City. The Ministry of Health and Vietnam Pharmaceutical Corporation, the representative agency managing the state capital portion at Vimedimex Company, approved the issuance of convertible bonds on October 24, 2006 and on November 16, 2006, the Ministry of Health issued Official Letter No. 8687/BYT-KH-TC agreeing on the policy of issuing convertible bonds of Vimedimex Company. Increasing the charter capital of Vimedimex Company from VND 25 billion to VND 49.41 billion.

**Fifth:** In July 2008, Vimedimex Company increased its charter capital from VND 49.41 billion to VND 65.41 billion by issuing 1.6 million common shares in the form of private issuance to strategic investor Hoa Binh Securities Joint Stock Company with a

par value of VND 22,000/share, in order to mobilize capital to pay land use fees for the project of building an Office Building and Pharmacy Supermarket at 246 Cong Quynh, District 1, Ho Chi Minh City.

**Sixth:** In September 2009, Vimedimex Company issued 1.6 million shares to the public, increasing its charter capital from VND 65.41 billion to VND 81.41 billion. This issuance of shares is carried out in accordance with the Resolution of the General Meeting of Shareholders of Vimedimex Company No. 02/NQ-DHCD dated September 25, 2009 and in compliance with the provisions of the Law on Securities and on December 10, 2009, the State Securities Commission issued the Certificate of Public Offering of Securities No. 468/UBCK-GCN to Vimedimex Company. In April 2010, the Company completed the increase of its charter capital to VND 81,411,960,000 (Eighty-one billion, four hundred and eleven million, nine hundred and sixty thousand VND) through the issuance of shares to existing shareholders and employees.

**Seventh:** August 17, 2010, Ho Chi Minh City Stock Exchange. Ho Chi Minh City has issued Decision No. 178/QD-SGDHCM allowing Vimedimex Medi - Pharma Joint Stock Company to list common shares on the Ho Chi Minh City Stock Exchange. On September 30, 2010, Vimedimex Medi - Pharma Joint Stock Company officially traded 8,141,196 shares equivalent to the par value of VND 81,411,960,000, becoming the 286th company to list shares on the Ho Chi Minh City Stock Exchange with the stock code VMD.

**Eighth:** In 2011, Vimedimex Company issued shares to increase its charter capital from VND 81,411,960,000 to VND 200,000,000,000.

**Issuance plan:** Issuing shares for sale to existing shareholders: 81,141,196 shares. Issuing shares to employees of Vimedimex Company, quantity: 407,058 shares (accounting for 5% of the total outstanding shares of the Company). Issuing to strategic partners: 3,310,550 shares.

**Issuance results:** The number of shares successfully issued is 299,072 shares. Of which: existing shareholders are 295,377 shares, employees are 3,695 shares. The number of odd shares, undistributed shares is: 11,559,732 shares. The Board of Directors unanimously agreed to cancel the odd shares, undistributed shares according to the Minutes of the Board of Directors meeting of Vimedimex Company No. 50/BB-VM dated March 14, 2012. After this capital increase issuance, the charter capital of Vimedimex Company increased to 84,402,680,000 VND. In March 2012, Vimedimex Company completed the increase in charter capital from 81,411,960,000 VND to 84,402,680,000 VND (Eighty-four billion, four hundred and two million, six hundred and eighty thousand VND) through the issuance of shares. On July 20, 2012, Ho Chi Minh City Stock Exchange announced the listing and trading of additional issued shares,

bringing the total number of outstanding shares to 8,440,268 shares.

**Ninth:** In 2016, Vimedimex Company issued private shares to increase charter capital from VND 84,402,680,000 to VND 154,402,680,000 for its strategic partner, Vimedimex 2 Pharmaceutical Joint Stock Company, according to Resolution of the 2016 Annual General Meeting of Shareholders No. 11/2016/NQ(ĐHĐCĐ)-VM dated April 15, 2016. By June 30, 2017, according to Decision No. 232/QĐ-SGDHCM, Vimedimex Company had successfully listed the number of shares issued privately to its strategic partner, Vimedimex 2 Pharmaceutical Joint Stock Company, increasing the number of securities after the listing change to 15,440,268 shares, equivalent to VND 154,402,680,000. On December 16, 2016 and June 30, 2017, Ho Chi Minh City Stock Exchange issued a decision to change the listing of VMD shares, bringing the total number of outstanding shares to 15,440,268 shares, with a par value of VND 10,000/share. The charter capital of the Parent Company is VND 154,402,680,000 (One hundred and fifty-four billion, four hundred and two million, six hundred and eighty thousand VND).

As of December 31, 2024, the largest shareholder of Vimedimex Company is Vimedimex 2 Pharmaceutical Joint Stock Company, owning 45.34% of charter capital and Vietnam Pharmaceutical Corporation, owning 10.23% of charter capital.

## **2. Industry and business location**

- The Company's main business lines are trading in pharmaceuticals, supplies, medical equipment, medical instruments, functional foods and pharmaceutical cosmetics; leasing of office buildings and warehouses.

In addition, the Company cooperates with the following partners:

Joint venture with Vimedimex 2 Pharmaceutical Joint Stock Company in:

- Developing a pharmaceutical factory in line with the development of specialized drugs according to the development of diseases in Vietnam to replace imported drugs, providing new treatment solutions with high efficiency, reasonable prices, drugs of biological origin or drugs with special dosage forms; prioritizing the production of outsourcing or franchising the production of original pharmaceutical products for pharmaceutical companies around the world. Prioritizing the development of new and modern preparation techniques for drugs from medicinal herbs so that they can be processed and manufactured domestically;

- Orientation of research and import of medicinal herbs towards developing techniques to isolate active ingredients with high content or purity for production;

- Comprehensive drug quality management, enhancing solutions to ensure that drugs circulating on the market have quality that meets registered standards;

Joint venture cooperation with Cermed GmbH in providing B2B e-commerce

transaction services on Cevpharma.com.vn:

Vimedimex Medi - Pharma Joint Stock Company cooperates with Cermed GmbH (a company established and operating in the Federal Republic of Germany) to provide B2B e-commerce transaction services on Cevpharma.com.vn. This will be an opportunity for customers who buy from Hospital Pharmacies, Private Hospitals, Private Pharmacies, Private Drugstores in Vietnam to enhance their competitive advantage, maximize profits by cutting costs through intermediaries in the current volatile and fiercely competitive pharmaceutical market.

CEVPharma International E-commerce Trading Floor is the website: <https://cevpharma.com.vn>. Head office: 1st Floor, CT3 Me Tri Thuong, Me Tri Ward, Nam Tu Liem District, Hanoi City, providing B2B e-commerce trading services designated and authorized by Vimedimex and Cermed GmbH to be managed and operated by Vimedimex Pharmaceutical Distribution Center LLC.

Joint venture cooperation with the Central Lung Hospital in:

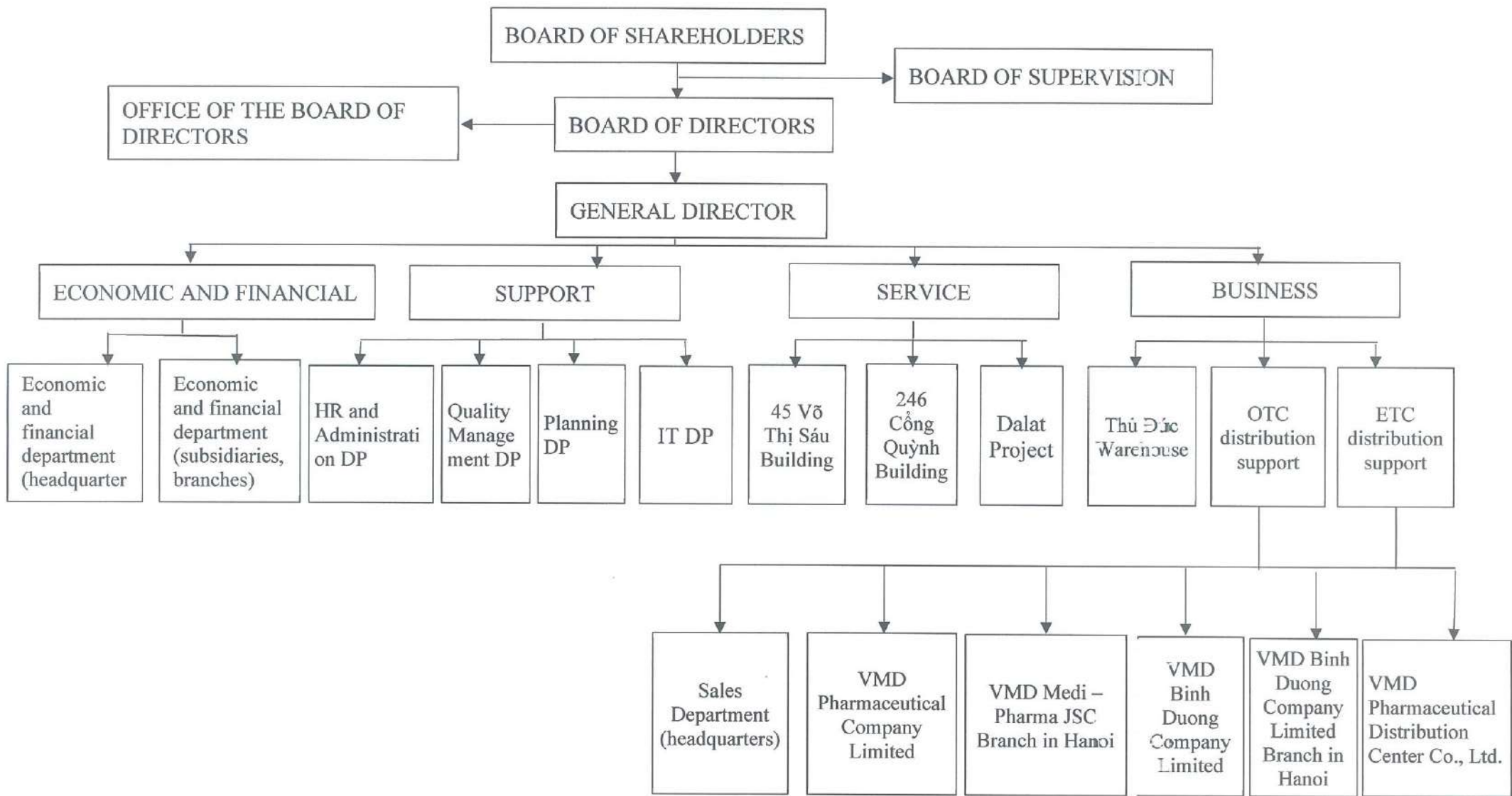
- Investing in a high-tech lung cancer radiotherapy center, with the most modern radiotherapy system in the world from Siemen to treat lung cancer using linear accelerator radiotherapy technology and a high-tech on-demand treatment center;

- Develop a system of general clinics operating under the family doctor model, a pharmacy system according to GDP, GSP, GPP standards and plan a pharmacy system according to the population scale to perform first aid, medical examination and treatment for common diseases. Provide health care, early disease screening and medical examination and treatment at clinics and at patients' homes; participate in the referral system; be the first facility in the referral system for medical examination and treatment. General health check-ups to know the general health status of organs in the body. Provide information to prevent and adjust nutrition, lifestyle, work and exercise regimens. Early detection of potential diseases for timely treatment.

### **3. Management model, business organization and management apparatus**

#### **3.1. Management model:**

The Company's governance model includes: General Meeting of Shareholders; Board of Supervisors, Board of Directors; Executive Board headed by the General Director. The General Director manages and operates through decentralization and delegation of authority to directly handle specific tasks of the Company through specialized Deputy General Directors. The specific management structure of the Company is as follows:



## **3.2. Management structure**

### **3.2.1. General meeting of shareholders**

The General Meeting of Shareholders (GMS) is the highest authority of the Company, comprising all shareholders with voting rights or persons authorized by shareholders. The GMS approves and decides on the following issues:

- Audited annual financial statements;
- Report of the Board of Directors;
- Report of the Supervisory Board;
- Short-term and long-term development plans of the Company.
- Annual dividend payment for each type of share in accordance with the Enterprise Law and the rights attached to that type of share. This dividend shall not be higher than the level proposed by the Board of Directors after consulting with shareholders at the General Meeting of Shareholders;
- Number of members of the Board of Directors;
- Selection of an auditing company;
- Election, dismissal, removal and replacement of members of the Board of Directors and the Supervisory Board;
- Total remuneration of members of the Board of Directors and the Board of Directors' remuneration report;
- Supplementing and amending the Company Charter;
- Types of shares and number of newly issued shares for each type of shares and the transfer of shares by founding members within the first three years from the date of establishment;
- Dividing, separating, consolidating, merging or converting the Company;
- Reorganizing and dissolving (liquidating) the Company and appointing a liquidator;
- Inspecting and handling violations by the Board of Directors or the Supervisory Board that cause damage to the Company and its shareholders;
- Deciding on transactions to sell assets of the Company or its branches or purchase transactions with a value of 50% or more of the total value of assets of the Company and its branches as recorded in the most recent audited financial statements;
- The Company repurchases more than 10% of a type of issued shares;
- The General Director concurrently serves as Chairman of the Board of Directors;
- The Company or its branches sign contracts with persons specified in Clause 1, Article 120 of the Enterprise Law with a value equal to or greater than 20% of the total asset value of the Company and its branches recorded in the most recent audited

financial statements;

- Other issues as prescribed in the Charter and other regulations of the Company.

### **3.2.2. Board of Directors**

The Board of Directors is the highest organization of the Company elected by the General Meeting of Shareholders, consisting of 05 members with a term of 5 (five) years. The Board of Directors, on behalf of the Company, decides on all matters related to the Company's purposes and interests (except for matters under the authority of the General Meeting of Shareholders).

The Board of Directors has the right and obligation to supervise the activities of the Board of Directors and other managers in the Company. The rights and obligations of the Board of Directors as stipulated in the Company's Charter:

- Decide on the annual production and business development plan and budget;
- Decide on investment plans and investment projects within the authority and limits prescribed by law.
- Determine operational objectives based on strategic objectives approved by the General Meeting of Shareholders;
- Appoint and dismiss the Company's managers upon the proposal of the General Director and decide on their salaries;
- Decide on the organizational structure of the Company;
- Resolve the Company's complaints against management staff as well as decide on the selection of the Company's representative to resolve issues related to legal procedures for such management staff;
- Propose the types of shares that can be issued and the total number of shares issued for each type;
- Propose the issuance of convertible bonds and warrants allowing the owner to purchase shares at a predetermined price. Decide on the issuance of bonds in cases where the issuance value is less than or equal to 30% of the total value of assets recorded in the most recent financial report;
- Decide on the offering price of bonds, shares and convertible securities in cases where authorized by the General Meeting of Shareholders;
- Appoint, dismiss, remove the General Director, other management staff under the authority, and the Company's representative. The above dismissal must not be contrary to the contractual rights of the dismissed persons (if any);
- Report to the General Meeting of Shareholders on the appointment of the General Director by the Board of Directors;



- Propose the annual dividend level and determine the provisional dividend level;  
organize the payment of dividends;

- Propose the reorganization or dissolution of the Company.

- Establish branches or representative offices of the Company; including deciding on the appointment, deciding on the salary, remuneration, powers and obligations of the heads of branches and representative offices;

- Establish subsidiaries of the Company; including deciding on the appointment, deciding on the salary, remuneration, powers and obligations of the heads and managers of subsidiaries.

Appoint authorized representatives, decide on the salary, remuneration, powers and obligations of authorized representatives of the Company to exercise the rights of the Company as the owner of shares or capital contributions in other companies and organizations;

- Appointment and dismissal of persons authorized by the Company as commercial representatives and lawyers of the Company;

- Borrowing and implementation of mortgages, guarantees, guarantees and compensations of the Company;

- Investments not included in the business plan and budget exceeding 10% of the annual business plan and budget value;

- Purchase or sale of shares, capital contributions in other companies established in Vietnam or abroad;

- Valuation of assets contributed to the Company other than cash related to the issuance of shares or bonds of the Company, including gold, land use rights, intellectual property rights, technology and technological know-how;

- The purchase or withdrawal by the Company of no more than 10% of each type of shares;

- Deciding on the purchase price or withdrawal of shares of the Company;

- Approving purchase contracts, sale contracts, commercial contracts, loan contracts, lending contracts or other transactions between the Company and any third party that are not subject to the approval authority of the General Meeting of Shareholders and each such contract or transaction has a value equal to or greater than 20% (twenty percent) of the total value of assets recorded in the Company's most recent financial statements;

- Total debt of over 70% of the charter capital and the implementation of all mortgages, guarantees, guarantees and compensations of over 50% of the Company's charter capital.

- Other business issues or transactions that the Board decides require approval

within the scope of its authority and responsibility.

### **3.2.3 Board of Supervisors**

Powers and duties of the Board of Supervisors:

- Be responsible to the General Meeting of Shareholders in exercising its rights and obligations as prescribed in this Charter and in accordance with the provisions of the Law;
- Supervise the Board of Directors, the General Director and other Managers in managing and operating the Company;
- Check the reasonableness, legality, honesty and level of prudence in managing and operating business activities, in organizing accounting, statistics and preparing financial statements;
- Propose the selection of an independent auditing company, auditing fees and all related issues;
- Discuss with the independent auditor on the nature and scope of the audit before starting the audit;
- Seek independent professional advice or legal advice and ensure the participation of experts outside the company with appropriate professional experience and qualifications in the company's work if deemed necessary;
- Review annual, semi-annual and quarterly financial reports before submitting them to the Board of Directors;
- Review reports on management and performance evaluation of the Board of Directors;
- Submit reports on the results of the review of the Company's financial reports and reports on the management of the Board of Directors to the General Meeting of Shareholders at the annual meeting;
- Discuss any difficulties and shortcomings discovered from the mid-term or final-term audit results as well as any issues that the independent auditors wish to discuss;
- Review the management letter of the independent auditor and the feedback from the company's management;
- Review the company's report on internal control systems before approval by the Board of Directors; and
- Review the results of internal investigations and feedback from the management.
- Review and inspect accounting books and other documents, inspect the management and operation of the Company whenever the Supervisory Board deems it necessary for the benefit of the Company, or according to the decision of the General

Meeting of Shareholders, or at the request of a Shareholder or a group of Shareholders as prescribed in Clause 3, Article 11 of the Company's Charter;

- Upon receiving a request from a Shareholder or a group of Shareholders as prescribed in Clause 3, Article 11 of the Company's Charter, which requests are sent to the Supervisory Board and are properly implemented and have a legal basis, the Supervisory Board shall conduct the inspection within seven working days from the date of receipt of such request. Within 15 (fifteen) days from the date of completion of the inspection, the Supervisory Board must report and explain the issues requested for inspection to the Board of Directors and send the report and explanation to the Shareholder or group of Shareholders making the request;

- When detecting any violation of the Law, this Charter or internal management regulations, the Board of Supervisors must issue a written request for the violator to stop the violation and find a solution to remedy it and must immediately notify the Board of Directors; - Do not obstruct the normal operations of the Board of Directors, the General Director and other Managers and disrupt the Company's business operations in the process of performing their duties.

#### **3.2.4 Executive Board**

##### **a) List of Executive Board include:**

1. Ms. Tran My Linh - General Director
2. Ms. Trinh Ngoc Duyen - Deputy General Director
3. Mr. Tran Quang Huy - Deputy General Director (resigned on February 20, 2024)
4. Ms. Cao Thi Thu Hang - Deputy General Director
5. Ms. Do Thi Dong - Deputy General Director
6. Ms. Vu Tuyet Minh - Deputy General Director
7. Mr. Be Cong Son - Deputy General Director
8. Mr. Pham Ngoc Quan - Deputy General Director
9. Mr. Kuo Tung Lin - Deputy General Director
10. Mr. Nguyen Bao Anh - Deputy General Director
- 11 Mr. Le Tri Dung - Deputy General Director

##### **b) The Board of Directors has the following rights and duties:**

- Implement the resolutions of the Board of Directors and the General Meeting of Shareholders, the business plan and the investment plan of the Company approved by the Board of Directors and the General Meeting of Shareholders;

- Decide on all matters that do not require a resolution of the Board of Directors, including signing financial and commercial contracts on behalf of the Company, organizing and operating the Company's daily production and business activities

according to best management practices.

- Propose the number and types of managers that the Company needs to recruit for the Board of Directors to appoint or dismiss in order to carry out good management activities as proposed by the Board of Directors, and advise the Board of Directors to decide on the salary, remuneration, benefits and other terms of the labor contract of the managers;

- Consult with the Board of Directors to decide on the number of employees, salaries, allowances, benefits, appointment, dismissal and other terms related to their labor contracts;

- In December of each year, the General Director must submit to the Board of Directors for approval a detailed business plan for the following fiscal year on the basis of meeting the requirements of the appropriate budget as well as the five (05) year financial plan;

- Propose measures to improve the Company's operations and management;

- Prepare the Company's long-term, annual and quarterly budgets (hereinafter referred to as the budgets) to serve the Company's long-term, annual and quarterly management activities according to the business plan. The annual budget (including the balance sheet, income statement and cash flow statement) for each fiscal year must be submitted to the Board of Directors for approval and must include the information specified in the Company's regulations;

- Carry out all other activities as prescribed in this Charter and the Company's regulations, resolutions of the Board of Directors, the employment contract of the General Director and the law.

### **3.2.5 Departmental structure:**

#### **a) Support**

- Develop a system of documents, policies, regulations on management, human resource development, professional processes on staff organization, labor, salary, rewards, discipline, etc. to apply uniformly throughout the Company;

- Organize the implementation of document, archive, and logistics work to ensure safe and secure working conditions. Develop processes and regulations on administrative operations, asset management (purchase, maintenance, repair, liquidation, printing, etc.) of the Company;

- Research and develop information technology systems, manage network systems, collect and promptly update information on the Company's website and at the same time deploy application programs for departments and member units;

- Advise the General Director on planning the quality management system,

quality policies, quality goals, participate in GP'S inspections, organize 5S inspection instructions.

**b) Finance - Accounting**

- Advise the Company's General Director on financial accounting, management and use of capital (assets, raw materials, capital sources, production and business costs), quick capital recovery, ensuring capital sources for all aspects of the Company's production and business activities, financial analysis and evaluation of projects before submitting them to the Company's leaders for decision;

Guide units to develop and implement strategies, plans, development policies and medium, long-term and annual business plans

**c) Business**

- Research market demand for each pharmaceutical product, develop medium-term and annual marketing plans. Develop sales programs (general goods games) for the entire system;

- Develop a strategy for developing distribution channels for the entire system, developing medium- and long-term products; annual implementation plans for each product for each branch, region, and area;

- Develop and establish a system of import entrustment services, monitor, manage, and urge the implementation of domestic and foreign contracts, and inventory

**d) Service**

- Manage import activities of medical equipment, instruments, testing chemicals, carry out customs procedures to import and export goods to/from bonded warehouses;

- Search and develop customers, perform import entrustment services and advise on import operations in the Company;

- Make plans to develop office rental business.

**3.3. Subsidiaries, affiliates**

**3.3.1. Vimedimex Medi - Pharma Joint Stock Company Branch in Hanoi**

- Address: 1st Floor, CT3A Building, Me Tri Thuong Urban Area, Me Tri Ward, Nam Tu Liem District, Hanoi City

- Phone: (024) 3829 3907

- Fax: (024) 3716 0762

- Email: VimeVietpharm@hn.vn

**3.3.2. Member Companies**

**a) Vimedimex Pharmaceutical Company Limited**

- Transaction address: 7th floor, 246 Cong Quynh building, Pham Ngu Lao ward, District 1, Ho Chi Minh City.

- Charter capital as of December 31, 2024: VND 65,000,000,000 (Sixty-five

billion VND).

- Business registration certificate No.: 4104006937 issued by the Department of Planning and Investment of Ho Chi Minh City for the first time on November 17, 2008, registered for the 16th change on January 24, 2019 (Enterprise code: 0306406857);

- The main business line of the Company is pharmaceutical trading.

- Vimedimex Pharmaceutical Company Limited was merged into the financial statements of Vimedimex Medi - Pharma Joint Stock Company starting from 2009.

**b) Vimedimex Binh Duong Company Limited**

- Business type: One Member Limited Liability Company

- Address: No. 18 LI-2 VSIP II, Road No. 3, Vietnam - Singapore Industrial Park 2, Hoa Phu Ward, Thu Dau Mot City, Binh Duong Province, Vietnam.

- Charter capital as of December 31, 2024: VND 50,000,000,000 (Fifty billion VND).

- Business Registration Certificate No. 3701538659 issued by the Department of Planning and Investment of Binh Duong Province, first registered on June 23, 2009, registered for the 14th change on February 2, 2023.

- The Company's main business line: trading in pharmaceuticals.

The Company's main business activities: trading in pharmaceuticals, supplies, medical equipment, medical instruments, functional foods, pharmaceutical cosmetics, consumer goods for mothers and babies. Office and warehouse leasing business. - Vimedimex Medi - Pharma Joint Stock Company contributed 50,000,000,000 VND, accounting for 100% of charter capital. Vimedimex Binh Duong One Member Co., Ltd. was merged into the financial statements of Vimedimex Medi - Pharma Joint Stock Company starting from 2010. - Although Vimedimex Binh Duong One Member Co., Ltd. was established in June 2009, however, because the Company had to comply with the regulations for enterprises that are business units with conditional business lines, it was not until October 17, 2009 that the Company was granted the Certificate of meeting the standards of "Good Distribution Practices" (GDP) No. 05/GDP by the Department of Health of Binh Duong Province and it was not until October 30, 2009 that the Company was granted the Certificate of Eligibility for Pharmaceutical Practice No. 3083/GCNĐĐKKD-DUOC issued by Binh Duong Province. After receiving the Certificate of Eligibility for Pharmaceutical Practice, Vimedimex Binh Duong One Member Co., Ltd. reported to the Binh Duong Provincial Tax Department in accordance with Official Dispatch No. 01/BD-CT dated December 5, 2009 regarding the official time of operation and implementation of tax declaration procedures from January 1, 2010 in accordance with the provisions of law (The Company's annual accounting period begins on January 1, 2010 and ends on December 31, 2010). Therefore,

Vimedimex Binh Duong One Member Co., Ltd. was consolidated into the 2010 financial statements of Vimedimex Medi - Pharma Joint Stock Company.

**c) Vimedimex Pharmaceutical Distribution Center - Limited Company**

- Business type: Limited

- Head office: 1st floor, CT3A Me Tri Building, Me Tri Thuong Ward, Nam Tu Liem District, Hanoi

- Charter capital as of December 31, 2024 is VND 250,000,000,000 (Two hundred and fifty billion VND).

- Business registration certificate No. 0104259550 issued by the Hanoi Department of Planning and Investment, first registered on November 18, 2009, registered for the 19th change on October 7, 2020

- The Company's main business line: pharmaceutical trading.

- Joint venture with the Central Lung Hospital in:

+ Investing in a high-tech lung cancer radiotherapy center, with the most modern radiotherapy system in the world from Siemens to treat lung cancer with linear accelerator radiotherapy technology and a high-tech on-demand treatment center;

+ Managing and operating the CEVPharma International E-commerce Trading Floor, website: <https://cevpharma.com.vn> under the authorization of Vimedimex Medi

- Pharma Joint Stock Company and Vimedimex Medi - Pharma Joint Stock Company 2.

- Vimedimex Medi - Pharma Joint Stock Company contributed VND 92,027,132,620, accounting for 57.94% of charter capital. Vimedimex Pharmaceutical Distribution Center - LLC was merged into the financial statements of Vimedimex Medi - Pharma Joint Stock Company starting from 2010.

**4. Development orientation**

**4.1. Vision, mission, core values of Vimedimex**

**Vision:** To become a positive factor in Vietnam's high-quality healthcare and gradually build a position in the regional healthcare sector.

**Mission:** To produce and distribute high-quality medicines, providing them to all people, everywhere in the country.

**Core values:** Producing high-quality pharmaceuticals, taking public health as the center of all activities, with the orientation of investing in the production of new pharmaceutical products, modern preparation techniques in the form of technology transfer of 576 specialized drugs for the treatment of neurology, cardiovascular disease, diabetes, digestion, blood fat, allergies, special antibiotics... cancer according to the progression of the disease, drugs of biological origin or drugs with special dosage forms and produced on the production line of tablets, Nonbetalactam injections,

Cephalosporin, Cancer meeting GMP-WHO and GMP-EU standards on the basis of integrating and applying Siemens SIMATIC PCS 7 software. Ensuring timely supply of drugs to meet the health care needs of people across the country and expanding exports to regional countries, with the goal of providing products of good quality, reasonable prices, convenience, and attentive service. - Maintain the position as the leading pharmaceutical manufacturing and distribution company in the country, creating a distinct competitive advantage, continuing the strategy of stable, sustainable and effective development.

- Develop Vimedimex pharmaceutical distribution channel with online retail function on Oracle netsuite software platform, Mobile App connecting directly to prescribing doctors and online wholesale function for hospitals, pharmacies, clinics on Oracle netsuite software application platform - MobiWork DMS in 63 provinces and cities nationwide

- Cooperate internationally with G7 countries and countries with developed pharmaceutical industry such as UK, Russia... invest in the production of new pharmaceutical products, modern preparation techniques in the form of technology transfer... when the original pharmaceutical drug has expired, it is called generic drug.

- Research and import raw materials in the direction of developing techniques to isolate active ingredients with high or pure content to serve the production and comprehensive quality management of drugs, enhancing solutions to ensure quality of drugs circulating on the market, meeting the standards of British Pharmacopoeia, American Pharmacopoeia, European Pharmacopoeia.

- Taking human resources as the center to demonstrate the image, culture, and business philosophy with strong Vimedimex characteristics to the community. The Heart - that is, Virtue is the root of a genuine, honest person, but Talent is also an important quality to create dignity. A person who has both Virtue and Talent is "a comprehensively developed person and Vimedimex can develop sustainably".

- Taking product quality as the personality of the enterprise.

**4.2. The main objectives of the Company:** Maintain the position as the leading prestigious pharmaceutical distribution company in the country, create a distinct competitive advantage, continue the strategy of stable, sustainable and effective development.

**4.3. Medium and long-term development strategies and sustainable development goals**

**4.3.1. Market expansion strategy through CEVPharma International E-commerce Exchange.**

Vimedimex Medi - Pharma Joint Stock Company cooperates with Vimedimex 2



Pharmaceutical Joint Stock Company to provide B2B e-commerce transaction services on Cevpharma.com.vn. This will be an opportunity for customers who are Hospital Pharmacies, Private Hospitals, Private Pharmacies, Private Drugstores in Vietnam to enhance their competitive advantage, maximize profits by cutting costs through intermediaries in the current volatile and fiercely competitive pharmaceutical market. Specifically:

**First:** CEVPharma International E-commerce Trading Floor is the website: <https://cevpharma.com.vn>. Head office: 1st Floor, CT3 Me Tri Thuong, Me Tri Ward, Nam Tu Liem District, Hanoi City, providing B2B e-commerce trading services designated and authorized by Vimedimex and Vimedimex 2 Pharmaceutical Joint Stock Company to be managed and operated by Vimedimex Pharmaceutical Distribution Center – Limited Company.

**Second: Oracle NetSuite** software application: Vimedimex's resource management system, deployed and directly maintained by Oracle and SuiteCloud as partners for Vimedimex. A stable and well-crafted operating system with many outstanding functions and utilities, from marketing strategies to attract targeted customers, wholesale goods, tracking quantity, sales by product on the Seller's official Store to Collection; Purchase to Payment, Unloading and storing goods, managing goods by batch, expiry date, according to tree diagram, preserving goods in the warehouse to transportation, Electronic invoices, to continuous invoice numbers in chronological order. Smart operational reports bring high operational efficiency, outstanding benefits to Sellers and the experience of customers.

**Third:** In a world where digital-only engagement has skyrocketed from a baseline of 25% to over 50%, the way customers approach digital experiences has become more important than ever. Salesforce CDP software is the world's number one CRM system, with seamlessly integrated subsystems, along with Machine Learning and Artificial Intelligence functions that will help CEVPharma centralize all data, large enough data information of the customer system, on the same platform and use smart analytics tools to increase the effectiveness of Marketing programs, increase cross-selling between business areas and increase customer satisfaction with personalized and consistent care to each customer, helping CEVPharma grow sales in a breakthrough way. Salesforce CDP has provided a 360-degree view of the customer experience from the time the customer visits Cevpharma.com.vn to the purchase process, and the end of the purchase process is measured and tracked through the Salesforce CDP platform, one of the solutions that helps Vimedimex deeply understand the customer journey. It can be affirmed that Salesforce CDP is a platform that, in addition to being a centralized and multi-channel communication connection solution, Salesforce CDP can also track the

customer journey on Cevpharma.com.vn from integrated customer data, creating conditions for CEVPharma and customers to maximize interaction opportunities, in order to retain customers in the most systematic and optimal way.

**Fourth:** Choose Amazon Web Services, a comprehensive cloud computing platform widely used globally, to apply to the B2B e-commerce system on CEVPharma. Using different services from the combination of infrastructure, software services, along with computing power, scalability, reliability and secure database storage; **(1) High availability infrastructure:** these are completely isolated partitions in the AWS infrastructure. Divide applications across multiple AZs in the same region, to isolate any incidents and achieve a higher level of availability. In addition, the control layer and management console are distributed across multiple regions and include regional API Endpoints. **(2) Ultimate hardware:** Amazon Web Services designs not only routers, chips in servers and network devices, storage servers and compute servers, but also high-speed networks. **(3) Full-featured services:** Amazon Web Services has more services and features inside than any other cloud provider, including new technologies such as machine learning and artificial intelligence, data warehousing, analytics, or the Internet of Things, which helps CEVPharma move CEVPharma's existing applications to the cloud quickly, easily, and cost-effectively. In addition, the ability to expand services for CEVPharma is very easy and automated, with the appropriate Auto-Scaling configuration, EC2 instances can be automatically created, meeting the increased number of NBH/KHM/NSD accessing Cevpharma.com.vn **(4) System security:** Choosing Amazon Web Services will control and operate the system securely with the most flexible and secure cloud computing environment today. As an Amazon Web Services customer, CEVPharma will be maximally protected thanks to the Amazon Web Services data center and network platform designed to protect the information, identity, applications and devices of the purchasing customers. Improve the ability to meet security and compliance needs regarding the locality of encrypted and privately stored data, comprehensive protection and features. CEVPharma proactively adjusts tasks directly on the cloud platform, so that it can expand or completely innovate the service infrastructure to meet CEVPharma's continuous development needs. Improve the scale and quality of security for the entire CEVPharma system. Automate and minimize risks during system integration and installation, shorten deployment time and save on hardware infrastructure investment costs. Inherit the highest standards of privacy and data security, ecosystem, compliance measures, security tools with 230 features, 90 security standards, 117 encrypted customer data storage services from Amazon Web Services for the CEVPharma system.

Above all, customers are the ones who "Understand" from providing high-quality

online services on the platform of integrating information and communication technology (ICT) integrating the world's leading analytical technologies Oracle NetSuite and Salesforce CDP through touch points with the goal, CEVPharma is always dedicated to serving customers anytime, anywhere, in any geographical location, meeting the requirements and experiences of customers.

#### **4.3.2. Vimedimex Medi - Pharma Joint Stock Company cooperates in joint venture with Central Lung Hospital**

As a leading pharmaceutical enterprise in the field of trade and services, but never resting on its laurels, in 2012, Vimedimex entered the healthcare sector through socialization activities, in partnership with the Central Lung Hospital to establish the High-tech Lung Cancer Radiotherapy Center and the High-tech On-Demand Treatment Center (CLRT) in the form of socialization, with the most modern systems in the world from Siemen to treat lung cancer using linear accelerator radiotherapy technology with a total investment of 40 billion VND. The establishment of the High-tech Lung Cancer Radiotherapy Center will help lung cancer patients to be treated with a full range of closed techniques, helping to reduce the pain and burden of illness, prolonging the life of patients, sharing financial difficulties with the Hospital, the healthcare sector and bringing many benefits to the whole society.

Following the success of the High-Tech Lung Cancer Radiation Therapy Center, facing the reality that public hospitals are always overloaded, leading to patients in need of high-quality inpatient treatment having to go to other medical facilities that are not specialized, with low treatment efficiency, high costs and inconvenience for patients, in 2015, Vimedimex and the Central Lung Hospital continued to cooperate to build a "High-Tech On-Demand Treatment Center" with the desire to meet the increasing demand for medical care and treatment of the people, reduce the anxiety and fatigue of patients, and at the same time share financial difficulties with the Hospital and the State, contributing to integrating the country's healthcare system with the development of healthcare systems in countries in the region and around the world. With a total investment of more than 110 billion VND, the High-Tech On-Demand Treatment Center updates the most advanced technology in the region and the world, installs synchronous and systematic equipment, effectively supports doctors in examination, diagnosis, treatment and post-treatment monitoring with a system of 120 inpatient treatment rooms invested in equipment according to international standards and high-tech functional areas including: surgery area, sleep pathology area with Sapphire PSG sleep polygraphy system, exploration and rehabilitation area, Hyperbaric Oxygen treatment area... In particular, the High-Tech On-Demand Treatment Center specializes in the treatment of respiratory internal and surgical diseases, is the leading high-tech center in the country

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in the treatment and care of patients with respiratory diseases.

In 2020, Vimedimex continued to expand its joint venture cooperation with the Central Lung Hospital, developing a system of satellite clinics - CNC operating under the family doctor model with the goal of: Operating a system of clinics and pharmacies on a residential scale, located in real estate projects developed by Vimefulland. With the desire to serve the residents of Vimefulland, it is not only building a house, but also a place of happiness and peace, a place where residents are cared for, not only simple internal utility operation services, but also a place of comprehensive health care for the whole family with the function of first aid, medical examination and treatment for common diseases. Provide health care, early disease screening and examination and treatment at general clinics and at patients' homes, participate in the referral system, be the first facility in the referral system for medical examination and treatment, and be responsible for referring and transferring patients to the Central Lung Hospital when there is a professional requirement.

#### **4.3.3. Vimedimex's breakthrough thinking strategy**

Since 2020, it has also been a historical milestone in the flow of development, marking a breakthrough in thinking, boldly shedding the old, stagnant coat of thinking and working based on experience, following habits that have brought slowness, passivity in efficiency or mechanically imitating successful businesses, when successfully applied, it is also the time when it becomes outdated and prepares for the predicted death and puts on a modern innovation, practicing the style of thinking, working according to the policies and guidelines of the state and applying science and technology throughout the Vimedimex system. The goal of breakthrough thinking is to find the root purpose, not the purpose of each problem, thereby solving the problem in a fundamental approach, not in a superficial way. This is the key point that breakthrough thinking brings, using the future to look back at the present, not using the present and the past to speculate on the future and the basic principle of breakthrough thinking is to absolutely prohibit imitating. It is this core that breakthrough thinking can be called a revolution in perception, a new business philosophy, a new philosophical thinking, requiring Vimedimex leaders when managing a small company, we can manage with mechanisms and policies, but when managing a large company, a large corporation, we must manage with a culture. The world must change and leaders are the ones who change the world. This innovation has truly turned Vimedimex into one of the rare economic units in Vietnam that is proud to affirm that it is an enterprise that applies 4.0 technology in practice, instead of just having theoretical slogans and slogans like the majority today. This achievement is the result of the efforts and endeavors of the leadership and staff of Vimedimex, efforts marked by many difficulties and concerns,

even expressed through struggles, reactions, and direct and hidden obstacles in each job and activity, between the familiarity of the experience still being carried out and the challenges and hardships of accepting the new, which means having to change from the beginning, having to study, having to research, having to spend time to adapt. That process is also the struggle to break the shell of habit and inertia, to break the fixity of the traditional ego, and even to break many defaults about the pinnacle of knowledge to establish a scientific order and a completely different routine. Accordingly, each individual must renew themselves, must be conscious and really seriously learn new knowledge, new technologies, that is also the process for each individual to break through and accept or change and must change successfully, or stagnate, be conservative and fall behind when the collective is developing and may be eliminated from Vimedimex.

Today, when Vimedimex looks back at the past, Vimedimex feels really happy and proud of the completely changed Vimedimex brand identity, very modern, very disciplined, very different, completely capable of meeting any strict conditions in the market, not only in Vietnam, but also in the region, even the world. And that is the strongest proof of the correctness in the orientation of the Vimedimex leadership team, the correctness of the steadfast and consistent spirit when realizing the truth, realizing what must be done, then no matter how difficult it is, how many obstacles it encounters, how many reactions and doubts it encounters, Vimedimex still has to do it and has been and is succeeding.

Moreover, the breakthrough in thinking is not only the sweet result of the efforts of the leadership team and employees, but also the foundation, the solid basis for Vimedimex to continue to build and succeed in the fields of: pharmaceuticals, healthcare. The breakthrough in thinking is also the unique feature, the brand difference of Vimedimex people, to once again affirm the fact that either do not do, or do and will definitely be number 1. The breakthrough in thinking is the picture that most clearly reflects the future of Vimedimex, a group in which each individual does not accept the beaten path, is ready to shake off the existing habits and heights, to start learning, start learning, start doing again from the beginning, no matter how many difficulties there are, will conquer success, then surely that group will be invincible, no matter what the circumstances, no matter what time and no matter what field or problem it faces in reality. Because those breakthroughs have strongly promoted and are the new driving force to improve the quality, products, services, bringing more effective experiences to customers. And the most effective measure is the number of partners, the number of outstanding customers who are having relationships and transactions with Vimedimex.

What Vimedimex has achieved in the past four decades is worthy of the pride and honor of all Vimedimex staff, Vimedimex can confidently affirm the value and outstanding capacity of Vimedimex among thousands of businesses in the market. Vimedimex can declare the steps taken is leading the race in business on the 4.0 technology platform, with the self-esteem of a leading pharmaceutical enterprise in the Vietnamese market. But Vimedimex's intelligence also clearly recognizes that sustainable success is success that is always nurtured and strived for, the eternal leading position is a position that is continuously built with effort and determination. Today's pride not only gives Vimedimex a place to rest, but it is the motivation, the compass, the lighthouse that illuminates the successes that Vimedimex needs to aim for tomorrow. Vimedimex's efforts and struggles are the typical efforts and struggles of Vimedimex people, it is as natural as breathing and as inevitable as the precise rotations of the Earth in the Solar System.

## **5. The risks:**

### **5.1. Economic growth risks**

Vietnam's economy in 2024 will grow strongly due to: Completing and exceeding 15/15 socio-economic development targets for 2024; growth in the following quarter is higher than the previous quarter and GDP for the whole year of 2024 will grow beyond the plan and forecast: GDP in the fourth quarter of 2024 is estimated to increase by 7.55% over the same period last year, higher than the first 3 quarters of the year (respectively at 5.98%, 7.25% and 7.43%) and the highest compared to the same period in the period 2021-2024. Economic growth for the whole year of 2024 will increase by 7.09%, exceeding the set target (6-6.5%) and higher than forecasts of international organizations, the highest in ASEAN and among the Top 5 highest growth rates in the world. Vietnam's economic scale is estimated at 476 billion USD, ranking 33rd in the world, up 1 place compared to 2023. Growth quality has improved positively with labor productivity (NSLD) estimated to increase by 5.88%, higher than the 3.3% in 2023 and higher than the target of 4.8-5.3%, investment capital efficiency (ICOR) at 5.13 times, lower than the 7.49 times in 2023. On the supply side, the main growth drivers are the processing - manufacturing industry and services (up 9.83% and 7.38%, respectively) and contributing 77.4% to the overall growth rate, along with that, agriculture recovered quite well (up 3.27%, higher than the level before the Covid-19 pandemic) thanks to timely efforts to overcome the impact of storm No. 3, contributing 0.39 percentage points (5.47%) to the overall growth rate, contributing to ensuring food security, stabilizing prices of essential goods, curbing inflation, as well as increasing exports (agricultural - forestry - fishery export turnover is estimated at 62.5 billion USD, up 18.7% compared to 2023). On the demand side, the main growth driver is final

consumption, which increased by 6.57% compared to the same period in 2023, making the highest contribution to GDP growth (59.38%), the highest in 5 years; investment (asset accumulation) increased by 7.2%, contributing 36.53% - the highest growth and contribution in 4 years; net export-import (XNK) difference contributed 4.09%. Import-export turnover reached 786.3 billion USD, up 15.4%, with exports increasing 14.3% and imports increasing 16.7%, thanks to the recovery of world demand, especially in Vietnam's major partners. The trade balance has a surplus of 24.8 billion USD, but due to the deficit in trade in services, the overall trade balance of goods and services only has a surplus of 12.4 billion USD, lower than the 19.5 billion USD in 2023, but also an 8-year high, contributing to stabilizing the exchange rate, increasing foreign exchange reserves...

Disbursement of foreign direct investment (FDI) reached a record level while maintaining new FDI attraction with registered capital reaching 38.23 billion USD, down slightly by 2.9% compared to 2023, mainly because compared to the high base level of 2023, FDI disbursement reached 25.35 billion USD, up 9.4% compared to 2023, a record disbursement level since 2008. Along with that, private investment recovered, increasing by 7.7%, 2.8 times higher than the 2.7% increase of the year 2023 and higher than the same period in 2020-2021.

Consumption continues to recover, tourism increases strongly, with total retail sales of goods and services in 2024 increasing by 8.8% thanks to a strong increase in the number of tourists and a recovery in personal consumption. Vietnam has welcomed nearly 18 million international visitors, up 39.5% compared to 2023, almost equal to the pre-pandemic level; domestic visitors are estimated at 110 million, up 1.6%; Total tourism revenue is estimated at VND840 trillion, up 23.8% over the same period in 2023.

Basic interest rates are stable, credit is positive, exchange rates and bad debt are increasing under control: lending interest rates continue to decrease slightly (-0.5%) compared to the end of 2023 thanks to stable basic system liquidity with timely intervention by the State Bank of Vietnam (SBV) and efforts to reduce costs and profit margins of credit institutions (CIs). Credit in 2024 is estimated to increase by 15.08% compared to the end of 2023 thanks to the recovery of investment, consumption and real estate market activities. Bad debt is still under control. The corporate bond market and real estate market are gradually recovering thanks to the push from new laws and related policies of the National Assembly and the Government (Land Law, Housing Law, Real Estate Business Law, National Assembly Resolution on piloting the implementation of commercial housing projects through agreements on receiving land use rights, promoting the development of social housing, etc.); planning and public investment are

being promoted... Business activities have improved a lot: in 2024, 233.4 thousand enterprises entered the market, up 7.1% over the same period; 1.2 times higher than the number of enterprises withdrawing from the market, which is 197.9 thousand enterprises. Surveys by the General Statistics Office (GSO) and associations show that business confidence in the prospects for improved production and business in the fourth quarter of 2024 is higher than in the third quarter of 2024 (in which processing and manufacturing enterprises have the highest optimism rate). The Business Confidence Index (BCI) surveyed by EuroCham among European businesses in Vietnam increased from 46.3 points in Q4/2023 to 61.8 points in Q4/2024, the highest level in more than two years, confirming the positive recovery of business confidence.

### **5.2. Growth Risks in the Pharmaceutical Industry**

Pharmaceutical regulations passed in 2024 are expected to bring positive changes to domestic enterprises, but there are still some concerns.

In 2024, the Ministry of Health issued Circulars 03 and 07/2024 (effective from May 2024), which stipulate that foreign companies are not allowed to participate in bidding for Group 1 and 2 drugs for drugs that at least 3 domestic companies can produce according to EU GMP quality standards.

This policy change is likely to significantly increase the market share for Vietnamese pharmaceutical companies in Group 1 & 2 drugs - where the market is largely dominated by imported drugs. Enterprises such as Hau Giang Pharmaceutical (HOSE: DHG), Imexpharm (HOSE: IMP), Binh Dinh Pharmaceutical (HOSE: DBD), Ha Tay Pharmaceutical (HNX: DHT) ... are expected to benefit, because they all own production lines that meet or are expected to meet EU GMP standards in the near future.

In addition, the Government has approved the National Pharmaceutical Strategy Implementation Plan, effective from February 2024, the Law on Pharmacy (amended) from July 2024 and the Law on Health Insurance (amended) from January 2024.

In general, the regulations will aim to transform the industry according to the priority of developing the domestic pharmaceutical industry; at the same time, creating a legal corridor, supplementing rights and responsibilities for pharmacy chains and drugs sold through e-commerce platforms. Drug registration procedures are also simplified to reduce costs for manufacturers. According to experts, these regulations create motivation for pharmaceutical companies to invest in developing new drugs as well as production capacity, increasing competition with imported drugs to gain market share.

### **5.3. Inflation and prices**

The macro economy is basically stable, inflation is well controlled: The average consumer price index (CPI) in 2024 increased by 3.63%, lower than the target assigned



by the National Assembly (4-4.5%), higher than the increase of 3.25% in 2023. The average core inflation increased by 2.71% compared to 2023, lower than the increase of overall inflation (3.63%) and lower than 2023 (4.21%), showing that the overall inflation increase is mainly due to the effect of increasing prices of goods managed by the State (electricity prices, wages, medical services and education, etc.) and demand-pull pressure (credit is estimated to increase by 15.08%, higher than 13.78% in 2023, money supply increases by about 10.5%, lower than the increase of 12.5% in 2023, but much higher than the increase of 6.2% in 2023). 2022); in which 5 groups of goods including food - foodstuff, education services, healthcare, housing - construction materials, goods and other services contributed to 90.4% of the general CPI increase.

Major balances are guaranteed with public debt (according to the Ministry of Finance), about 37% of GDP, foreign debt, and the Government's debt repayment obligations are all below the threshold allowed by the National Assembly and lower than the average of the world and countries with the same credit rating; food security, energy security and social security are guaranteed.

#### **5.4. Exchange rate risk:**

Interbank exchange rates increased by about 5%, mainly due to the appreciation of the USD in the international market, the USD-VND interest rate gap remained due to the US Federal Reserve (Fed) delaying the rate reduction schedule, and the demand for foreign currency at the end of the year increased, however, the exchange rate remained under control thanks to the abundant foreign currency supply.

#### **5.5. Legal risks, changes in pharmaceutical industry regulations**

Changes in regulations related to procedures for applying for, renewing and maintaining registration numbers have a direct impact on the results and business performance of Vimedimex because the registration number is a very important part that affects all of Vimedimex's activities. In addition, there is an impact from regulations on drug bidding because ETC market sales account for the majority (over 60%) of revenue of most member enterprises. Legal changes are beyond Vimedimex's control but have a great impact on Vimedimex's production and business results. The Legal Department continues to maintain legal risk management activities, which have gradually become more professional, covering all of Vimedimex's activities, affirming and promoting its role and position in accordance with its functions and tasks, helping to minimize Vimedimex's legal risks (with the main tasks being legal advice, contract review, updating and evaluating legal documents, commenting on draft legal documents, etc.). The work of commenting on draft legal documents has been promoted, gradually removing regulations that are difficult for Vimedimex's operations. The Legal Department organizes to collect comments and send written comments or direct

comments on regulations that affect and are related to Vimedimex's operations to the Pharmaceutical Management Agency, the Department of Administrative Procedure Control - Government Office, the Pharmaceutical Association, VCCI, etc. The list of legal documents applicable to all of Vimedimex is updated and posted on the internal network for departments to refer to and implement.

## **II. Operational situation during the year**

### **1. Production and business situation**

Vietnam's pharmaceutical industry has seen positive signs in 2024, largely thanks to support from policies and the growing consumer preference for functional foods and health care products. However, the overall picture still has some dark spots as many businesses face difficulties due to the burden of increasing operating costs and the general difficult situation. According to information from the Drug Administration of Vietnam, Ministry of Health, by 2024, Vietnam's pharmaceutical industry has achieved many positive results, ensuring the supply of quality drugs at reasonable prices to meet the needs of medical examination, treatment and disease prevention. In particular, the domestic pharmaceutical manufacturing industry continues to develop and improve to fully meet the needs of users as well as domestic and international standards. Currently, out of a total of 250 pharmaceutical factories, 238 have met GMP-WHO standards (a global standard that measures and evaluates the production capacity and quality of products distributed on the market), of which 19 facilities have GMP-EU or equivalent drug production lines. Domestic drug production has covered 13 out of 13 essential drug groups according to WHO classification, with over 800 active ingredients, producing many special technological dosage forms (long-acting drugs, freeze-dried injections, effervescent drugs, etc.), and specialized drugs (cardiovascular, diabetes, endocrine drugs, etc.). The annual growth rate of domestic pharmaceutical production ranges from 12-15% and the value of domestically produced drugs has increased from more than 20% in 2015 to nearly 50% of the value of drugs used, nearly 70% in terms of product quantity by 2022.

#### **Vimedimex's 2024 business results**

In 2024, Vimedimex will continue to manage costs through budget planning. The development of a budget plan ensures that the budget is established in accordance with Vimedimex's production and business activities. Cost management through a budget plan ensures that cost indicators are regularly evaluated and monitored for operational efficiency to take timely action. Vimedimex continues to maintain good cash flow risk management: fully proactive in working capital without having to rely on short-term debt thanks to the steady surplus of operating cash flow over the years. Under the direction of the Board of Directors, the Company's Management Board, together with

the consensus and sharing of shareholders, investors, customers and all employees of the Company, by the end of 2024, the Company has maintained its production and business results with VMD's total revenue in 2024 being **VND 1,254.97 billion**, reaching 125.5% of the plan. Pre-tax profit in 2024 is **VND 30.6 billion**, reaching 74.74% of the yearly plan, details as follows:

### **BUSINESS RESULTS TABLE 2024**

*Unit: million VND*

No.	INDICATORS	2023	PLAN 2024	2024	Actual/Plan Ratio 2024
	1	2	3	4	6=4/3
<b>1.</b>	<b>Sales and service revenue</b>	<b>3.552.263</b>	<b>1.046.592</b>	<b>1.254.971</b>	<b>119,91%</b>
2.	Revenue deductions	8.283		5.102	
<b>3.</b>	<b>Net sales and service revenue</b>	<b>3.543.980</b>	<b>1.046.592</b>	<b>1.249.868</b>	<b>119,42%</b>
<b>4.</b>	<b>Cost of goods sold</b>	<b>3.255.769</b>	<b>920.571</b>	<b>1.130.924</b>	<b>122,85%</b>
<b>5.</b>	<b>Gross profit from sales and service revenue</b>	<b>288.210</b>	<b>118.021</b>	<b>118.944</b>	<b>100,78%</b>
6.	Financial revenue	13.437	7.395	7.413	100,24%
7.	Financial expenses	4.781	5.615	10.274	182,97%
	Including: Interest expense	1.749	1.853	3.703	199,84%
8.	Selling expenses	207.100	76.168	85.734	112,56%
9.	Administrative expenses	43.118	28.750	27.712	96,39%
<b>10.</b>	<b>Net operating profit</b>	<b>46.648</b>	<b>21.883</b>	<b>2.637</b>	<b>12,05%</b>
11.	Other income	712	19.117	28.417	148,65%
12.	Other expenses	3.754	0	465	
<b>13.</b>	<b>Other profits</b>	<b>(3.042)</b>	<b>19.117</b>	<b>28.006</b>	<b>146,50%</b>
<b>14.</b>	<b>Total accounting profit before tax</b>	<b>43.606</b>	<b>41.000</b>	<b>30.643</b>	<b>74,74%</b>
15.	Current income tax expense	12.416	8.200	7.090	
<b>16.</b>	<b>Profit after income tax</b>	<b>28.237</b>	<b>32.300</b>	<b>23.194</b>	<b>71,81%</b>

**Business performance of member departments/units in 2024 is as follows:**

**For the Logistics service sector:** Net revenue in 2024 is 8.38 billion VND, reaching 75.13% of the 2024 plan. The reason for the new rental price is that after the City Party Committee increased the warehouse rental price, it has not found a tenant.

**Leasing activities of the 246 Cong Quynh Office Building:** Total revenue in 2024 of the building is 32.08 billion VND, reaching 101.10% of the plan, of which: Office rental revenue is 21.26 billion VND ~ 100.27% of the plan. Revenue from management, service and advertising fees is 6.51 billion VND ~ 102.96% of the plan. Revenue from parking is 1.35 billion VND ~ 97.16% of the plan. Total cost of implementation in the period is 8.08 billion VND ~ 95.47% of the 2024 plan. All costs

are under control. The unit's pre-tax profit and depreciation in 2024 reached 24.0 billion VND ~ 103.15% of the 2024 plan.

**Office Building 45 Vo Thi Sau leasing activities:** Total revenue in 2024 is 63.08 billion VND, reaching 101.97% of the plan. In which: Office rental revenue is 43.45 billion VND ~ 104.18% of the 2024 plan. Revenue from service fees + advertising is 15.13 billion VND ~ 97.99% of the 2024 plan. Vehicle parking revenue is 1.89 billion VND ~ 115.92% of the 2024 plan.

Total office operating costs are 27.71 billion VND ~ 96.39% of the 2024 plan. All costs are under control. The parent company's pre-tax profit and depreciation in 2024 is 24.01 billion VND.

**Business results at Vimedimex Pharmaceutical Company Limited:** Total financial revenue is 1.78 billion VND, the Company's net profit is 1.78 billion VND

**Business results at Vimedimex Binh Duong One Member Co., Ltd.:** The total revenue in 2024 of the unit reached 892.35 billion VND ~ 99.15% of the plan. Gross profit in 2024 was 8.1 billion VND ~ 110.47% of the plan in 2024. Total expenses in 2024 were 5.68 billion VND, reaching 118.44% of the plan. Profit before tax and depreciation in 2024 of the unit was 2.41 billion VND, reaching 95.34% of the yearly plan.

**Business results at Vimedimex Pharmaceutical Distribution Center - Limited Company:** The total pre-tax profit of the unit reached 1.46 billion VND, only 24.37% of the year's plan

## **2. Organization and personnel**

### **2.1. List of Executive Board**

#### **2.1.1. General Director (appointed on November 24, 2020)**

Full name: Master, Doctor Tran My Linh

Title: General Director

Gender: Female

Date of birth: January 18, 1982

ID card number: 001182010004 - Date of issue: August 10, 2015 - Place of issue:

Department of Public Security

Place of birth: Hanoi

Nationality: Vietnam

Ethnicity: Kinh

Hometown: Hanoi

Permanent address: No. 51, Lane 29, Vong Thi Street, Buoi Ward, Tay Ho District, Hanoi

Educational level: 12/12

Professional level: Master

Working process: From November 24, 2020: General Director of Vimedimex Medi - Pharma Joint Stock Company

Number of shares owned and represented (Up to now): 0 shares (accounting for 0% of total number of shares in circulation)

Owned: 0 shares (accounting for 0% of total shares in circulation)

Representative: 0 shares (accounting for 0% of total shares in circulation)

Shareholding ratio of related persons: None

Interests in conflict with the interests of the Company: None.

Illegal acts: None.

**2.1.2. Deputy General Director (appointed on October 26, 2020 - dismissed on January 13, 2025)**

Full name: Trinh Ngoc Duyen

Title: Deputy General Director

Gender: Female

Date of birth: 1988

ID card number: 031188002626 - Date of issue: October 12, 2016 - Place of issue: Department of Public Security

Place of birth: Hai Phong

Nationality: Vietnam

Ethnicity: Kinh

Hometown: Hai Phong

Permanent address: P1102-CT9C DTVH-Group 17B Duc Giang, Long Bien, Hanoi.

Education level: 12/12

Professional level: Bachelor's degree

Working process: From October 26, 2020: Deputy General Director of Vimedimex Medi - Pharma Joint Stock Company.

Current position in other organizations: None

Number of shares owned and represented (Up to now): 0 shares (accounting for 0% of total number of shares in circulation)

Owned: 0 shares (accounting for 0% of total shares in circulation)

Representative: 0 shares (accounting for 0% of total shares in circulation)

Shareholding ratio of related persons: None

Interests in conflict with the interests of the Company: None.

Illegal acts: None.

**2.1.3. Deputy General Director (appointed on 30/05/2019 - dismissed on**

**20/02/2024)**

Full name: Tran Quang Huy

Title: Deputy General Director

Gender: Male

Date of birth: 30/03/1986

ID card number: 012478843 - Date of issue: 01/12/2011 - Place of issue: Hanoi

Police

Place of birth: Hanoi

Nationality: Vietnam

Ethnicity: Kinh

Hometown: Hanoi

Permanent address: 227A Nguyen Ngoc Vu, Cau Giay, Hanoi

Education level: 12/12

Professional level: Bachelor's degree

Working experience: From May 2019 to present: Deputy General Director of Vimedimex Medi - Pharma Joint Stock Company.

Current position held in other organizations: none.

Number of shares owned and represented (As of now): 0 shares (accounting for 0% of total outstanding shares)

Owned: 0 shares (accounting for 0% of total outstanding shares)

Represented: 0 shares (accounting for 0% of total outstanding shares)

Shareholding ratio of related persons: None

Interests that conflict with the interests of the Company: None.

Illegal acts: None.

**2.1.4. Deputy General Director (appointed on November 24, 2020 - dismissed on January 13, 2025)**

Full name: Cao Thi Thu Hang

Title: Deputy General Director

Gender: Female

Date of birth: August 25, 1991

ID card number: 034191007062 - Date of issue: October 9, 2019 - Place of issue:

Department of Public Security

Place of birth: Thai Binh

Nationality: Vietnam

Ethnicity: Kinh

Hometown: Thai Binh

Permanent address: Phu Yen 1 Village, Yen Lap, Vinh Tuong, Vinh Phuc.

Education level: 12/12

Professional level: Master

Working process: From November 24, 2020 to present: Deputy General Director of Vimedimex Medi - Pharma Joint Stock Company.

Current position in other organizations: None

Number of shares owned and represented (As of now): 0 shares (accounting for 0% of total outstanding shares)

Owned: 0 shares (accounting for 0% of total outstanding shares)

Represented: 0 shares (accounting for 0% of total outstanding shares)

Shareholding ratio of related persons: None

Interests that conflict with the interests of the Company: None.

Illegal acts: None.

#### **2.1.5. Deputy General Director (appointed on September 10, 2021)**

Full name: Do Thi Dong

Title: Deputy General Director

Gender: Female

Date of birth: October 15, 1965

ID card number: 012589456 - Date of issue: October 24, 2009 - Place of issue:

Hanoi Police

Place of birth: Hai Phong

Nationality: Vietnam

Ethnicity: Kinh

Hometown: Hai Phong

Permanent address: Room 19-07, CT2 Building, Trung Van New Urban Area, To Huu, Trung Van Ward, Nam Tu Liem District, Hanoi

Education level: 12/12

Professional level: Bachelor

Working experience: From September 2021 to present: Deputy General Director of Vimedimex Medi - Pharma Joint Stock Company.

Current position in other organizations: None

Number of shares owned and represented (As of now): 0 shares (accounting for 0% of total outstanding shares)

Owned: 0 shares (accounting for 0% of total outstanding shares)

Represented: 0 shares (accounting for 0% of total outstanding shares)

Shareholding ratio of related persons: None

Interests that conflict with the interests of the Company: None.

Illegal acts: None.

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**2.1.6. Deputy General Director (appointed on 10/09/2021 - dismissed on 13/01/2025)**

Full name: Vu Tuyet Minh

Title: Deputy General Director

Gender: Female

Date of birth: 19/05/1970

ID card number: 001170008357 - Date of issue: 19/08/2016 - Place of issue:

Department of Public Security

Place of birth: Hanoi

Nationality: Vietnam

Ethnicity: Kinh

Hometown: Hanoi

Permanent address: P1207 - 17T3 Trung Hoa-Nhan Chinh Urban Area, Trung Hoa Ward, Cau Giay District, Hanoi City, Vietnam

Education level: 12/12

Professional level: Bachelor

Working experience: From 10/09/2021 to present: Deputy General Director of Vimedimex Medi - Pharma Joint Stock Company.

Current position in other organizations: None

Number of shares owned and represented (As of now): 0 shares (accounting for 0% of total outstanding shares)

Owned: 0 shares (accounting for 0% of total outstanding shares)

Represented: 0 shares (accounting for 0% of total outstanding shares)

Shareholding ratio of related persons: None

Interests that conflict with the interests of the Company: None.

Illegal acts: None.

**2.1.7. Deputy General Director (appointed on September 7, 2022)**

Full name: Be Cong Son

Title: Deputy General Director

Gender: Male

Date of birth: May 17, 1983

ID card number: 027083000192 - Date of issue: August 10, 2015 - Place of issue:

Department of Public Security

Place of birth: Bac Ninh

Nationality: Vietnam

Ethnicity: Kinh

Hometown: Bac Ninh



Permanent address: No. 24 Thanh Vy, Son Loc, Son Tay, Hanoi

Educational level: 12/12

Professional level: Bachelor

Working process: From August 24, 2020 to present: Deputy General Director of Vimedimex Medi - Pharma Joint Stock Company.

Current position in other organizations: None

Number of shares owned and represented (As of now): 0 shares (accounting for 0% of total outstanding shares)

Owned: 0 shares (accounting for 0% of total outstanding shares)

Represented: 0 shares (accounting for 0% of total outstanding shares)

Shareholding ratio of related persons: None

Interests that conflict with the interests of the Company: None.

Illegal acts: None.

**2.1.8. Deputy General Director (appointed on 24/02/2023 - dismissed on 13/01/2025)**

Full name: Pham Ngoc Quan

Title: Deputy General Director

Gender: Male

Date of birth: 06/08/1988

ID card number: 017088002023 - Date of issue: 29/04/2021 - Place of issue:

Department of Public Security

Place of birth: Hanoi

Nationality: Vietnam

Ethnicity: Kinh

Hometown: Hanoi

Permanent address: P1812A Building B, Imperia CC 203 Nguyen Huy Tuong, TXT, Thanh Xuan, Hanoi

Education level: 12/12

Professional level: Bachelor's degree

Working experience: From 24/02/2023 to present: Deputy General Director of Vimedimex Medi - Pharma Joint Stock Company.

Current position in other organizations: None

Number of shares owned and represented (As of present): 0 shares (accounting for 0% of total outstanding shares)

Owned: 0 shares (accounting for 0% of total outstanding shares)

Represented: 0 shares (accounting for 0% of total outstanding shares)

Shareholding ratio of related persons: None

Interests that conflict with the interests of the Company: None.

Illegal acts: None.

**2.1.9. Deputy General Director (appointed on 21/04/2023 - dismissed on 13/01/2025)**

Full name: Kuo Tung Lin

Title: Deputy General Director

Gender: Male

Date of birth: 28/02/1974

Passport number: 352376477 - Date of issue: 10/07/2019 - Place of issue:  
Ministry of Foreign Affairs - China (Taiwan)

Place of birth: Taiwan

Nationality: China (Taiwan)

Ethnicity: Chinese

Hometown: Taiwan

Permanent address: GH 3401, Sunwah Pearl, 90 Nguyen Huu Canh, Ward 22,  
Binh Thanh District, City. Ho Chi Minh City, Vietnam

Education level: 12/12

Professional level: Bachelor's degree

Working process: From April 21, 2023 to present: Deputy General Director of  
Vimedimex Medi - Pharma Joint Stock Company.

Current position in other organizations: None

Number of shares owned and represented (As of now): 0 shares (accounting for  
0% of total outstanding shares)

Owned: 0 shares (accounting for 0% of total outstanding shares)

Represented: 0 shares (accounting for 0% of total outstanding shares)

Share ownership ratio of related persons: None

Interests that conflict with the interests of the Company: None.

Illegal acts: None.

**2.1.10. Deputy General Director (appointed on October 4, 2023)**

Full name: Nguyen Bao Anh

Title: Deputy General Director

Gender: Male

Date of birth: April 25, 1988

ID card number: 001088013737 - Date of issue: April 16, 2021 - Place of issue:  
Department of Public Security

Place of birth: Hanoi

Nationality: Vietnam

Ethnicity: Kinh

Hometown: Hanoi

Permanent address: No. 10/6 Le Loi, Son Tay, Hanoi.

Education level: 12/12

Professional level: Bachelor's degree

Working experience: From October 4, 2023 to present: Deputy General Director of Vimedimex Medi - Pharma Joint Stock Company.

Current position in other organizations: None

Number of shares owned and represented (As of present): 0 shares (accounting for 0% of total outstanding shares)

Owned: 0 shares (accounting for 0% of total outstanding shares)

Represented: 0 shares (accounting for 0% of total outstanding shares)

Shareholding ratio of related persons: None

Interests that conflict with the interests of the Company: None.

Illegal acts: None.

**2.1.11. Deputy General Director (appointed on December 6, 2023)**

Full name: Le Tri Dung

Title: Deputy General Director

Gender: Male

Date of birth: February 7, 1974

ID card number: 040074029917 - Date of issue: May 16, 2022 - Place of issue:

Department of Public Security

Place of birth: Nghe An

Nationality: Vietnam

Ethnicity: Kinh

Hometown: Nghe An

Permanent address: Group 42, Khuong Dinh, Thanh Xuan, Hanoi.

Education level: 12/12

Professional level: Bachelor's degree

Working experience: From December 6, 2023 to present: Deputy General Director of Vimedimex Medi - Pharma Joint Stock Company.

Current position in other organizations: None

Number of shares owned and represented (As of present): 0 shares (accounting for 0% of total outstanding shares)

Owned: 0 shares (accounting for 0% of total outstanding shares)

Represented: 0 shares (accounting for 0% of total outstanding shares)

Shareholding ratio of related persons: None

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Interests that conflict with the interests of the Company: None.

Illegal acts: None.

#### **2.1.12. Chief Accountant (appointed on November 8, 2023)**

Full name: Nguyen Thi Thu Dung

Title: Chief Accountant

Gender: Female

Date of birth: August 20, 1973

ID card number: 001173040816 - Date of issue: July 10, 2021 - Place of issue:

Department of Public Security

Place of birth: Hanoi

Nationality: Vietnam

Ethnicity: Kinh

Hometown: Hanoi

Permanent address: No. 115, Lane 241, Kham Thien Market, Phuong Lien Ward, Dong Da District, Hanoi City.

Education level: 12/12

Professional level: Bachelor's degree

Working experience: From November 8, 2023: Chief Accountant of Vimedimex Medi - Pharma Joint Stock Company.

Current position in other organizations: None

Number of shares owned and represented (As of present): 0 shares (accounting for 0% of total outstanding shares)

Owned: 0 shares (accounting for 0% of total outstanding shares)

Represented: 0 shares (accounting for 0% of total outstanding shares)

Shareholding ratio of related persons: None

Interests that conflict with the interests of the Company: None.

Illegal acts: None.

#### **2.2. Changes in the Executive Board**

Mr. Tran Quang Huy - Deputy General Director (resigned on February 20, 2024)

#### **2.3. Number of officers and employees**

##### **2.3.1. Vimedimex Medi - Pharma Joint Stock Company:**

Total number of employees (As of December 31, 2024): 32 people, including 20 male employees and 12 female employees.

In which:

- Employees signing indefinite-term contracts: 27 people.

- Employees signing fixed-term contracts: 5 people.

##### **2.3.2. Vimedimex Medi - Pharma Joint Stock Company Branch in Hanoi:**

Total number of employees (As of December 31, 2024): 0 people, including 0 male employees and 0 female employees.

In which:

- Employees signing indefinite-term contracts: 0 people.
- Employees with fixed-term contracts: 0 people.

### **2.3.3. Vimedimex Pharmaceutical Company Limited**

Total number of employees (as of December 31, 2024): 0 people, including 0 male employees and 0 female employees.

Of which:

- Employees with indefinite-term contracts: 0 people.
- Employees with fixed-term contracts: 0 people

### **2.3.4. Vimedimex Binh Duong One Member Co., Ltd.**

Total number of employees (as of December 31, 2024): 65 people, including 25 male employees and 40 female employees.

Of which:

- Employees with indefinite-term contracts: 47 people.
- Employees with fixed-term contracts: 18 people

### **2.3.5. Vimedimex Binh Duong Company Limited Branch in Hanoi**

Total number of employees (as of December 31, 2024): 01 person including 0 male employees and 01 female employee.

In which:

- Employees signing indefinite-term contracts are: 01 person.
- Employees signing fixed-term contracts are: 0 people

### **2.3.6 Employee policies**

a) Salary policy: Applied according to the title and nature of each job. The Company pays salaries to employees in the Company correctly and fully according to the Salary Regulations on the basis of current legal regulations.

b) Bonus policy: The Company rewards employees based on salary, job title and business performance of the Company.

c) Other policies for employees: The Company implements welfare policies for employees such as: Sickness, wedding and birthday allowances; employees with especially difficult circumstances, gasoline and phone allowances for management positions and organizes vacations during the year.

## **3. Investment situation, project implementation situation**

In 2024, the Company will not make any major investments.

## **4. Financial situation**

### **4.1. Financial situation**

Chỉ tiêu	2023	2024	% increase/ decrease
<b>Total Assets</b>	1.855.798.198.593	1.197.454.824.560	64,53%
<b>Net Revenue</b>	3.543.979.606.454	1.249.868.100.607	35,27%
<b>Operating Profit</b>	46.647.613.982	2.636.551.012	6%
<b>Other Profits</b>	-3.041.823.781	28.006.416.448	-921%
<b>Profit Before Tax</b>	43.605.790.201	30.642.967.460	70%
<b>Profit After Tax</b>	31.189.485.627	23.552.656.097	76%
<b>Dividend Return</b>	2.020	1.525	75.5%

## 4.2. Main financial indicators

Finance is the lifeblood of a business, so managers always need to pay proper attention. Grasping important financial indicators is one of the effective and scientific financial management methods.

### 4.2.1. Financial indicators

Financial indicators will show us clearly the financial situation of Vimedimex. Simply put, financial indicators are relationships extracted from Vimedimex's financial information and are often used for comparison purposes. Financial indicators are ratios calculated by dividing numbers related to finance or business by another number (total revenue divided by the number of employees). Through that, managers can grasp the progress and current development situation of Vimedimex.

To effectively manage finances, managers not only need to master knowledge and skills in financial accounting management but also need to understand the basic mechanisms, processes and principles in actual operations.

#### a) Financial management skills

Financial managers must be able to plan, budget and control cash flows (revenue, profit, expenses) of the business. Indispensable skills include:

- Distinguish between types of assets (long-term, short-term assets; fixed assets, current assets) and types of transactions (cash, transfers), etc. when managing finances.
- Understand the terms, parameters on invoices, documents and types of financial reports.
- Analyze data, evaluate business estimates, plan short-term and long-term finances.
- Calculate and set financial goals for investments and strategic projects.

#### b) Financial management mechanism

Effective financial management not only helps Vimedimex minimize investment costs but also ensures that capital is always available when needed to smoothly operate Vimedimex's operations. Below are the indispensable principles in the financial management mechanism:

(1) Ensure there is always a reserve fund: Building a reserve fund will be a sufficient amount of finance to maintain Vimedimex's operations in difficult times, or be ready to invest as soon as the opportunity arises. Vimedimex pays close attention to building a reserve fund, leading to always having financial resources to promptly handle crises. A typical example is the impact of the Covid-19 pandemic on Vimedimex's operations.

(2) Always have a business plan: A clear business plan will indicate Vimedimex's position in the current market and what goals need to be achieved. Financially, planning helps Vimedimex allocate finances effectively and organize necessary business activities to optimize revenue. Thanks to that, Vimedimex's owners can calculate and estimate the capital needed to maintain business operations.

(3) Debt reduction: Bad debts not only cause stress but also directly affect Vimedimex's revenue and business plans in the future. Therefore, Vimedimex should not keep these bad debts from year to year. Instead, it should be resolved quickly before the end of the fiscal year to ensure stable business operations.

(4) Cash flow forecast: Maintain detailed and periodic cash flow forecasts for each item and product, for example on a rotating basis for the next 6 months. It is necessary to identify deficits and plan to cover all deficits by arranging working capital or other funds.

(5) Regularly update reports: In addition to cash flow forecasts, reports need to be updated regularly to grasp important business figures. Every month, Vimedimex should reconcile revenues, loans, deposits, and interest once. If any problems arise, all will be handled quickly.

(6) Systemic management: System management helps Vimedimex update, count, and monitor all types of finance continuously. It is necessary to regularly monitor and control credit card transactions, bank loans, brokerage fees, mortgages, and payroll funds, etc. The difficulty for most Vimedimex is centralized and systematic management according to a certain logic.

(7) Proactively develop a Capital Mobilization Plan: To meet the capital needs for the production and business activities of the Enterprise, the Finance and Capital Department must always proactively develop a capital mobilization plan based on the cash flow plan and business plan.

#### 4.2.2. Main financial indicators

##### a) Solvency index group

No.	Indicators	2023	2024	Average
1	Short-term solvency coefficient	1,15	1,3	113%
2	Instant payout coefficient	0,15	0,4	266.67%
3	Quick liquidity ratio	0,97	1,17	120.6%
4	Interest payment coefficient	25,93	8,28	31,93%

### (1) Short-term solvency coefficient

$$\text{Short-term solvency ratio} = \text{Short-term assets} / \text{Short-term debt}$$

Shows Vimedimex's ability to pay short-term debts. Vimedimex can only survive if it can meet its payment obligations when due. If this index is less than 1, it shows that the ability to pay debts when due is weak, signaling potential risks in financial activities, so this index must always be maintained greater than 1 to ensure safety in financial activities. This coefficient over the years of Vimedimex is always greater than >1, showing that Vimedimex always ensures its obligation to pay short term debts on time.

### (2) Instant payout coefficient

$$\text{Instant payout coefficient} = \text{Cash and cash equivalents} / \text{Short-term debt}$$

This ratio shows the abundant cash resources that can immediately meet the payment of short-term debts without depending on the collection of receivables, sales of inventories, etc. This ratio is useful to evaluate the payment ability of Vimedimex during the period of economic crisis, when inventories cannot be consumed, as well as receivables are difficult to collect.

### (3) Quick liquidity ratio

$$\text{Quick liquidity ratio} = (\text{Short-term assets} - \text{Inventories}) / \text{Short-term debt}$$

This ratio shows the ability to pay quickly during times when inventory consumption is slow, debt collection is difficult, etc. Vimedimex's quick payment ratio from 2023 to 2024 gradually increased from 0.97 to 1.17 times. That shows the company's quick payment ability is good and the ability to quickly pay due debts is gradually increasing.

### (4) Interest payment coefficient

$$\text{Interest payment coefficient} = \text{EBIT} / \text{Interest payable}$$

Vimedimex's liabilities will include: loans and payables (to suppliers, employees, etc.). In particular, if using loans, Vimedimex must pay usage costs - interest. Therefore, it is necessary to assess whether there are any risks in Vimedimex's interest payment or not.

### b) Capital structure and asset structure indexes

No.	Indicators	2023	2024	Average
1	Debt ratio	77,15%	65,2%	84,51%
2	Equity ratio	22,85%	34,8%	152,3%
3	Short-term asset ratio	87,3%	81,5%	93,35%
4	Long-term assets ratio	12,7%	18,47%	145,43%



### (1) Capital Structure Ratio

$$\text{Debt ratio} = \text{Debt payable} / \text{Total capital}$$

$$\text{Equity ratio} = \text{Equity} / \text{Total capital}$$

This ratio shows the debt ratio in Vimedimex's total capital. So what is the reasonable debt ratio for Vimedimex? In fact, it is difficult to assess what is a reasonable debt ratio for Vimedimex, this ratio depends on many factors such as scale or purpose of borrowing, etc. However, normally, a low debt ratio shows that Vimedimex has a high level of safety and low financial risk. On the contrary, Vimedimex with a high debt ratio will have many potential risks.

These ratios show where Vimedimex's capital is mainly formed from, the level of financial independence of Vimedimex or the financial risks that Vimedimex may encounter. This index is important to business lending partners and investors, so they are often considered very carefully.

Vimedimex's debt ratio decreased from 77.15% in 2023 to 65.2% in 2024, proving that Vimedimex's financial safety level has improved, minimizing risks.

### (2) Asset structure coefficient

$$\text{Current Asset Ratio} = \text{Current Assets} / \text{Total Assets}$$

$$\text{Long-term assets ratio} = \text{Long-term assets} / \text{Total assets}$$

These ratios show the structure of short-term and long-term assets in Vimedimex, according to the pharmaceutical business line.

Vimedimex's short-term asset ratio decreased from 87.3% in 2023 to 81.5% in 2025, corresponding to the decrease in the Debt Ratio, proving that Vimedimex's financial safety level has improved, minimizing risks.

### c) Performance Index

No.	Indicators	2023	2024	Average
1	Return on Assets (ROA)	1,22%	1,54%	126,23%
2	Return on Equity (ROE)	7,4%	5,65%	77%
3	Return on Sales (ROS)	0,88%	1,88%	214%
4	Gross Margin	9,52%		
5	Earnings Per Share (EPS)	2.020	1.525	75,5%

### (1) Return on assets

$$\text{Return on assets (ROA)} = \text{Profit after tax} / \text{Average total assets}$$

The coefficient reflects the profitability of how much profit after tax is generated for 1 dong of assets. Or how effective is Vimedimex's asset usage? Normally, the higher the ROA, the better. Especially for businesses in the pharmaceutical manufacturing and distribution industry, ... like Vimedimex, ROA is an extremely important indicator.

Because Vimedimex uses long-term assets such as TTPPs, warehouses according to GSP standards, ... to increase profit margins. Vimedimex's ROA in recent years has been high and has tended to increase gradually (1.22% in 2023 to 1.54% in 2024), showing that Vimedimex effectively manages depreciation costs, input costs.

### **(2) Return on equity (ROE)**

$$\text{Return on equity (ROE)} = \text{Profit after tax} / \text{Average equity}$$

This index reflects the profitability of each dong of equity capital spent during the period, the higher the ROE, the more effective it is in using equity capital. This index helps Vimedimex reflect the overall aspects of financial management level, cost management level, asset management level, and capital management level of Vimedimex. Based on ROE, Vimedimex can also assess whether Vimedimex has a competitive advantage or not. Vimedimex's ROE is always high (over 5%) and stable for many years (even when the market is in difficulty), which means that Vimedimex has a sustainable competitive advantage.

### **(3) Return on Sales (ROS)**

$$\text{Return on Sales (ROS)} = \text{Profit after tax} / \text{Net sales}$$

This index tells Vimedimex how much profit after tax Vimedimex will earn for every 1 dong of net revenue. This helps reflect the effectiveness of Vimedimex's cost management.

In the case of a stable and higher ROS ratio than competitors, these are businesses with great competitive advantages and good cost management efficiency. These are even leading businesses in that business field.

Vimedimex's ROS index is always stable and high, proving that Vimedimex has the ability to generate good profits, from 1 dong of revenue it can generate 0.88 dong of profit (in 2023) and 1.88 dong of profit (in 2024).

### **(4) Gross profit margin**

$$\text{Gross profit margin} = \text{Gross Profit} / \text{Net Sales}$$

This index helps Vimedimex reflect the effectiveness of Vimedimex's production cost management (raw materials, labor costs, etc.), its ability to generate profits as well as its competitiveness in the market.

Vimedimex can maintain a high and stable gross profit margin over many years, which is usually a Vimedimex with good competitive advantages and producing products that meet market demand.

Vimedimex's competitive advantages can be: exclusive products, brands, low costs, etc. Vimedimex can also be growing well in a potential market but does not have many competitors. Thanks to that, Vimedimex's gross profit margin is always high and stable (9,52%).

## (5) Earnings Per Share (EPS)

$$\text{Earnings Per Share (EPS)} = (\text{Profit after tax} - \text{Dividends for preferred shareholders}) / \text{Number of common shares outstanding}$$

This indicator helps Vimedimex reflect how much profit after tax 1 common share earns in the year. Also known as EPS index. This index of Vimedimex in 2024 is 1,525, equivalent to 1 share earning 1,525 VND profit after tax.

### 5. Shareholder structure, change in owner's investment capital

#### 5.1. Shares

- Total number of outstanding shares: 15,440,268 shares. Of which:
- Common shares: 15,440,268 shares, par value: VND 10,000/share.
- Other shares (treasury shares, preferred shares, etc.): none.

#### 5.2. Shareholder structure

Shareholder structure as of December 31, 2024 is as follows:

#### SHAREHOLDER STRUCTURE TABLE

(as of December 31, 2024)

No.	Category	Domestic shareholders		Foreign shareholders		Total	
		Number of shares (CP)	Ratio (%)	Number of shares (CP)	Ratio (%)	Number of shares (CP)	Ratio (%)
I	<b>Major Shareholder</b>	<b>12.506.939</b>	<b>81%</b>			<b>12.506.939</b>	<b>81%</b>
1	Organization	8.579.833	55,57%			8.579.833	55,57
2	Individual	3.927.106	25,43%			3.927.106	25,43
II	<b>Other Shareholder</b>	<b>2.933.329</b>	<b>18,04%</b>	<b>147.830</b>	<b>0,96%</b>	<b>3.081.159</b>	<b>19%</b>
<b>Total number of outstanding shares</b>		<b>15.184.788</b>	<b>99,04%</b>	<b>147.830</b>	<b>0,96%</b>	<b>15.440.268</b>	<b>100%</b>

5.3. Changes in owners' equity: None

5.4. Treasury stock transactions: None

5.5. Other securities: None

### III. Report and assessment of the Board of Directors

#### 1. Assessment of production and business performance

The global outbreak of the Covid-19 pandemic has shown the paramount importance of healthcare and the healthcare industry in unprecedented ways. On the one hand, it has highlighted the important role of the pharmaceutical industry and innovative medicines in ensuring global safety and security. On the other hand, it has also exposed vulnerabilities in the global economy, including healthcare services.

Faced with the impact of the pandemic, the pharmaceutical industry also faced certain difficulties due to supply chain disruptions, high prices of raw materials and transportation, changes in habits, drug use needs, along with strict disease prevention

regulations of the Government, and people's restrictions on medical treatment facilities, causing the pharmaceutical market to stagnate severely.

In addition to the negative impacts, the pandemic also opened up great opportunities to promote businesses in the pharmaceutical industry to restructure operations and supply chains, digitize processes, strengthen risk management, and prepare for the next normal period.

In today's competitive world, success is determined by optimally managing production and supply chain operating costs to keep service costs and inventory levels at a minimum while maintaining the highest level of service. In addition, product quality management, compliance with relevant regulatory frameworks and the safety of products, assets and people are additional responsibilities that pharmaceutical companies need to meet.

## 2. Financial situation

Vimedimex's performance index group is as follows:

No.	Indicators	2023	2024	Average
1	Inventory Turnover	5,44	6,747	1,24
2	Average Days of Inventory Turnover	67,13	54,1	0,81
3	Accounts Receivable Turnover	2,53	2,152	0,85
4	Average Days of Accounts Receivable Turnover	144,31	169,61	1,175
5	Fixed Asset Utilization Efficiency	33,07	5,26	0,16
6	Fixed Asset Ratio	24,73%	26,09%	
7	Fixed Asset Long-Term Adaptability Ratio	23,61%	24,98%	

### (1) Inventory turnover

$$\text{Inventory Turnover} = \text{Cost of Goods Sold} / \text{Average Inventory}$$

This coefficient reflects how many times 1 VND of inventory capital is turned over in a cycle. The higher the number of turns, the more effective Vimedimex is in managing inventory reserves and the product consumption situation is good.

According to the analysis data table above, the company's inventory turnover index from 2023 to 2024 is an average of 1.24 turns. Thereby, we can see that the company's inventory management ability is getting better and better, improving the Company's operating efficiency.

And from there, we can calculate the average number of days of 1 inventory turnover, this index reflects how many days of inventory in the warehouse is consumed.

$$\text{Average Days of Inventory Turnover} = 365 / \text{Inventory turnover}$$

Normally, the higher the inventory turnover ratio, the less inventory, the faster the product is consumed and the capital is not stuck in inventory. Similar to the inventory

turnover index, due to the Company's increasingly effective management activities, the average number of days of inventory turnover of the Company from 2023 to 2024 is also very good, averaging about 100 days. That helps the Company cut many unnecessary costs, increasing operating efficiency in 2024.

### **(2) Accounts receivable turnover**

In case Vimedimex continuously lets customers buy on credit without collecting money, sooner or later, Vimedimex will not have enough money to serve production and business activities. To be able to evaluate the debt collection speed (accounts receivable) of Vimedimex, we use the receivable turnover ratio according to the following formula:

$$\text{Accounts receivable turnover} = \text{Sales revenue} / \text{Average accounts receivable}$$

This ratio reflects how many times the receivables have been turned over. From 2024 to now, the Company's receivables turnover has been relatively good, averaging 2,152 times/year. Along with the Company's stable revenue growth, it proves that the Company's debt collection ability is good, ensuring the Company's financial security.

From this index, Vimedimex can also calculate the average number of days to collect money per receivable turnover. Take 365 days (1 year) and divide it by the receivable turnover as follows:

$$\text{Average Days of Accounts Receivable Turnover} = 365 / \text{Accounts receivable turnover}$$

Average collection period: How long does it take for customers to collect sales proceeds? Note: This ratio will depend on the sales policy (back-up debt) and payment policy of Vimedimex. Similar to the Company's receivable turnover increasing gradually, the average number of days for a receivable turnover of the Company is 169.61 days. For a pharmaceutical distribution company, this is an ideal number when the average receivables from customers are 90 days, which proves that the Company's debt collection ability is very good.

### **(3) Fixed asset utilization efficiency**

$$\text{Fixed asset utilization efficiency} = \text{Net revenue} / \text{Average fixed asset cost}$$

The index reflects the efficiency of using fixed assets during the period of Vimedimex. This efficiency of Vimedimex is 5.26 times on average, proving that the use of fixed assets to create Vimedimex is highly effective.

### **(4) Fixed Assets Ratio**

$$\text{Fixed Assets Ratio} = \text{Fixed Assets} / \text{Equity}$$

This ratio shows Vimedimex the stability of its investment in fixed assets. This

is based on the view that investments in fixed assets (such as land and buildings) can be regenerated as desired from equity because such investments usually take a long time to regenerate. The smaller the ratio, the safer it is. However, if a business holds many assets such as securities that are highly convertible to cash, then in fact this business is much safer than what this ratio may reflect.

However, Vimedimex is a business with a warehouse system in 63 provinces and cities that are subject to depreciation, this ratio will improve itself (ie will decrease) due to the depreciation process assuming that Vimedimex does not buy new equipment and has a certain reserve at any time. This ratio and the current ratio improve or deteriorate simultaneously but in opposite directions.

If this ratio is high, Vimedimex needs to check the long-term suitability ratio of fixed assets and the repayment status of long-term loans. If the repayment of long-term loans can be made within the scope of current net income and depreciation expenses, we can say that Vimedimex is currently at a safe level.

#### **(5) Long-term adaptation coefficient of fixed assets**

$$\text{Long-term adaptation coefficient of fixed assets} = \frac{\text{Fixed Assets}}{(\text{Equity} + \text{Long-term Debt})}$$

This ratio indicates the extent to which Vimedimex can finance its fixed assets with long-term stable sources of capital (including equity and fixed liabilities). In principle, this ratio should not exceed 100%.

Ideally, investments in fixed assets can be financed within equity, and if not, they should at least be financed by other stable sources of capital, such as long-term loans and corporate bonds, but must be repaid on the condition that these have long-term repayment terms.

If the long-term adaptation ratio of fixed assets is greater than 100%, Vimedimex will have to finance its fixed assets with short-term funds (such as short-term funds or short-term loans). However, its cash flow will then become unstable.

### **3. Future development plans**

As a Pharmaceutical Company with a 40-year tradition, along with the persistent efforts of the Company's Board of Directors and all employees throughout the system, Vimedimex has built a business plan for 2025 as follows:

**Goals - Orientation:** Building Vimedimex stronger and more effective on the basis of restructuring and rational use of resources; Improving corporate governance capacity, higher linkages in finance, technology and market. Building a team of competent and professional leaders, and at the same time building a team of good managers and businessmen. Reorganizing and changing the structure of Vimedimex, creating a type of enterprise with many owners, including a large number of employees,

to effectively manage and use capital and assets, creating strong motivation and a dynamic management mechanism for Vimedimex.

**Implementation solutions:** Vimedimex focuses its intelligence and strength to overcome difficulties, seize opportunities, renew awareness, reorganize, maximize capital resources, boldly invest in equipment, human resources, and apply advanced technology to production and business. Build Vimedimex into a comprehensively developing enterprise in the pharmaceutical sector.

**About products:** Develop product diversification. Prioritize the development of traditional products that have affirmed market share and products with high technology and engineering. Research and develop new products, especially products in which Vimedimex has potential and advantages.

**About the market:** Promote marketing activities to promote Vimedimex's brand and products in the market. Implement a good quality policy for customers to maintain and develop the brand and market share. Promote all resources, promote foreign affairs, joint ventures, and partnerships with foreign partners to access a larger international market.

**In terms of science and technology:** Promote the movement of technical innovation initiatives, rationalize production to innovate technology in production and business to create more profits. Regularly update, research, and apply scientific and technological advances in the world.

**In terms of investment:** Continue to invest in modern specialized equipment with technological innovation. Through investment to access modern means and equipment in the direction of advanced science and technology development in the world, at the same time, train a team of technical staff to meet the development requirements of Vimedimex.

**In terms of finance:** Strictly manage costs, ensure effective use of capital; improve financial capacity, ensure continuous, stable, and solid development.

Regarding production consultancy for Vimedimex Pharmaceutical Joint Stock Company 2 (VMD2): Deploy and implement the Law on Pharmacy, Decree No. 54/2017/ND-CP of the Government and circulars of the Ministry of Health guiding and encouraging the production and use of domestic drugs, applying good practice standards (GPs) in the production, preservation, distribution and testing of drugs.

To contribute to improving the production capacity of the domestic pharmaceutical industry, VMD will accompany and advise VMD2 to complete and put into production the second production line of Non-Betalactam products, for the following dosage forms: Tablets, film-coated tablets; Hard capsules; Powdered drugs, granules; Large volume injectable solutions, Small volume injectable solutions,

Lyophilized injectable drugs. Expected to complete the assessment and certification of GMP - WHO standards, with the orientation of developing the production of specialized drugs according to the development of diseases in Vietnam to replace imported drugs, providing new treatment solutions with high efficiency, reasonable prices, drugs of biological origin or drugs with special dosage forms; prioritizing the production of outsourcing or franchising the production of original brand-name drugs for pharmaceutical companies around the world. Prioritizing the development of new, modern preparation techniques for drugs from medicinal herbs to be able to process and produce domestically.

**4. Explanation of the Board of Directors for the audit opinion:** None

#### **IV. Assessment of the Board of Directors on the Company's operations**

##### **1. Assessment of the Board of Directors on all aspects of the Company's operations**

Under the direction of the Board of Directors, the Company's Management Board, together with the consensus and sharing of shareholders, investors, customers and all employees of the Company, at the end of 2024, the Company maintained its production and business results with VMD's total revenue in 2024 being VND 1,254.97 billion, reaching 125.5% of the plan. Pre-tax profit in 2024 was VND 30.6 billion, reaching 74.74% of the annual plan.

##### **2. Evaluation of the Board of Directors on the performance of the Board of Directors**

- The Board of Directors always monitors and directs the performance of the Board of Directors, promptly resolves issues arising under the authority of the Board of Directors to facilitate the performance of the Board of Directors.

- Successfully organize the 2024 Annual General Meeting of Shareholders, strictly implement the 2024 Financial Report, Quarterly Financial Report and 2024 Annual Report regime.

- Monitor the implementation and compliance with resolutions issued by the General Meeting of Shareholders and the Board of Directors.

- Maintain periodic and ad hoc reporting regimes on the business situation and operations of the company by the Board of Directors to the Board of Directors.

- Monitor the management and operations of the Board of Directors in business activities to improve efficiency and complete the set targets.

- Supervise, direct and ensure that information is disclosed fully, transparently and promptly in accordance with the regulations of the Stock Exchange and the State Securities Commission.

**General assessment:** During the year, the Board of Directors and management



staff, although not yet completed the tasks and business targets assigned by the General Meeting of Shareholders. However, the Board of Directors highly appreciates the efforts and determination of the Board of Directors to steadfastly overcome all difficulties and challenges, seek new products with high profits along with reviewing and cutting inappropriate costs to exceed the assigned Profit. At the same time, strictly comply with the regulations and rules in operating activities, decentralization of management according to the Charter, Management Regulations, internal regulations of the Company as well as decisions of the Board of Directors.

### **3. Plans and directions of the Board of Directors**

2024 is considered a year of many changes when the Government's policy of opening up the economy as well as stimulating investment will create development opportunities for businesses.

From the end of 2023 to now, due to the impact of input factors, the world energy crisis, the Russia-Ukraine war, a series of packaging suppliers have adjusted prices such as PVC increased by 30%, aluminum foil increased by over 10%. On the other hand, imported raw materials such as antibiotics, vitamins, Paracetamol and domestically produced excipients have also increased in price. In particular, some raw materials have increased by more than 50%, causing a shortage of raw materials for production, leading to increased product prices.

To complete the 2025 business targets, as well as meet Vimedimex's long-term development plan, the Board of Directors will focus on directing the following contents:

**Sustainable development:** Professional management process, adhering to the principles based on 3C (Compliance, Change, Communication) and responsibility to the community of Vimedimex.

**Activities to enhance the value and competitiveness of Vimedimex as a multinational pharmaceutical company:** Increase investment in research and development of Generic products with high potential and value. Continue to improve the distribution system, increase coverage of key products, increase coverage in major markets. Increase investment, build brands and trademarks.

**Business activities:** invest, develop, expand, promote bidding sales channels to medical examination and treatment facilities. Promote the development of imported products, technology transfer from strategic partners. Expand the business portfolio, add some groups of cosmetics, medical equipment... to increase sales and business advantages. Ensure timely supply for 100% of pharmaceutical needs for disease prevention and treatment.

**Joint venture cooperation:** The Board of Directors proposes that the General Meeting of Shareholders assign the Board of Directors to seek joint venture partners to

develop an OTC and ETC distribution system according to international standards.

**Internal organization and management:** Strengthen the organization and development of internal management platforms. Develop and improve the quality of human resources with high expertise, professional working style and readiness for the globalization process. Complete the shortage of senior personnel. Improve internal control and risk management according to international standards. Correct the management system based on the 3C criteria: Compliance - Change - Information communication. Continuously update and improve current processes/regulations. Promote digital transformation in production and business activities. Assess risks and information technology security.

## **V. Corporate Governance**

### **1. Board of Directors**

#### **1.1. Members and structure of the Board of Directors**

The members of the Board of Directors for the 2022-2027 term include:

1. Mr. Le Xuan Tung - Chairman of the Board of Directors
2. Mr. Trinh Thanh Giang - Deputy Chairman of the Board of Directors
3. Mr. Le Tien Dung - Member of the Board of Directors
4. Ms. Tran My Linh - Member of the Board of Directors
5. Mr. Christian Schlennstedt - Member of the Board of Directors (resigned from June 28, 2024)
6. Mr. Le Tri Dung - Member of the Board of Directors (appointed from June 28, 2024)

#### **1.2. Subcommittees of the Board of Directors: None**

#### **1.3. Activities of the Board of Directors**

In 2024, the Board of Directors held a total of 08 meetings, of which 08 were in person and 0 were in writing. Issued 08 Resolutions and Decisions to resolve issues within the functions and authority of the Board of Directors.

Board of Directors meetings invited the Supervisory Board to attend to exchange, discuss and create high consensus on strategies, business orientations, and directions of the Board of Directors to the Executive Board.

#### **Resolutions of the Board of Directors issued in 2024**

The Board of Directors approved 08 Resolutions and decisions on the following issues:

- Executive management: 0 Resolutions and decisions
- Human resource management: 08 Resolutions and decisions
- Organizational management: 0 Resolutions and decisions
- Management (serving) shareholder interests: 0 Resolutions and decisions

## **2. Board of Supervisors**

### **2.1. Members and structure of the Board of Supervisors**

The Board of Supervisors for the 2022 - 2027 term includes the following:

1. Mr. Nguyen Ba Tuan - Head of the Board of Supervisors (resigned from August 14, 2024)
2. Ms. Pham Thi Thu Thao - Member of the Board of Supervisors (resigned from June 28, 2024)
3. Mr. Doan Duc Giang - Member of the Board of Supervisors
4. Mr. Tran Hung Cuong - Head of the Board of Supervisors (appointed from August 14, 2024)

### **2.2. Activities of the Board of Supervisors**

The Board of Supervisors has performed its tasks to ensure that the Company's operations comply with the Company's Charter, internal regulations and relevant legal regulations; Focus on implementing control according to the following main contents:

- The Board of Supervisors has organized meetings and consulted on the Company's issues such as: reviewing quarterly and annual financial reports, monitoring the Board of Directors' resolutions, discussing and evaluating the contents of the Board of Supervisors' 2024 operating report to submit to the Annual General Meeting of Shareholders. The Board of Supervisors also met to monitor the issue of dividend payment in 2024, which was 100% approved by the members of the Board of Supervisors.

- Monitoring the implementation of the Company's production and business plan and its member units during the year;

- Monitoring the implementation of the resolutions of the General Meeting of Shareholders; the performance of the Board of Directors, subsidiaries, ... in performing assigned tasks;

- Conduct inspections of compliance with accounting standards, accounting regimes, and tax law provisions, assess the validity and reasonableness of accounting documents, in accordance with the regulations issued by the Company. Control the implementation of internal spending regimes at the company. Check the validity and reasonableness of economic contracts and operating expense items of the company during the period.

- Participate in periodic inventory work, assess the capital situation and capital sources of the company.

- Monthly assign and assign people to coordinate with the finance and accounting department, import-export department, business department, etc. to inspect and review operations under the direction of the Board of Directors.

### **2.2.1. Results of monitoring the Company's operations and finances**

#### **a) Financial work**

- The 2024 financial report is prepared in accordance with Circular No. 200/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance and relevant legal regulations.

- The Board of Supervisors periodically inspects the company's business activities, controls and compares customer debt data, controls regular spending costs... to ensure that financial work is considered a tool to strictly manage revenue and expenses in order to collect and spend correctly and sufficiently according to the company's regulations.

- Regularly conduct acceptance and compare receivables with customers to have a basis for analyzing debt age, promptly set up provisions for bad debts according to current regulations.

- Enhance the responsibility and authority of the accounting department to check the reasonableness and validity of corresponding revenue and expenses to ensure the most effective management of revenue and expenditure. Revenue and expenses are managed and monitored for each type of business and each business expense item corresponding to revenue.

- Financial work always strives to meet the requirements of production and business in 2024, ensuring adequate capital and effective use of capital.

- Check, compare and urge departments to implement the 2024 plan targets on revenue, expenses and profits as set.

- Regarding the exploitation of office leasing activities at Building 246 Cong Quynh and Building 45 Vo Thi Sau, the Board of Supervisors has supervised and coordinated with the Executive Board and the Company's finance and accounting department to strictly control the revenues and expenses arising at each building to ensure the principle of correct and sufficient revenues and expenses according to the provisions of law. Monitor and separate the revenues and expenses of the 2 buildings.

#### **b) Financial report**

- The Company's 2024 financial statements ensure the quality as required by the Law on Enterprises and the Securities Commission.

- The Company has fully accounted for revenue and expense items. The arising economic transactions have been reflected in their true nature.

- The Company has fully deducted and paid funds according to regulations, in accordance with current Accounting Standards.

- Periodically, the Board of Supervisors has reviewed the Company's quarterly financial statements and 2024 annual report. The Board of Supervisors agreed on the

2024 business performance results, assessments of operations and finances in the Company's reports and the auditing organization.

### **2.2.2. Results of supervision of Board of Directors members, Board of Management members and managers**

**a) The Board of Directors** has implemented the Resolution of the 2024 General Meeting of Shareholders. The Supervisory Board has attended all meetings of the Board of Directors.

The Board of Directors always closely follows the actual business situation of the company to make timely decisions on business strategies, issue regulations on investment to improve customer service quality and minimize unnecessary investment costs.

The Board of Directors has issued support and incentive policies to attract customers using warehouse and office rental services, maintain a high rate of office space for rent, contributing to completing the plan in terms of both revenue and profit targets in 2024.

The Board of Directors has decentralized the members of the Board of Directors in the direction of specialization to streamline the management apparatus to help business achieve efficiency and avoid risks.

**b) The Board of Directors** has closely followed the Board of Directors' instructions, specifically:

The Board of Directors and the Board of Directors continue to research and expand the market and seek new potential customers.

Tightly control the negotiation and construction of contracts according to the following criteria: Good control of costs and potential risks, ensuring high efficiency for each shipment.

The Board of Directors has organized the monitoring and management of goods in import and distribution lots. Periodically review, check and compare the classification of goods by lot, by expiry date and by product group. Thereby ensuring and strictly controlling the circulation of goods during the period.

The Board of Directors has organized the production and business activities of the entire system, reviewed and evaluated the current market situation and the needs and capabilities of customers, thereby helping the Board of Directors to make specific decisions for each type of customer.

The Board of Directors complies with the reporting regime: daily, weekly, monthly, quarterly, yearly reports and timely information exchange within the Board of Directors, the Supervisory Board and the Board of Management to handle work quickly and effectively.

The Board of Directors and the Board of Management have developed procedures for professional and responsible staff management, in compliance with the provisions of the 2019 Labor Code.

The Board of Directors and the Executive Board have complied with the provisions of the Law in administrative management as well as in transactions. The members of the Board of Directors, the Executive Board and the managers have properly performed the assigned functions and tasks in accordance with the provisions of the Enterprise Law, the Company Charter and the Resolution of the General Meeting of Shareholders.

### **2.2.3. Evaluate the coordination of activities between the Board of Supervisors, the Board of Directors and the Board of General Directors**

- In 2024, the Board of Supervisors was facilitated to work by the Board of Directors and the Board of Management.

- The Board of Supervisors received full information on the decisions of the Board of Directors; Participated in a number of meetings of the Board of Directors. The Board of Supervisors and the Board of Management inspected the Company's expenses to ensure they were reasonable and valid according to the Company's regulations.

- The Board of Supervisors inspected and proposed to the Board of Management the implementation results of each department and leadership position in the company in compliance with regulations and business processes to prevent possible risks.

- The Board of Supervisors periodically inspected the operations in the entire company system, thereby proposing and advising the Board of Management on solutions and policies to ensure effective and financially safe business operations, limiting business risks.

- The Board of Supervisors, the Board of Directors and the Board of Management coordinate to closely control the negotiation and construction of contracts according to the criteria for calculating the correct amount of revenue, well control costs and the possibility of risks to ensure high efficiency for each shipment, and efficiency for warehouse and office rental services.

- In the coming time, continue to maintain and promote close coordination between the Board of Supervisors and the Board of Management and the Board of Management.

### **2.2.4. Recommendations of the Supervisory Board to the Board of Directors and the Board of Management**

- Closely control long-term economic contracts to ensure compliance with signed terms and financial regulations, avoiding risks of loss for the company.

- Continue to closely control customer debts and promote debt collection for

long-standing debts.

### 3. Remuneration and benefits of the Board of Directors and Board of Supervisors

#### 3.1. Remuneration and benefits of the Board of Directors and the Board of Supervisors

The 2024 Annual General Meeting of Shareholders approved the remuneration level for the Board of Directors and Board of Supervisors in 2024 as VND, specifically:

#### BOARD OF DIRECTORS REMUNERATION 2024

Unit: VND

NO.	FULL NAME	REMUNERATION	YEAR END BONUS 2023	TOTAL	NOTE
1	Mr. Le Xuan Tung	480.000.000	80.000.000	560.000.000	
2	Mr. Trinh Thanh Giang	480.000.000	80.000.000	560.000.000	
3	Mr. Le Tien Dung	223.673.469	40.000.000	263.673.469	
4	Mrs. Tran My Linh	240.000.000	40.000.000	280.000.000	
5	Mr. Christian Schlenstedt				Dismissed from 28/06/2024
6	Mr Le Tri Dung	120.000.000		120.000.000	Appointed from 28/06/2024
	<b>Total</b>	<b>1.543.673.469</b>	<b>240.000.000</b>	<b>1.783.673.469</b>	

#### BOARD OF SUPERVISORS REMUNERATION 2024

Unit: VND

NO.	FULL NAME	REMUNERATION	YEAR END BONUS 2023	TOTAL	NOTE
1	Mr. Nguyen Ba Tuan	102.900.000	30.000.000	132.000.000	Dismissed from 14/08/2024
2	Mrs. Pham Thi Thu Thao	30.000.000	20.000.000	50.000.000	Dismissed from 28/06/2024
3	Mr. Doan Duc Giang	120.000.000	20.000.000	140.000.000	
4	Mr. Tran Hung Cuong	68.877.551		68.877.551	Appointed on 28/06/2024
	<b>Tổng Cộng</b>	<b>321.777.551</b>	<b>70.000.000</b>	<b>391.777.551</b>	

#### BOARD SECRETARY REMUNERATION 2024

Unit: VND

NO.	FULL NAME	REMUNERATION	YEAR END BONUS 2023	TOTAL	NOTE
1	Mrs. Nguyen Thi My Hanh	5.031.250	8.645.834	13.677.084	Corporate Governance – Resigned from 22/01/2024
2	Mr. Truong Duy Phong	0	0	0	Corporate Governance – Appointed from 22/01/2024
	<b>Tổng Cộng</b>	<b>5.031.250</b>	<b>8.645.834</b>	<b>13.677.084</b>	

### 3.2. Transactions of internal persons:

No.	Transaction executor	Relationship with internal persons	Number of shares owned at the beginning of the period		Number of shares owned at the end of the period		Reasons for increase, decreasing (buying, selling, converting, rewarding, etc.)
			Numbers of shares	Percentage	Numbers of shares	Percentage	
1	Trịnh Ngọc Duyên	Deputy General Manager	679.986	4.4%	0	0%	Buy stocks
2	Lê Đình Dương	Brother of the Chairman of the Board of Directors	200.000	1,3%	879.986	5,7%	Sell stocks

### 3.3. Contracts or transactions with internal persons: None

## VI. Financial report

### 1. Audit opinion

Excerpt from Audit Report No. of International Auditing and Valuation Company Limited: “The Company's consolidated financial statements for the fiscal year ended December 31, 2024 have been audited by the auditor and another independent auditing company. The auditor has expressed an unqualified opinion on these consolidated financial statements.”

### 2. Audited financial statements

The full text of the audited Financial Report of Vimedimex Pharmaceutical Joint Stock Company for 2024 is posted on the website at the following address : <https://vietpharm.com.vn/wp-content/uploads/2025/04/20250331-VMD-BAO-CAO-TAI-CHINH-HOP-NHAT-SOAT-XET-NAM-2024.pdf>

## VIMEDIMEX MEDI - PHARMA JOINT STOCK COMPANY

