

No: /BC-AMP

Hanoi, April 29th, 2025

**REPORT OF BOARD OF DIRECTORS (BOD) ABOUT 2024 ACTIVITIES
AND DIRECTION OF 2025**

To: Valued Shareholders of Armephaco JSC

Armephaco Board of Directors would like to report to General Meeting of Shareholders about 2024 BOD activities and direction of 2025 as below:

Chapter 1

Report about 2024 activities

1. Organization of human resources

The list of the Board of Director of the Company so far is as follows: (The BOD was elected to replace the Chairman of the BOD, elected additional members of the BOD for the term 2020-2025, starting from Jun 18th, 2024)

- | | |
|------------------------|-------------------------------|
| - Mr Pham Cong Doan | - Chairman |
| - Mrs Nguyen Thi Huong | - Member of Board of Director |
| - Mrs Vu Thi Cam Trang | - Member of Board of Director |
| - | - |

The assignment to tasks of members of the BOD of Armephaco JSC is as follows:

Chairman: Mr Pham Cong Doan

1.1. To preside the prime responsibility for directing the implementation of the rights and obligations of the BOD as stipulated in the Charter of the organization and operation of the Company, the Enterprises Law and current provisions of law.

1.2. To perform the duties of the Chairman of the BOD specified in the Company's Charter and the Regulation on organization and operation of the BOD.

1.3. On behalf of the BOD, direct and implement the resolutions of the General Meeting of Shareholders, resolutions and conclusions of the BOD.

1.4. Directly direct and supervise the following tasks:

- Company development strategy.
- Balance resources.
- Regimes and policies for employees.
- Personnel work according to competence.
- Emulation, commendation and discipline work.
- The development of internal management regulations and regulations.
- The focal point for coordinating mass work in enterprises.
- Relations of shareholders, shares, shares, information disclosure.
- Management of investment in shares, stocks and bonds.
- Credit work of banks, and other credit institutions.

- Finance, accounting, auditing.
- The recovery of common debts of the whole company.
- Supervise and coordinate with the General Director in administering all production and business activities of the Company approved by the General Meeting of Shareholders and directed by the Board of Directors/Chairman of the Board of Directors.

1.5. As the representative of the parent company participating in the board of members at 120 Armephaco One Member Co., Ltd., 130 Armephaco One Member Co., Ltd. and 150 Cophavina Pharmaceutical One Member Co., Ltd. participate in supervising all activities of the companies and synthesizing reports.

1.6. Perform other tasks assigned by the Board of Directors.

Member of Board of Directors: Mrs Nguyen Thi Huong

2.1. Perform the duties of a standing member of the Board of Directors on behalf of the Chairman of the Board of Directors to direct the general work of the Board of Directors when the Chairman of the Company's Board of Directors is absent (on sick leave, on vacation, on business trips abroad).

2.2. Perform the duties of a member of the Board of Directors as stipulated in the Company Charter and the Regulations on the organization and operation of the Board of Directors. Participate in supervising the implementation of resolutions of the General Meeting of Shareholders, resolutions and conclusions of the Board of Directors.

2.3. Responsible to the Board of Directors for the management and operation of 120 Armephaco Co.Ltd

2.4. Directly supervise and summarize reports on assigned tasks:

- Security protection, internal politics;
- Labor safety and hygiene;
- Security, fire prevention and fighting;
- Corporate culture and sports culture;

2.5. As a representative of the parent company participating in the board of members at Armephaco 120 LLC, participating in supervising all company activities and synthesizing reports.

2.6. Perform other tasks assigned by the Board of Directors.

Member of Board of Directors: Mrs Vu Thi Cam Trang

3.1. Perform the duties of a member of the Board of Directors as stipulated in the Company Charter and the Regulations on the organization and operation of the Board of Directors.

3.2. Participate in monitoring the implementation of resolutions of the General Meeting of Shareholders, resolutions and conclusions of the Board of Directors;

3.3. Directly supervise and summarize reports on assigned tasks:

- Corporate legal work;
- Internal legal inspection work of the company;

- Legal work related to debts and debt collection of the company.
- Legal work: complaints, lawsuits, disputes of the company.
- Legal work related to legal documents of land of the company.

3.4. Perform other tasks assigned by the Board of Directors.

2. Activities of the Board of Directors in 2024

In 2024, the Board of Directors met and decided on matters under the authority of the Board of Directors as stipulated in the Company's Charter of Organization and Operation:

| No | Date | Content |
|----|------------|---|
| 1 | 16/01/2024 | <ol style="list-style-type: none"> 1. Approving the issuance of the Regulation on Information Disclosure with the following contents. 2. Approval of the policy to build the Salary Regulations but propose to adjust and supplement some contents and agree to consider and approve at the next Board of Directors meeting 3. Approval of the suspension of the Agency Contract with Vinahankook from December 31, 2023 4. Approval of the establishment of the Market Development Department, under the Business Department 5. Approval of the policy to liquidate the Contract with Ngoc Chau Paper Company, related to the cooperation in building a Warehouse (about 1,920m²) at 118 Vu Xuan Thieu 6. Approval of the 2024 business and production revenue plan 7. Contracting the management and use of premises <p>Approval of the Contracting of a number of premises to individuals and organizations for business exploitation and promulgation of regulations on land rent collection, premises exploitation fees in 2024 for Subsidiaries 120, 130 and 150 and the contracting subjects.</p> <ol style="list-style-type: none"> 8. Approval of the 2024 defense land rent payment plan 9. Approval of the 2024 Tet bonus plan for employees |
| 2 | 26/02/2024 | <ol style="list-style-type: none"> 1. Approval of the policy on the plan to repay the Company's overdue debt at SHB Bank. 2. Approval of the reappointment of Mr. Nguyen Van Dung as General Director from February 29, 2024 to March 31, 2024 3. Approval of the policy of liquidating Camry car with license plate number 29KT-016.48 according to the Car Registration Certificate No. 403401 issued to Công ty TNHH MTV TBYT 130 Armephaco on 27/10/2017 4. Approval of the plan to prepare for the 2024 Annual General Meeting of Shareholders |
| 3 | 28/02/2024 | <ol style="list-style-type: none"> 1. Approval of the Company's overdue debt repayment plan at SHB Bank 2. Approve the policy of extending the organization of the 2024 Annual General Meeting of Shareholders, no later than June 30th, 2024 |

| | | |
|---|------------|---|
| 4 | 10/04/2024 | <ol style="list-style-type: none"> 1. Approval of the dismissal of Mr. Nguyen Van Dung from the position of General Director from April 10th, 2024 2. Approval of the dismissal of Mr. Duong Dinh Son from the position of Deputy General Director and the appointment of Mr. Duong Dinh Son to the position of General Director of the Company to replace Mr. Nguyen Van Dung from April 10th, 2024 3. Change of the legal representative of the Company (the change of the legal representative does not change the Charter of Armephaco Joint Stock Company) 4. Mr. Nguyen Van Dung is responsible for handing over work, documents, and certificates related to the work he is in charge of to Mr. Duong Dinh Son according to the Company's regulations, and is responsible for the work that has been resolved at Armephaco Joint Stock Company. Mr. Duong Dinh Son is responsible for operating the transferred activities in accordance with the provisions of the Law and the Company's Charter. 5. The Board of Directors is responsible for reporting to the nearest General Meeting of Shareholders on the appointment of replacement personnel |
| 5 | 15/04/2024 | <ol style="list-style-type: none"> 1. Approval of the extension of the 2024 Annual General Meeting of Shareholders, specifically as follows: 2. The Board of Directors assigns the Company's Executive Board to implement the contents of information disclosure and organize the 2024 Annual General Meeting of Shareholders in accordance with the law |
| 6 | 25/04/2024 | <ol style="list-style-type: none"> 1. Approval of the plan to organize the 2024 Annual General Meeting of Shareholders, no later than June 30th, 2024. (with detailed plan attached) 2. Approval of the dismissal of Mr. Duong Dinh Son from the position of Director of Ho Chi Minh City Branch and re-appointment of Mr. Nguyen Duc Tai to the position of Director of Ho Chi Minh City Branch from May 2nd, 2024 3. Approval of the change of members of the Board of Directors of Vinahancook Joint Venture Company. (attached list) 4. Approval of the plan to mobilize capital from employees. Assign the General Director to preside over the implementation, to be completed before June 30th, 2024. 5. Approval of the suspension of the implementation of Resolution No. 17/2024/NQ-HĐQT dated January 16th, 2024 on the assignment of land payment collection to 02 individuals. 6. Approval of the suspension of the contract for renting the warehouse of Ngoc Chau Paper Company. Assign the General Director to re-implement the liquidation procedures, compensation and resolve problems with Ngoc Chau Company, to be completed before June 30th, 2024 |

| | | |
|----|------------|--|
| | | <p>7. Approve the General Director's request to report on the backlog and problems in the handover of the General Director and request shareholders to support personnel to complete the handover work, to be completed before May 20th, 2024</p> <p>8. Approve the temporary appointment of Mr. Nguyen Manh Thang as Secretary of the Board of Directors from April 25th, 2024</p> |
| 7 | 28/05/2024 | <p>1. Approval of the completion of the documents of the General Meeting of Shareholders.</p> <p>2. Approval of reporting the data on the collection and payment of money for the Company's land lots 120, 130, 150</p> <p>3. Approval of reducing SHB bank interest rates. Assigning the Company's General Director to draft an official dispatch to the T&T Group</p> <p>4. Approval of stopping the retail business of drugs at Hapulico pharmacy counters</p> |
| 8 | 18/06/2024 | <p>1. Election of Mr. Pham Cong Doan as Chairman of the Board of Directors of Armephaco Joint Stock Company for the term 2020 - 2025 from June 18, 2024</p> <p>2. Mr. Pham Cong Doan is responsible for managing the activities of the Board of Directors of Armephaco Joint Stock Company in accordance with the provisions of law and the Company Charter.</p> |
| 9 | 10/07/2024 | <p>1. Approval of the draft Assignment of tasks to members of the Board of Directors.</p> <p>2. Approval of the draft Regulations on the operation of the Board of Directors, Internal regulations on corporate governance, and the Company Charter (contents approved by the General Meeting of Shareholders and other contents that need to be amended to be submitted to the next General Meeting of Shareholders).</p> <p>3. Approval of the draft assignment of tasks to members of the Supervisory Board and the regulations on the operation of the Supervisory Board to be submitted to the next General Meeting of Shareholders.</p> <p>4. Approval of the Submission No. 298/2024/TTr-TC of the General Director of the Company to the Board of Directors to select an auditing unit. Assign the General Director to sign a contract with the auditing unit.</p> <p>5. Approval of the review of documents, regulations, and provisions on the company's production and business activities that need to be revised, supplemented, and completed.</p> <p>6. Approval of the coordination of the activities of the Board of Directors and the Board of General Directors.</p> |
| 10 | 27/08/2024 | <p>1. Approval of the Company's General Director's Submission No. 329/TTr-AMP submitted to the Board of Directors on the dismissal of Board Members 120, 130, 150.</p> |

| | | |
|----|------------|--|
| | | <p>2. Approval of the Company's General Director's Submission No. 330/TTr-AMP submitted to the Board of Directors on the dismissal of the Deputy General Director and the settlement of the liquidation of the labor contract.</p> <p>3. Approval of the Company's General Director's Submission No. 331/TTr-AMP submitted to the Board of Directors on the appointment of staff. The General Director is requested to implement the basic salary of the appointed staff in accordance with the Company's regulations. Product salary according to the revenue contract and bonus according to the production and business results, salary regulations, and bonus regulations of the Company.</p> <p>4. Approval of the Company's General Director's Submission No. 352/TTr-AMP submitted to the Board of Directors on the appointment of personnel to the Board of Directors and Supervisory Board of the subsidiary.</p> <p>5. Approval of the Company's General Director's Submission No. 353/TTr-AMP submitted to the Board of Directors on the approval of the allocation of remuneration for the Board of Directors (capital representative of the Joint Stock Company) at Vinahankook Joint Stock Company.</p> <p>6. Approval of the Company's General Director's Submission No. 354/TTr-AMP submitted to the Board of Directors on the approval of remuneration for the Board of Directors, the Supervisory Board, and the Company's General Director.</p> <p>7. Approve Submission No. 355/TTr-NS of the Company's General Director to the Board of Directors on the consolidation and arrangement of the Company's organizational model and personnel structure. Request the General Director to report to the Board of Directors on any difficulties during the implementation process and propose solutions to make the Company's operations suitable to production and business requirements.</p> <p>8. Approve Submission No. 356/TTr-AMP of the Company's General Director to the Board of Directors on the establishment of the Planning and Personnel Appointment Department.</p> |
| 11 | 30/08/2024 | <p>1. Approve the Submission No. 385/TTr-AMP of the General Director of the Company to the Board of Directors on the assignment of personnel to participate in the Supervisory Board of the Subsidiary Company and assign the task of concurrently holding the position of Planning Manager</p> <p>2. This Resolution takes effect from the date of signing. The Board of Directors, the Executive Board of Armephaco Joint Stock Company and relevant departments are responsible for implementing this Resolution.</p> |

| | | |
|----|------------|--|
| 12 | 31/10/2024 | <ol style="list-style-type: none"> 1. Approval of the 2024-2025 Business Plan 2. Approval of the credit demand at BIDV Thanh Do 3. Authorization of Mr. Duong Dinh Son - General Director of the Company as the authorized representative of the Company to act on behalf of the Company 4. This Resolution takes effect from the date of signing. 5. Armephaco Joint Stock Company and related units and individuals are responsible for implementing this Resolution. |
| 13 | 19/11/2024 | Approval Submission No. 516/TTr-AMP of the Company's General Director to the Board of Directors on the termination of employment of Mr. Nguyen Thien Duc, Deputy General Director in charge of pharmaceutical business and Ms. Dinh Thi Thanh Mai, Public Relations Director and Planning Manager |
| 14 | 30/11/2024 | <ul style="list-style-type: none"> - Approval Submission No. 552/TTr-AMP of the Company's General Director to the Board of Directors on approving the remuneration of the Board of Directors, Supervisor, and Secretaries at the Subsidiary. - Approval of the credit utilization plan at Tien Phong Commercial Joint Stock Bank of 130 Armephaco Medical Equipment One Member Limited Company. |

2.2. Business results in 2024

2.2. The balance sheet at 31/12/2024

| Items | Separate | Consolidated |
|--------------------------------------|--------------------------|--------------------------|
| TOTAL ASSETS | 1.006.381.387.396 | 1.195.416.216.584 |
| A. CURRENT ASSETS | 863.627.074.672 | 1.097.544.491.763 |
| I. Cash and cash equivalents | 31.570.147.453 | 40.436.473.607 |
| II. Short-term financial investments | | 9.032.368.957 |
| III. Short-term receivables | 667.373.944.757 | 760.086.786.746 |
| IV. Inventories | 161.511.282.085 | 277.577.980.719 |
| V. Other current assets | 3.171.700.377 | 10.410.881.734 |
| B. LONG TERM ASSETS | 142.754.312.724 | 97.871.724.821 |
| I. Long-term receivables | 1.829.397.040 | 1.829.397.040 |
| II. Fixed assets | 7.716.244.277 | 38.892.265.928 |

| | | |
|----------------------------|--------------------------|--------------------------|
| III. Long-term investments | 131.165.940.000 | 49.482.941.514 |
| IV. Other long-term assets | 814.156.889 | 6.438.545.821 |
| TOTAL LIABILITIES | 1.006.381.387.396 | 1.195.416.216.584 |
| C. LIABILITIES | 826.094.008.568 | 994.608.296.241 |
| I. Short-term liabilities | 825.159.556.568 | 993.673.844.241 |
| II. Long-term liabilities | 934.452.000 | 934.452.000 |
| D. OWNERS' EQUITY | 180.287.378.828 | 200.807.920.343 |

2.3. Business performance report 2024

| Items | Separate | Consolidated |
|---|-----------------|-------------------|
| 1. Revenues from sales and services rendered | 619.866.492.406 | 1.073.032.357.850 |
| 2. Revenue deductions | 593.199.947.521 | 988.183.739.005 |
| 3. Net revenues from sales and services rendered | 26.666.544.885 | 84.848.618.845 |
| 6. Financial income | 13.878.729.257 | 1.052.635.051 |
| 7. Financial expenses | 3.771.300.350 | 12.695.925.275 |
| 8. Profit in associated companies, joint ventures | | 7.407.599.312 |
| 9. Selling expenses | 14.672.117.727 | 32.081.748.393 |
| 10. General administrative expenses | 15.648.656.430 | 41.699.761.848 |
| 12. Other income | 9.085.663 | 77.531.120 |
| 13. Other expenses | 920.739.010 | 1.194.832.453 |
| 15. Total net profit before tax | 2.541.546.288 | 5.714.116.359 |
| 18. Profit after corporate income tax | 2.541.546.288 | 3.652.685.600 |

2.4. Report on remuneration, operating expenses and other benefits of the Board of Directors:

Payment of salaries and remuneration to the Board of Directors and the Supervisory Board has been approved by the 2024 Shareholders' Meeting :

| No | Content | Plan 2024 | Perform 2024 | Note |
|----|--------------------|--------------------|--------------------|------|
| 1 | Board of Directors | 650.000.000 | 728.659.998 | |
| 2 | Supervisory Board | 338.000.000 | 235.880.000 | |
| | Total | 988.000.000 | 964.539.998 | |

The plan for paying salaries and remuneration to members of the Board of Directors in 2025 is:

| No | Content | 2024 | | 2025 | |
|-----------|--|-------------------------|----------------------|------------------------|----------------------|
| | | Amount before tax/month | Total ¹ | Amount after tax/month | Plan |
| I | Board of Directors | | 1.078.133.329 | | 1.092.000.000 |
| 1 | Salary of the full-time Chairman of the Board of Directors | 57.333.333 | 745.333.329 | 60.000.000 | 780.000.000 |
| 2 | Fee of the member of the Board of Directors | 12.800.000 | 332.800.000 | 12.000.000 | 312.000.000 |
| II | Supervisory Board | | 344.240.000 | | 338.000.000 |
| 1 | Salary of the full-time of the Supervisory Board | 20.480.000 | 266.240.000 | 20.000.000 | 260.000.000 |
| 2 | Fee of the member of the Supervisory Board | 3.000.000 | 78.000.000 | 3.000.000 | 78.000.000 |
| | Total | | 1.422.373.329 | | 1.430.000.000 |

¹ The data is calculated based on actual salary/remuneration paid in 1 month of 2024 to the Board of Directors and Board of Supervisors x 13 months.

Note: *The salary/remuneration of the Board of Directors and the Board of Supervisors calculated above includes the 13th month salary. If the company does not complete the plan, the 13th month salary will not be paid.*

2.5. Report on Company Governance

In performing the functions and tasks stipulated in the Company's Charter of Organization and Operation, in 2024, the Board of Directors has always complied with the provisions of the Law in management and operation. The Board of Directors of the Company always maintains a regular, irregular and extraordinary meeting regime and through the meetings, the Board of Directors has exercised its management and operation rights on the basis of reviewing, discussing and voting to approve annual plans and orientations related to the Company's production and business activities. The Board of Directors also regularly monitors, grasps the situation and promptly resolves difficulties and problems arising in the management and operation process, so it has timely and effective decisions and solutions to prevent internal risks.

In 2024, the Board of Directors will continue to effectively supervise the activities of the Board of Directors, ensuring that the apparatus operates in accordance with the set goals; successfully organize the 2024 Annual General Meeting of Shareholders and have the General Meeting approve the issuance of the amended Charter, internal regulations on corporate

governance, operating regulations of the Board of Directors, Board of Supervisors, etc. in accordance with the actual situation and in compliance with the provisions of law, promptly completing the organizational structure of the Board of Directors, Board of Management, Departments and member companies.

Although 2024 faced many difficulties due to objective and subjective impacts on the internal capacity of the enterprise, the Board of Directors has made timely and appropriate decisions and measures to help the Company proactively cope with market fluctuations. To ensure business efficiency, in addition to policies on choosing business methods and products, the Board of Directors has directed the Company's General Director to implement many measures to strengthen management, save costs, etc.; On the other hand, we pay attention to salary policies and implement well policies related to employee benefits. Business results have developed well in recent years, although profits have not reached expectations. New investment areas, although still difficult, have gradually appeared on the market, which is the great effort of each member of the Board of Directors and the great effort of the Executive Board and all employees in the Company...

However, due to many objective factors, mainly the socio-economic situation, political situation as well as the financial and human resources situation of the Company, some goals set by the Board of Directors have not been achieved, such as:

- + Has not yet built a specific business orientation that is truly capable of creating a positive change in the Company's business activities;
- + Production lines, machinery and equipment at factories continue to deteriorate, raw material prices continue to fluctuate unpredictably, affecting productivity, output and product quality.
- + Slow circulation of goods is difficult to consume, poor quality inventory, large bad debts affect working capital for production and business activities

Chapter II

Directions and tasks of the Board of Directors in 2025

1. Directions and tasks in 2025

The Board of Directors sets out the general direction for 2025 with the following goals:

** About administration:*

- Directing and participating in the process of divesting all State capital when there is a decision from the Ministry of National Defense (29%); Restructuring equity capital at Companies 120, 130, Vinahankook Joint Venture Company when there is a policy and direction from major shareholders;
- Focusing on the management and operational work of the Ministry
- Focus on the administration and operations of the management apparatus at all levels.

- Continue to manage and handle slow-moving and poor-quality inventories, focus on debt collection to ensure capital for production and business activities.
- Maintain regular and ad hoc reporting regimes.
- Develop, amend and supplement the document system
- Restructure the organizational model

** About production and business*

- Carrying out the functions and tasks stipulated in the Company's Charter of Organization and Operation, in 2025 the Board of Directors plans to:

- + Total revenue target of 2,115 billion, equal to 197% compared to 2024;
- + Profit of 4,020 billion, an increase of 10% compared to 2024;

Production and business plan for 2025

| | Items | 2025 |
|-----------|--|------------------|
| 1 | Revenues from sales and services rendered | 2.115.025 |
| 1.1 | Commission Revenue/Commercial Revenue | 1.543.600 |
| 1.2 | Self-employment revenue/Production revenue | 557.000 |
| 1.3 | Commercial revenue (cash flow) | - |
| 1.4 | Service revenue | 14.425 |
| 2 | Cost of goods sold | 2.014.212 |
| 3 | Gross revenues from sales and services render | 100.813 |
| 4 | Financial income | 7.142 |
| 5 | Financial expenses | 15.880 |
| 6 | Selling expenses | 30.463 |
| 7 | General administrative expenses | 48.370 |
| 7.1 | Management staff expenses | 19.495 |
| 7.2 | Material expenses | 455 |
| 7.3 | Office supplies expenses | 565 |
| 7.4 | Depreciation of fixed assets | 1.770 |
| 7.5 | Tax, fee and charge | 10.269 |
| | <i>Land lease of Nation Defense</i> | <i>10.258</i> |
| 7.6 | Reserve Cost | 250 |
| 7.7 | Ourssourced service cost | 12.073 |
| 7.8 | Other cost | 3.350 |
| 10 | Net profits from operating activities | 5.372 |
| 11 | Other income | 13 |
| 12 | Other expenses | 121 |
| 13 | Other profits | -108 |
| 14 | Total net profit before tax | 4.020 |

- Maintain quality and products, constantly research and launch new products. Develop a variety of medical equipment products with many high-quality types to meet consumer tastes and needs, especially urgently find key products for the manufacturing company.
- Focus on expanding the domestic market, researching opportunities to export goods.
- Promote consignment business activities

- Develop diverse sales channels

** About recover public debts*

- Propose drastic measures to collect, thoroughly and effectively handle overdue debts and bad debts.

- Propose policies, regulations, and debt management for the entire Company to contribute to solving the Company's financial difficulties and maintaining stable production and business activities.

** About human resources*

- Focus on promoting recruitment and training to meet the company's business requirements, recruiting an additional Deputy General Director in charge of business.

2. Solutions:

- Restructuring the model, organizational structure, perfecting the human resource management system, financial management model to gradually solve financial difficulties and maintain stable production and business activities;

- Searching, recruiting, building systems and sales teams according to the Company's goals;

- Establishing research and development units (R&D) to build and develop new products to bring to the market

- Investing in construction and repair of facilities and machinery systems to improve output and product quality.

- Deploying enterprise management software systems;

- Complete and supplement the regulations and rules of the company and its member companies;

Above is the report on the production results in 2024 and the direction and tasks in 2025 of the Board of Directors. We respectfully request the Congress to review and give direction.

Sincerely,

Receiving place:

- As above;

- BoD;

- CEO;

- Save3.

ON BEHALF OF THE BOARD OF DIRECTORS

CHAIRMAN



Phạm Cong Doan



BUSINESS PERFORMANCE IN 2024 AND BUSINESS PLAN FOR 2025

2024-2025

ARMEPHACO JOINT STOCK COMPANY
118 Vu Xuan Thieu – Phuc Loi – Long Bien – HN



ARMEPHACO JOINT STOCK COMPANY

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Chapter 1

OVERVIEW OF THE BUSINESS ENVIRONMENT

I. Socio-economic situation in 2024

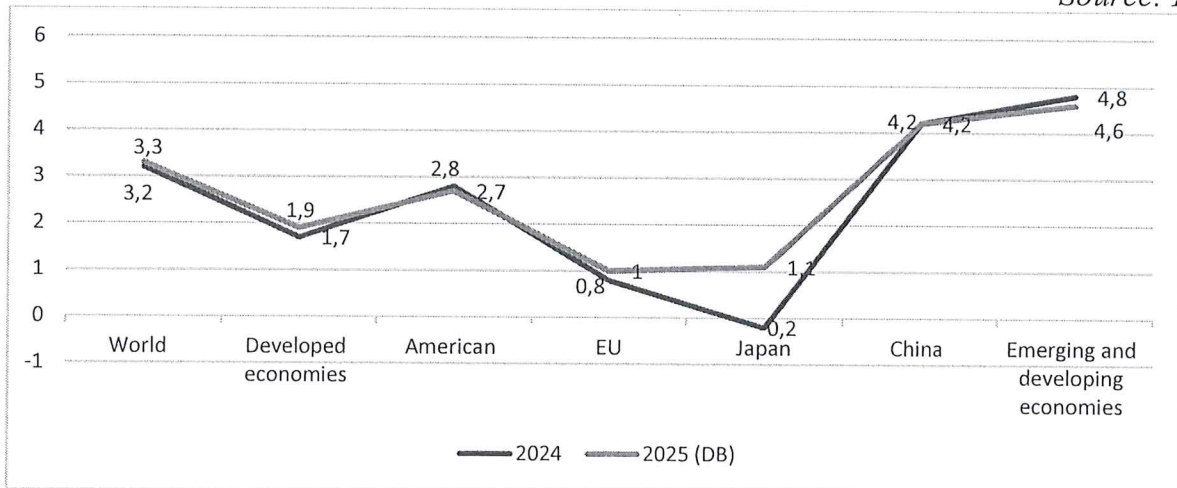
2024 is a year of many pivotal changes for the world as well as Vietnam. Major changes in governance policies as well as the leaders of many countries and major institutions. Natural disasters and escalating geopolitical conflicts have caused the world economy to recover in 2024 but still face many risks.

1. The world economy

The world economy in 2024 will grow unevenly across regions due to the negative impacts of geopolitical conflicts (Russia-Ukraine conflict, tensions in the Middle East), and the US presidential election, but the world economy will grow steadily in 2024. According to the IMF, global GDP growth will reach 3.2%, slightly down from 3.3% in 2023.

Figure: GDP growth of major economies

Source: IMF



Regarding growth drivers: Central banks of developed economies have gradually reduced interest rates after inflation was controlled. Global supply chains have generally improved. In addition to the continuous economic support packages being deployed, there is the rapid development of the digital economy, e-commerce, artificial intelligence as well as green technology.

Challenges: Global trade remains affected by geopolitical tensions, especially between China and the United States and between Russia and the West. Trade fragmentation can reduce the possibility of cooperation and overall growth of the global economy. Conflicts in Ukraine and the Middle East also negatively affect global supply chains, reducing consumer confidence. In addition, high inflation and public debt risks in many countries, persistently high interest rates putting pressure on spending and investment, and slow recovery in the labor market and employment will be major barriers to a sustainable economic recovery.

ARMEPHACO JOINT STOCK COMPANY

The IMF forecasts that the global economy will grow by 3.3% in 2025, 0.1 percentage points higher than in 2024. In general, the world economy continues to grow but faces many risks due to geopolitical tensions in many places. In addition, the US tariff policy could lead to a trade war between the US and major economies, strongly affecting global trade.

2. Việt Nam

Vietnam's economy will recover positively in 2024. The country's GDP in 2024 will reach 476.3 billion USD, equivalent to a growth rate of 7.09% compared to 2023, higher than the set target. Per capita income will reach 4,700 USD. The consumer price index (CPI) will increase by 3.63%, much lower than the set target. Total import-export turnover will reach 786.29 billion USD, up 15.4% compared to 2023. Realized FDI will reach 25.35 billion USD, up 9.4% compared to 2023, reaching the highest level of implementation ever in the context of declining global investment. The main sectors and fields of the economy will grow positively.

Forecast for 2025: Regarding growth, the Government targets GDP growth of 8% while the World Bank (WB) forecasts it will reach about 6.5%. Regarding opportunities and challenges, in the integration trend, the strong development of the digital economy and artificial intelligence, Vietnam needs to seize opportunities for transformation and sustainable development in the changing global context.

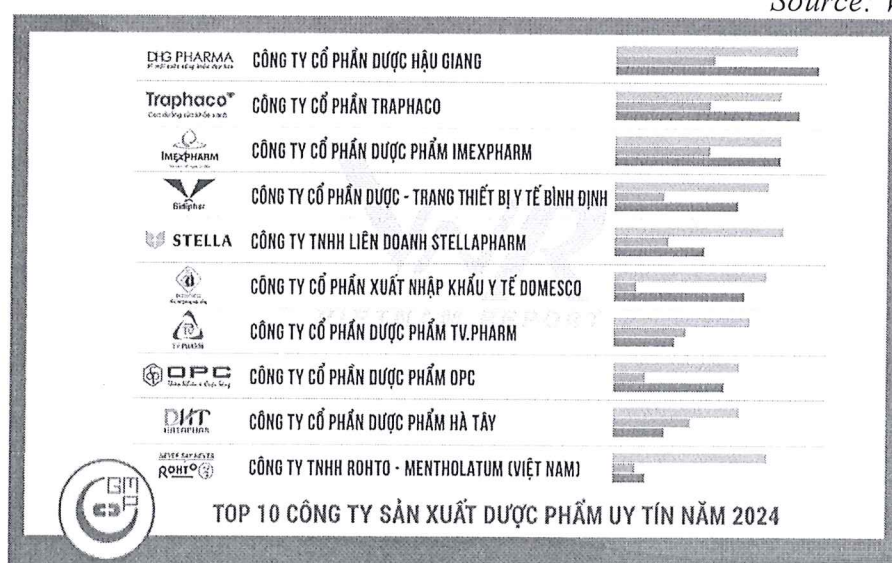
II. Pharmaceutical industry situation

1. Pharmaceutical industry situation

The global pharmaceutical market is expected to continue to grow strongly due to population growth, aging population and development of new medical technologies.

Figure . Top reputable pharmaceutical manufacturing companies in 2024

Source: Vietnam Report



In Vietnam, the Vietnamese pharmaceutical industry will continue to witness strong growth, affirming its position as one of the most potential pharmaceutical markets in the region. The increasing demand for health care, along with support policies from the Government, has created momentum to promote the development of the pharmaceutical industry. Domestic drug production has expanded in scale and enhanced its role in the drug consumption market. There are 238 manufacturing plants that meet GMP-WHO standards, of which 19 have drug production lines that meet EU-GMP or equivalent. Domestic drug production has covered 13/13 essential drug groups according to WHO classification.

2. Opportunities for the pharmaceutical industry

Currently, the demand for medical services of the people is increasing, along with the change in people's trends towards health care, the development of medical technology has created great opportunities for the domestic pharmaceutical industry, the goal by 2030, the pharmaceutical industry will achieve: (i) Domestically produced drugs strive to meet about 80% of the demand for use and 70% of market prices. Continue to strive to achieve the goal of producing 20% of the demand for raw materials for domestic drug production; (ii) Vietnam strives to become a center for high-value pharmaceutical production in the region with an export value of domestically produced drugs reaching 1 billion USD; (iii) Receive technology transfer, coordinate processing and technology transfer to produce at least 100 original brand-name drugs, vaccines, biological products including similar biological products and some drugs that Vietnam has not yet produced; (iv) Build 08 sustainable exploitation areas for natural medicinal herbs and 02-05 large-scale medicinal herb cultivation and production areas; (v) The pharmaceutical industry strives to have 30% of domestically produced and imported generic drugs with circulation registration certificates assessed as bioequivalent; 100% of drugs in circulation on the market are fully monitored and managed for effectiveness and safety according to regulations of the Ministry of Health.

3. Challenges of the pharmaceutical industry

The current challenges of the pharmaceutical industry are that infrastructure, technical and technological levels are still limited, while there is a lack of concentrated pharmaceutical and biological industrial parks. Domestic pharmaceutical enterprises are mainly small in scale, with modest revenue and investment capital.

The shift from chemical drugs to biological drugs or biological analogues requires advances in technology and the capacity to receive and transfer technology.

The digital transformation process of the pharmaceutical industry is still slow, requiring synchronous solutions to promptly respond to the general trend.

4. Pharmaceutical industry trends

Many domestic pharmaceutical enterprises are stepping up investment in building factories that meet EU-GMP standards (Duc Hau Giang, Duoc Ha Tay, Bidiphar, Duoc Cuu Long, etc.).

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The M&A trend between foreign partners and domestic pharmaceutical companies is increasingly vibrant and has profound impacts on the Vietnamese pharmaceutical industry.

III. Situation of medical equipment industry

1. Situation of medical equipment industry

According to Mordor Intelligence, the global medical device market size is estimated to reach USD 637.04 billion in 2024 and is expected to reach USD 893.07 billion in 2029, growing at a CAGR of 6.99% during the forecast period (2024-2029). In Vietnam, the medical device industry is growing strongly with a size of USD 1,677.4 million, the 8th largest in the Asia Pacific region, with a compound annual growth rate of 10.2%.

2. Opportunities for the medical device industry

The medical equipment industry in Vietnam is opening up great opportunities in the context of increasingly improved living standards, businesses and individuals increasing spending on purchasing health care equipment. The construction of hospitals and health systems has become important. Along with the growth of the economy, improving the quality of lower-level hospitals is also an opportunity for the industry. In addition, many factors contribute to creating growth opportunities for the medical equipment industry: (i) the increase in the geriatric population plays a role as a major market driver in the medical equipment market; (ii) the rate of non-communicable diseases is increasing (cancer, diabetes, cardiovascular disease, Alzheimer's, etc.); (iii) open-door policies attract foreign investors and encourage technology transfer.

3. Medical device industry trends

Currently, the incidence of cardiovascular diseases as well as diseases causing complications affecting the cardiovascular system is increasing, the demand for cardiovascular-related medical devices is also increasing. Moreover, the increasing technological advancement also increases the number of patients using cardiovascular devices. In addition, strategic initiatives in the market are focusing on this segment. Many inventions related to cardiovascular application devices that apply technology and minimize risks have been researched and applied. Therefore, in the coming period, the cardiovascular device segment is expected to account for a large market share in the medical device market.

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Chapter 2

BUSINESS PERFORMANCE RESULTS IN 2024

1. Report of revenue and cost

Balance sheet

Unit: Million VND

| | ASSETS | 31/12/2024 | 31/12/2023 |
|----------|--------------------------------------|------------------|------------------|
| | TOTAL ASSETS | 1,195,416 | 1,029,970 |
| A | CURRENT ASSETS | 1,097,544 | 935,994 |
| I | Cash and cash equivalents | 40,436 | 54,723 |
| II | Short-term financial investments | 9,032 | 7,032 |
| III | Short-term receivables | 760,086 | 626,529 |
| IV | Inventories | 277,577 | 240,823 |
| V | Other current assets | 10,410 | 6,885 |
| B | LONG-TERM ASSETS | 97,871 | 93,975 |
| I | Long-term receivables | 1,829 | 2,838 |
| II | Fixed assets | 38,892 | 40,582 |
| III | Long-term assets in progress | 1,228 | 611 |
| IV | Long-term investments | 49,482 | 44,797 |
| V | Other long-term assets | 6,438 | 5,145 |
| | TOTAL LIABILITIES AND OWNERS' | 1,195,416 | 1,029,970 |
| C | LIABILITIES | 994,608 | 860,204 |
| I | Short-term liabilities | 993,673 | 859,270 |
| II | Long-term liabilities | 934 | 934 |
| D | OWNERS' EQUITY | 200,807 | 169,765 |

Consolidated income statement

Unit: Million VND

| | Items | 31/12/2024 | 31/12/2023 |
|----|---|------------|------------|
| 1 | Revenues from sales and services rendered | 1,073,525 | 1,026,479 |
| 2 | Cost of goods sold | 988,183 | 950,396 |
| 3 | Gross revenues from sales | 84,848 | 73,835 |
| 6 | Financial income | 1,052 | 1,268 |
| 7 | Financial expenses | 12,695 | 20,482 |
| 9 | Selling expenses | 32,081 | 23,531 |
| 10 | General administrative expenses | 41,699 | 36,561 |
| 12 | Other income | 77 | 271 |
| 13 | Other expenses | 1,194 | 359 |
| 15 | Total net profit before tax | 5,714 | 4,975 |
| 18 | Total net profit after tax | 3,652 | 3,619 |

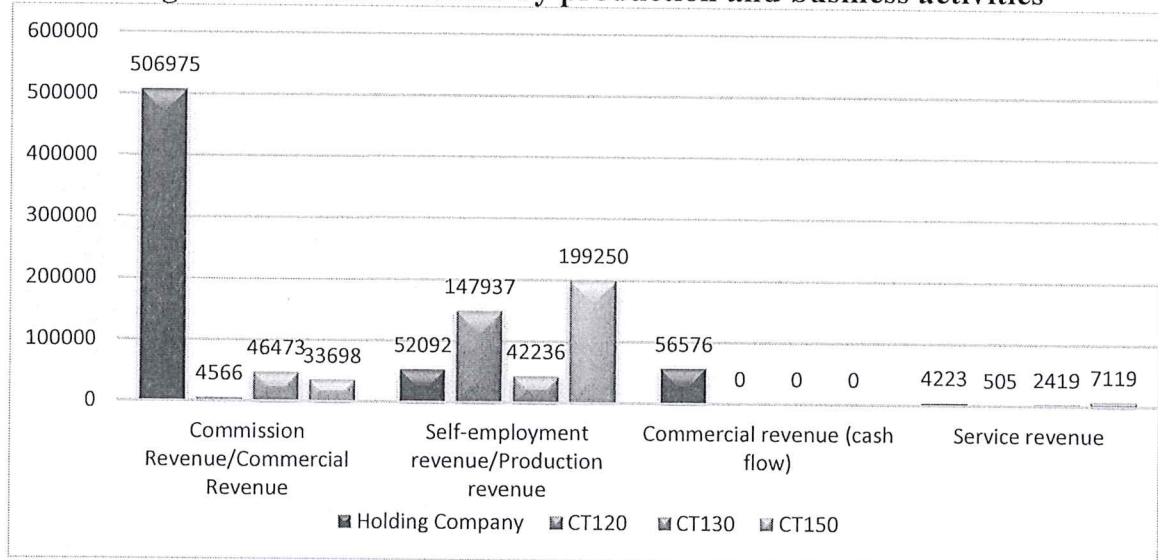
Currently, the incidence of cardiovascular diseases as well as diseases causing complications affecting the cardiovascular system is increasing, the demand for cardiovascular-related medical devices is also increasing. Moreover, the increasing technological advancement

also increases the number of patients using cardiovascular devices. In addition, strategic initiatives

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in the market are focusing on this segment. Many inventions related to cardiovascular application devices that apply technology and minimize risks have been researched and applied. Therefore, in the coming period, the cardiovascular device segment is expected to account for a large market share in the medical device market.

Figure: Revenue allocated by production and business activities



In terms of revenue structure, revenue from commission and trading activities increased the most (up 49% over the same period), revenue from manufacturing activities increased slightly (up 19%), showing no expansion. Revenue from services doubled, but still accounted for a small proportion of total revenue in 2024.

Although revenue in 2024 increased sharply, due to high costs, especially cost of goods sold accounting for 95%, profits remained low. The reasons are:

- Although the Trustee activity has the highest revenue, it tends to decrease due to the main reason being the decline in reputation with many partners (slow payment of bid packages to partners causes loss of trust from customers); some long-term partners have enough capacity to bid, profits from trust activities are low, legal risks are high;
- The business of medical equipment and consumables has overcome some shortcomings in the procurement of goods. However, there are still many problems in procedures, mechanisms and business activities;
- Project activities still depend heavily on the general construction progress, acceptance and payment periods of the main contractor. In addition, the construction progress is prolonged while product designs change continuously, leading to difficulties in purchasing input materials and equipment. In addition, project settlement is slow, many documents are stuck, and debt collection is slow;

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- Production activities face many difficulties such as high competition, increased production costs due to newly issued registration numbers due to initial trial production, leading to small batch sizes, high losses and quality problems leading to increased raw material costs;

Regarding profit results, net profit from business operations in 2024 reached 6,831 billion, an increase of 35% compared to 2023, showing an improvement in production and business activities.

Solution: (i) There needs to be a process and regulations for implementing synchronous production and business activities, ensuring timeliness, managing time and results, ensuring progress and consistency throughout the process; (ii) Changing the payment and settlement process to regain customer trust, while promoting the search for new customers, new markets, and exclusive products; (iii) Strengthening control of production costs to optimize costs. (iv) For production activities, it is necessary to research the market, competitors, pharmaceutical trends in the coming period, and at the same time re-evaluate the production model, review the internal capacity of each unit, to build a business strategy in the new period to expand and develop production and business activities. (v) Coordinate with the Group's Industry Management Board, promote work with domestic and foreign partners to seek directions for technology transfer, production and distribution of exclusive drugs, to improve competitiveness in the market; (vi) Take advantage of available resources to supplement ancillary activities to increase revenue.

2. Inventory

Company Office: - Large inventory of high-value products such as Robio, pain relievers, high-pressure oxygen tanks, air outlets, etc., outdated, difficult to bid or sell directly; Equipment with high input prices, remaining value not properly assessed, leading to difficulty in handling liquidation sales.

Solution: Conduct inventory, calculate cost, price slippage, search for secondary markets, request lower designs and prices to release inventory or find liquidation options if necessary to avoid prolonged inventory leading to storage costs, and the value of goods continuing to decrease over time;

Subsidiaries:

Company 130: (i) Inventory in 2024 decreased sharply compared to the same period last year because the company promoted the sale of inventory. However, there are still some items that are very difficult to sell, such as a sample product produced to offer for projects, produced according to research topics of the Department of Military Supplies, Department of Military Medicine - Ministry of National Defense, so they are not suitable for sale on the market such as: Vestibular examination chairs, X-ray machines, mobile surgical tables, navy stretchers, food trucks, pre-processed food trucks, pilot dining tables... There is no effective solution for disposal, leading to inventory. (ii) Some products are made to order, products do not follow standard sizes, so they are difficult to sell on the market because they are not suitable for clinics and hospitals. Old inventory goods such as painted iron electric beds: outdated design, models not suitable for

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production. The company has completed sample products for sale, but the annual sales volume is not much. For slow-moving and liquidated goods, the company develops a plan to submit to the Board of Directors and Executive Board for liquidation.

Company 150: (i) Pharmaceutical inventory accounts for 72% of inventory value, finished product inventory accounts for 21% of inventory value. Currently, the unit's material inventory is not high due to lack of capital to import large quantities of raw materials and overlap (for manufacturing units, raw materials overlap for at least 1 to 2 quarters), so the purchasing department has difficulty buying in small quantities, high unit prices and cannot get credit. There is almost no inventory of finished OTC products because there is no raw material to support it. List of inventory and slow circulation, near-expiry, expired, poor quality goods; (ii) Total inventory of slow circulation goods is 7%, liquidation is about 0.4% of inventory value. In the slow circulation goods, there are some products that are no longer produced, some have changed to new company names. For slow circulation goods and goods requesting liquidation, the unit has not made provisions due to low business performance. The unit will take note and make provisions at the appropriate time.

3. Debt

Company 120: Basic debt is under control. Some remaining overdue debts are paid within the prescribed time limit. Customers are mainly traditional customers, so the ability to collect debts is in accordance with the contract. Bad debts that cannot be collected are 1,276,416,205 VND. Up to now, this amount is still unrecoverable despite using many measures to collect debts.

Company 130: Customer debts awaiting payment are still within the prescribed payment period. Bad debts that cannot be recovered are more than 1.4 billion VND of Hai Thanh Company, this amount is still unrecoverable despite using many measures to recover the debt.

Company 150: Total receivables from customers is 50,084 billion VND. In addition to the debts for which provisions have been made due to arising before the company was equitized, all remaining debts are recoverable. Regarding the provision for overdue debts, the unit has not made provisions due to the unit's low profit. The unit will take note and make provisions promptly at appropriate times.

4. Investment in purchasing and basic construction

| No | Items | Plan (VND) | Perfrom in 2024 | |
|-----------|--|-----------------------|-----------------------|----------------------|
| | | | Completed | Unfinished |
| | TOTAL | 20,879,226,597 | 12,891,623,202 | 7,987,603,395 |
| I | Purchase of machinery and equipment | 5,633,555,538 | 4,221,346,447 | 1,412,209,091 |
| 2 | Company 120 | 3,003,419,000 | 3,003,419,000 | - |
| 3 | Company 130 | 970,000,000 | 969,090,909 | 909,091 |
| 4 | Company 150 | 1,660,136,538 | 248,836,538 | 1,411,300,000 |
| II | Construction investment (Office & Warehouse Repair) | 15,245,671,059 | 8,670,276,755 | 6,575,394,304 |
| 1 | Office repair | 5,468,156,565 | 1,101,033,636 | 4,367,122,929 |
| 2 | Warehouse construction | 6,140,135,114 | 4,132,446,739 | 2,007,688,375 |
| | Headquarters | 3,387,688,375 | 1,380,000,000 | 2,007,688,375 |
| | Company 120 | 1,649,688,300 | 1,649,688,300 | |

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| | | | | |
|---|--|---------------|---------------|-------------|
| | Company 130 | 1,102,758,439 | 1,102,758,439 | |
| 3 | Construction investment, factory appraisal | 1,651,029,380 | 1,450,446,380 | 200,583,000 |
| | Company 120 | 1,651,029,380 | 1,450,446,380 | 200,583,000 |
| 4 | Product research costs | 1,986,350,000 | 1,986,350,000 | - |
| | Company 120 | 196,350,000 | 196,350,000 | |
| | Company 150 | 1,790,000,000 | 1,790,000,000 | |

5. Human resource report

5.1. Implementation in 2024

In 2024, the Company had changes in the Board of Directors and Executive Board, so the personnel structure changed. The Company has improved its organizational and personnel model to operate effectively.

Recruitment is difficult and has not met requirements due to low salaries, no sales policy, and the company's working location is a bit far away, so it has not attracted business candidates.

The company has merged the business department into a business department to direct the company's business plans. Salary, bonus, and policies: Continue to maintain stable salaries, policies, and increase employee benefits to ensure timely and full payment to employees.

5.2. HR Structure

| No | Department | Total | Position Group | | | Gender | | Educational level | | | Expertise | |
|----|--------------------------|-------|----------------|-------|--------|--------|--------|-------------------|----------------------|-------|-----------|-------------------------------------|
| | | | Manager | Staff | Worker | Male | Female | bachelor & over | College Intermediate | Other | Pharmacy | Mechanical, Electrical, Electronics |
| I | Holding company | 43 | 12 | 31 | 0 | 19 | 24 | 35 | 6 | 2 | 10 | 3 |
| 1 | Headoffice | 38 | 9 | 29 | 0 | 15 | 23 | 30 | 6 | 2 | 9 | 3 |
| | Executive Board | 2 | 2 | | | 2 | | 2 | | | 1 | |
| | General Department | 11 | 2 | 9 | | 6 | 5 | 6 | 3 | 2 | 2 | |
| | Finance & Accounting Dep | 4 | | 4 | | | 4 | 3 | 1 | | | |
| | Business Department | | | | | | | | | | | |
| | Medical equipment Depart | 2 | 1 | 1 | | 1 | 1 | 2 | | | 1 | 1 |
| | Bidding Department | 4 | 1 | 3 | | 1 | 3 | 4 | | | | 1 |
| | Project Department | 3 | 1 | 2 | | 3 | | 3 | | | | 1 |
| | Pharmaceutical Departmen | 2 | 1 | 1 | | 1 | 1 | 2 | | | 1 | |
| | Raw material Department | 10 | 1 | 9 | | 1 | 9 | 8 | 2 | | 4 | |
| 2 | Representative office ĐN | 1 | 1 | | | 1 | | 1 | | | | |
| 3 | HCM city Branch | 2 | 1 | 1 | | 2 | | 2 | | | 1 | |
| 4 | Can Tho Branch | 2 | 1 | 1 | | 1 | 1 | 2 | | | | |
| II | Subsidairy | 197 | 32 | 73 | 92 | 96 | 101 | 58 | 110 | 29 | 18 | 8 |
| 1 | Company 120 | 63 | 11 | 11 | 41 | 19 | 44 | 15 | 48 | | 8 | 1 |
| 2 | Company 130 | 55 | 10 | 24 | 21 | 43 | 12 | 20 | 21 | 14 | | 6 |
| 3 | Company 150 | 79 | 11 | 38 | 30 | 34 | 45 | 23 | 41 | 15 | 10 | 1 |
| | TOTAL | 240 | 44 | 104 | 92 | 115 | 125 | 93 | 116 | 31 | 28 | 11 |

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5.3. Status of salary fund implementation and labor use:

| STT | NỘI DUNG | Đvt | VPCT | | Cty 120 | | Cty 130 | | Cty 150 | | CN HCM | |
|-----|---|-------|--------|--------|---------|--------|---------|--------|---------|--------|--------|--------|
| | | | KH2024 | TH2024 | KH2024 | TH2024 | KH2024 | TH2024 | KH2024 | TH2024 | KH2024 | TH2024 |
| I | TÌNH HÌNH THỰC HIỆN QUỸ LƯƠNG/THƯỜNG | | 7.830 | 9.650 | 8000 | 7.500 | 7.595 | 8.215 | 16.700 | 14.119 | | |
| | Quỹ lương Ban điều hành | Tr.d | 1.950 | 1.655 | 1.000 | 1.000 | 1.020 | 1.020 | 1.680 | 1.620 | 500 | 428 |
| | Quỹ lương lao động gián tiếp | Tr.d | 4.580 | 2.476 | 2.500 | 2.150 | 2.250 | 2.250 | 2.592 | 2.257 | 200 | 130 |
| | Quỹ lương Công nhân sản xuất | Tr.d | 0 | 0 | 4000 | 3930 | 3.000 | 3.350 | 10.028 | 8.915 | | |
| | Quỹ lương lao động kinh doanh | Tr.d | 1.300 | 5.519 | 500 | 420 | 1.340 | 1.595 | 2.400 | 1.326 | 300 | 96 |
| II | TÌNH HÌNH SỬ DỤNG LAO ĐỘNG | | 48 | 88 | | | | | | | | |
| 1 | Tổng lao động | Người | 43 | 43 | 70 | 62 | 52 | 52 | 120 | 79 | 5 | 2 |
| 2 | Tổng lao động tuyển dụng | Người | 5 | 16 | 6 | 4 | 7 | 9 | 6 | 9 | | |
| 3 | Tổng lao động nghỉ việc, nghỉ hưu | Người | 0 | 26 | 4 | 4 | 4 | 6 | 1 | 34 | | 3 |
| 4 | Tổng lao động bổ nhiệm | Người | 0 | 3 | 3 | 3 | 0 | 2 | 0 | 0 | | |
| 5 | Tổng lao động miễn nhiệm | Người | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| III | LƯƠNG BÌNH QUÂN | | | | | | | | | | | |
| 1 | Mức lương cao nhất | Tr.d | 60 | 60 | 26 | 28 | 28,3 | 28,3 | 35 | 30,9 | 23 | 23 |
| 2 | Lương bình quân lao động gián tiếp | Tr.d | 12 | 13,6 | 13,2 | 11,6 | 12 | 12 | 12 | 11,6 | 13 | 13 |
| 3 | Lương bình quân lao động trực tiếp | Tr.d | 0 | 0 | 13,6 | 11,5 | 10,5 | 12,6 | 10 | 9,8 | | |
| 4 | Lương bình quân lao động kinh doanh | Tr.d | 12 | 22,1 | 12,5 | 11,7 | 13,9 | 17 | 20 | 19,8 | 15 | 15 |
| IV | TÌNH HÌNH SỬ DỤNG QUỸ BHXH, BHYT, BHTN | | 1.600 | 1.211 | 1800 | 1600 | 1.267 | 1.267 | 3.000 | 2.550 | | 157 |
| 1 | Tổng chi phí trích nộp BHXH, YT, TN (32%) | Tr.d | 1.600 | 1.211 | 1.800 | 1.600 | 1.267 | 1.267 | 3.000 | 2.550 | | 157 |
| V | TÌNH HÌNH SỬ DỤNG QUỸ CÔNG ĐOÀN | | 170 | 123 | 180 | 160 | 134 | 139 | 300 | 287 | | |
| 1 | Tổng chi phí trích nộp KPCĐ (3%) | Tr.d | 170 | 123 | 180 | 160 | 134 | 139 | 300 | 287 | | |

6. Limitations

- The system of regulations, processes and rules is not complete and does not meet the operational needs. The coordination of management between the planning, finance, business, technical and production departments is still confusing. The initiative in building and managing plans, solutions and handling arising operations is still slow.

- Although the salary and income of officers, employees and workers in the company have been improved, they are still low and not commensurate with the increase in living costs and social development.

- Production and business activities are still based on existing foundations. Equipment and technology are too old and outdated. There are no exclusive products with high competitiveness in the market. Labor productivity is low.

- The annual assessment of production and business efficiency has not been fully implemented. (Because the previous year's plan was not fully implemented, specific and clear, leading to the assessment of how much the previous year's plan was implemented, what results were achieved, what problems existed, where the difficulties and obstacles were... were not properly assessed.)

- The market is always full of fluctuations, the demand for medical equipment and pharmaceuticals, consumer trends change continuously and there is fierce competition from competitors in the same field, so completing the assigned plan also faces many difficulties.

7. Solutions

- Perfecting the organizational structure in the Company: One of the reasons for the low production and business performance is that the company's organizational and management structure is not operating effectively. Therefore, it is necessary to have a reasonable organizational structure, capable of leading the company to its set goals, creating combined impacts with available resources and promoting development resources to bring higher results. Departments need to be arranged reasonably, clearly defining the functions and tasks of the subordinate units. Especially in the department/office, there needs to be a relative distinction in the nature of the work, avoiding overlap and ensuring smooth operation and coordination between departments.
- There should be a clear reward and punishment mechanism, regulations on the work of building, implementing, managing and evaluating the performance of tasks.
- Strengthening market research: in a market economy, it is necessary to closely follow market developments, forecast market demand, and take the market as the center of all production and business activities. The scale, structure and development of demand determine the structure of production development. Market research helps to grasp the demand for each type of product and service that the company produces and trades, thereby finding ways to meet market demand through production and business planning. Market research is the most important basis in planning the company's production and business plans.

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Chapter 3 BUSINESS PLAN FOR 2025

1. Production and business plan for 2025

Unit: Million VND

| | Items | 2025 | | | | |
|-----------|---|------------------|----------------|----------------|----------------|------------------|
| | | Separate | CT120 | CT130 | CT150 | Total |
| 1 | Revenues from sales and services rendered | 1.593.000 | 164.525 | 100.000 | 257.500 | 2.115.025 |
| 1.1 | Commission Revenue/Commercial Revenue | 1.439.000 | 14.000 | 60.600 | 30.000 | 1.543.600 |
| 1.2 | Self-employment revenue/Production revenue | 150.000 | 150.000 | 37.000 | 220.000 | 557.000 |
| 1.3 | Commercial revenue (cash flow) | - | | | | - |
| 1.4 | Service revenue | 4.000 | 525 | 2.400 | 7.500 | 14.425 |
| 2 | Cost of goods sold | 1.556.655 | 150.163 | 76.000 | 231.394 | 2.014.212 |
| 3 | Gross revenues from sales and services render | 36.345 | 14.362 | 24.000 | 26.106 | 100.813 |
| 4 | Financial income | 6.500 | 472 | 10 | 160 | 7.142 |
| 5 | Financial expenses | 1.400 | 2.590 | 380 | 3.500 | 7.870 |
| 6 | Selling expenses | 11.793 | 1.860 | 10.710 | 6.100 | 30.463 |
| 7 | General administrative expenses | 17.508 | 6.366 | 9.920 | 14.576 | 48.370 |
| 10 | Net profits from operating activities | 12.143,7 | 4.018 | 3.000 | 2.090 | 21.252 |
| 11 | Other income | 0 | 3 | | 10 | 13 |
| 12 | Other expenses | 0 | 21 | | 100 | 121 |
| 13 | Other profits | - | -18 | - | -90 | -108 |
| 14 | Net profit before tax | 10.900 | 4.000 | 3.000 | 2.000 | 19.900 |
| 15 | Interest expense from previous years and other expenses incurred in 2025 | | | | | 15.880 |
| 16 | Total net profit before tax | | | | | 4.020 |

Compared with competitors in the same industry, medical equipment companies, it can be seen that: (1) Armephaco's revenue is larger than many other companies in the same industry, but the profit/revenue ratio is lower; (2) High cost of goods sold, continuous negative financial profit, leading to low company profit; (3) Large total debt leads to large interest expenses, while total assets remain unchanged. Compared to other businesses in the same industry, Armephaco has the advantage of being a military company, having a long-standing brand, long-standing customers, a team of medically knowledgeable staff, land assets, position and reputation in the pharmaceutical and medical equipment industry. However, because it is a long-standing company under the state mechanism, after equitization, there have been disruptions and changes in management, staff, business goals and orientation. However, it is still trying to maintain, has not overcome difficulties,

has a brand but has not been able to promote, has not been able to expand products, markets as

ARMEPHACO JOINT STOCK COMPANY

well as attract excellent staff, suitable for the company's production and business requirements.

With existing advantages, along with the rapid development of the domestic medical market, there is great room for growth while production and labor costs are low. In addition, Vietnam does not have many factories producing diverse medical equipment, is heavily dependent on imported goods, people's lives are gradually improving, the population is large, the average life expectancy is increasing, and health spending is increasing. ..

To take advantage of these advantages, in 2025, Armephaco Company aims to: (1) Continue to stabilize and develop existing activities, build appropriate operating regulations to improve labor productivity, expand production, increase revenue, reduce costs; (2) Build a mechanism to attract dynamic, highly skilled, enthusiastic, development-minded, and closely connected human resources; (3) Build plans to strengthen cooperation with technology companies specializing in the production of specialized medical equipment at home and abroad, expand factories for manufacturing and assembling medical equipment, and enhance the integration of healthcare technologies; (4) Develop a capable Marketing team to search for and develop new markets, new customers, and increase revenue; (5) Re-manage sales and service costs; (6) Review investment portfolios, financial investments, increase equity, issue additional shares to increase equity to reduce the burden of debt costs.

2. Plan for procurement and basic construction investment in 2025

Plan for procurement and basic construction investment in 2025

| STT | Diễn giải | ĐVT | Slg | Đơn giá | Thực hiện 2024 | | KẾ HOẠCH 2025 Số tiền (vnd) | Thời gian triển khai |
|------------|---|----------|-----|-------------|--|---------------------------|-----------------------------------|----------------------|
| | | | | | Đã hoàn thành, ghi nhận Tài sản, Chi phí | Dỡ dăng chuyển năm sau | | |
| | KẾ HOẠCH 2025 | | | | | | 25.567.311.304 | |
| I | Mua sắm máy móc, thiết bị | | | | | | 12.092.500.000 | |
| 1 | Công ty mẹ | | | | - | 170.000.000 | 170.000.000 | |
| 2 | Công ty 130 | | | | - | - | 950.000.000 | |
| 3 | Công ty 150 | | | | | | 10.972.500.000 | |
| | Mua sắm máy móc, thiết bị Xưởng Sản xuất | | | | - | - | 4.886.500.000 | - |
| | Mua sắm máy móc, thiết bị P. KTCL (QC) | | | | - | - | 3.475.000.000 | - |
| | Mua sắm máy móc, thiết bị P. NCPT (RD) | | | | - | - | 2.611.000.000 | - |
| II | Đầu tư xây dựng (Sửa chữa VP, Nhà Kho) | | | | | | 8.974.811.304 | |
| 1 | Công ty mẹ | | | | | | 8.374.811.304 | |
| | Sửa chữa văn phòng 118 Vũ Xuân Thiều | | | | 1.101.033.636 | 4.367.122.929 | 4.367.122.929 | Năm 2025 |
| | Xây dựng nhà kho 118 Vũ Xuân Thiều | | | | 1.380.000.000 | 2.007.688.375 | 2.007.688.375 | Hoàn thành Q2/2025 |
| | Sửa chữa, cải tạo văn phòng số 8 Tầng Bạt Hồ | | | | | 2.000.000.000 | 2.000.000.000 | Q3,4/2025 |
| 2 | Công ty 130 | | | | | | 600.000.000 | |
| | Sửa chữa nhà xưởng | nhà | 2 | | | | 600.000.000 | quý 2 |
| 3 | Công ty 150 | | | | | | - | |
| III | Chi phí nghiên cứu sản phẩm | | | | - | - | 4.500.000.000 | - |
| 1 | Công ty 150 | | | | | | 4.500.000.000 | |
| | Thử Tương đương sinh học (BE) ở Viện KN | Sản phẩm | 5 | 900.000.000 | | | 4.500.000.000 | 01-12/2025 |

Office at 118 Vu Xuan Thieu: continue to repair items on the 2nd floor of the building's office, including: repairing stairs, replacing aluminum and glass doors, waterproofing, painting. In 2025, Vu Xuan Thieu Street will be expanded into the company's land, so the gate, fence and security booth will also have to be rebuilt... according to the plan and estimated cost in the report No. 278a/TTr-AMP on repairing, renovating and upgrading the company's office headquarters. The remaining estimated cost is 4,367 billion (remaining after deducting the cost recorded in the books in 2024).

Warehouse repair: complete construction of 2000m warehouse, steel frame structure, concrete floor, height from 9-12m. Estimated remaining cost is 2 billion, expected to be completed in June 2025.

Repair and renovate location No. 8 Tang Bat Ho: infrastructure at No. 8 Tang Bat Ho has seriously degraded. To attract tenants and increase rental prices, it is expected to repair and upgrade, expected to ask for the Board of Directors' opinion to implement in Q3,4/2025.

3. Staffing Plan

At the company office

On perfecting the organizational model:

- Review the functions and tasks of the departments. Develop job descriptions for each position to determine the correct roles, functions and tasks to ensure the right person for the right job, avoid overlap and improve work efficiency.
- Restructure the sales department in the units to ensure effective operation.

About system management:

- Develop a coordination process between departments and member units, clearly define the responsibilities of each department/individual, ensure compliance, as well as work coordination.
- Review processes, regulations, and rules to ensure suitability, timeliness, and meeting work requirements.
- Strengthen control and management of production and commercial business systems.

About human resource policy:

- Develop a recruitment plan for each position, ensuring it is suitable for the job requirements. Put the right person in the right position, maximizing the capacity of the staff.
- Coordinate with the sales department to develop sales policies to attract candidates.
- Review, supplement, and propose if necessary to ensure policies and benefits for employees.

At Subsidiary

Implement organizational restructuring. Review regulations, rules, and procedures to amend and supplement them to suit the business and production situation as well as current legal regulations.

ARMEPHACO JOINT STOCK COMPANY

| STT | NỘI DUNG | Đvt | VPCT | | Cty 120 | | Cty 130 | | Cty 150 | |
|---|--------------------------------------|------|--------|--------|---------|--------|---------|--------|---------|--------|
| | | | TH2024 | KH2025 | TH2024 | KH2025 | TH2024 | KH2025 | TH2024 | KH2025 |
| I | TÌNH HÌNH THỰC HIỆN QUỸ LƯƠNG/THƯỞNG | | 9.650 | 10.150 | | | | | | |
| 1 | Quỹ lương Ban điều hành | Tr.đ | 1.655 | 1.950 | 3.197* | 3.642 | | | 1.275 | 1.275 |
| 2 | Quỹ lương lao động gián tiếp | Tr.đ | 2.476 | 2.500 | | | | | 3.900 | 3.900 |
| 3 | Quỹ lương Công nhân sản xuất | Tr.đ | | | 6.819 | 8.021 | | | 13.000 | 13.000 |
| 4 | Quỹ lương lao động kinh doanh | Tr.đ | 5.519 | 5.700 | | | | | | |
| II | LƯƠNG BÌNH QUÂN | | 96 | 99 | 12,5 | 14 | 15,2 | 17,5 | | |
| 1 | Mức lương cao nhất | Tr.đ | 60 | 60 | 28 | 30 | 33,6 | 38,7 | 30,9 | 30 |
| 2 | Lương bình quân lao động gián tiếp | Tr.đ | 13,6 | 14 | 11,6 | 13,2 | 13,4 | 15,4 | 11,6 | 12 |
| 3 | Lương bình quân lao động trực tiếp | Tr.đ | | | 11,2 | 12,5 | 18,3 | 21 | 19,8 | 20 |
| 4 | Lương bình quân lao động kinh doanh | Tr.đ | 22,1 | 25 | 11,5 | 13,6 | 13,4 | 15,4 | 9,8 | 12 |
| * Lương quản lý, hành chính, kinh doanh | | | | | | | | | | |

Personnel plan 2025

| TT | Đơn vị, phòng ban | Năm 2024 | Định biên năm 2025 | +/- so với năm 2024 |
|----|-------------------|----------|--------------------|---------------------|
| I | CÔNG TY MẸ | 43 | 53 | 10 |
| 1 | VPCT | 39 | 46 | 6 |
| | Ban Điều hành | 2 | 3 | 1 |
| | Phòng Tổng hợp | 11 | 11 | 0 |
| | Phòng Kế hoạch | 0 | 3 | 3 |
| | Phòng TCKT | 4 | 4 | 0 |
| | Phòng Kinh doanh | 21 | 24 | 3 |
| | Bộ phận KD TBVT | 2 | 3 | 1 |
| | Bộ phận Đấu thầu | 4 | 5 | 1 |
| | Phòng Dự án | 3 | 3 | 0 |
| | Bộ phận KD Dược | 2 | 4 | 2 |
| | Bộ phận KDNL | 10 | 12 | 2 |
| | VPĐD Đà Nẵng | 1 | 1 | 0 |
| 2 | CN. TP.HCM | 2 | 2 | 0 |
| 3 | CN. TP.Cần Thơ | 2 | 2 | 0 |
| II | CÔNG TY 120 | 62 | 70 | 8 |
| II | CÔNG TY 130 | | | |
| II | CÔNG TY 150 | 78 | 85 | 7 |

CEO



Hanoi, April 29th, 2025

REPORT

IMPLEMENTING THE TASKS AND POWERS OF THE SUPERVISORY BOARD IN 2024 AND THE DIRECTIONS AND TASKS OF THE SUPERVISORY BOARD IN 2025

To: The Annual General Meeting of Shareholders 2025 Armephaco Joint Stock Company.

Pursuant to:

- *Enterprise Law No 59/2020/QH14 approved by the National Assembly of the Socialist Republic of Vietnam and guiding, amending, supplementing and implementing legal documents;*
- *Securities Law No 54/2019/QH14 approved by The National Assembly of the Socialist Republic of Vietnam and guiding, amending, supplementing and implementing legal documents;*
- *Charter of Armephaco Joint Stock Company.*

The Supervisory Board ("BKS") would like to report to the Annual General Meeting of Shareholders in 2025 of Armephaco Joint Stock Company regarding the implementation of its assigned tasks and powers in 2024, as well as the direction and work tasks of the Supervisory Board in 2025 as follows:

Chapter I

IMPLEMENTING THE TASKS AND POWERS ASSIGNED TO THE SUPERVISORY BOARD IN 2024

I. Organization and activities of the supervisory board

1. Human of the Supervisory board: The members of the Supervisory Board all have qualifications, long practical experience, expertise in finance, accounting, and auditing, as well as in the company's manufacturing and business sectors, assigned appropriately according to their tasks. In 2024, there has been a change in the members of the Supervisory Board as follows:

- Mrs Nguyen Thi Huong – Head of the Supervisory Board (Appoint on 18/06/2024).
- Mr Nguyen Anh Tuan – Member (Appoint on 18/06/2024).
- Mr Le Manh Hien – Member
- Mrs Nguyen Thi Huong Lien - Member - Thành viên (Dismissed on 18/06/2024).

2. Activities

In 2024, the Board of Supervisors held meetings to implement the functions and tasks of the Board on the basis of the Rights and obligations of the Board of Supervisors stipulated in the Company Charter, the Regulations on the operation of the Board of Supervisors and the provisions of the Law. The meetings of the Board of Directors in 2024 were attended by members of the Board of Supervisors. The content of the meetings all had conclusions and the members approved the following issues:

- Supervise the implementation of the Resolutions of the General Meeting of Shareholders, the Resolutions of the Board of Directors, and monitor compliance with the Company's Charter;
- Supervise the Board of Directors and the Board of General Directors in managing and operating the Company.
- Conduct the appraisal of the 2024 Audit Reports before publication;
- Organize the Company's Annual General Meeting of Shareholders in 2024;
- Propose to the Board of Directors to select an independent auditing unit to conduct the annual audit of the Financial Statements according to regulations;

In 2024, the Supervisory Board did not receive any requests from Shareholders or groups of shareholders holding 5% or more of shares to review the Company's operations, the management of the Board of Directors and the Board of Management.

The remuneration of the Board of Supervisors is implemented according to the Resolution of the 2024 General Meeting of Shareholders. The operating expenses of the Board of Supervisors are applied according to the Financial Regulations of Armephaco Joint Stock Company.

II. Supervise the Board of Directors and the Board of Management in managing and operating the company

Pursuant to Article 41 of the Company's Charter, the Supervisory Board shall evaluate the management and operation activities of the Board of Directors (BOD) and the Board of Management in 2024 as follows:

The Board of Directors and General Director of the Company have organized and fully implemented their powers, functions and duties as prescribed in the Charter and relevant provisions of law.

The Board of Directors' and General Director's performance reports fully and honestly reflect the Company's operations and directions, documents and resolutions of the Board of Directors in accordance with the Enterprise Law and the Company's Charter. In the process of performing their duties and powers, with a high sense of responsibility, the Board of Directors and the Board of Management have assigned specific tasks to members and executives, and summarized and evaluated the performance of tasks through

the Board of Directors meetings held in 2024, in order to maintain and ensure stable operations for the Company's production and business activities.

In 2024, the Board of Supervisors conducted planned audits at the Company by examining accounting books, documents, and financial reports prepared by the unit in 2024. The Board of Supervisors participated in and supervised the selection of an audit unit and monitored the progress and results of the work. In addition, the Board of Supervisors reviewed the Company's financial reports every 3 months before disclosing information.

III. Coordinate with the Executive Board in developing regulations and procedures to standardize production and business activities at the Company and monitor finances

The Board of Supervisors has reviewed and proposed a system of procedures and regulations; coordinated and supervised the implementation of the Board of Directors and Executive Board members in amending and developing a number of important regulations, rules and procedures suitable for the new business model, including:

The Board of Supervisors also acknowledged that the 2024 production and business planning work received special attention from the Board of Directors and the Executive Board and was directed early at the Board of Directors meeting.

In financial supervision, the Board of Supervisors has coordinated and supervised the Executive Board, especially the Finance and Accounting Department, to carry out important tasks including:

- ✓ Comments on Quarterly Financial Reports before publication.
- ✓ Appraisal of audit reports that accurately and honestly reflect financial reporting data submitted to the General Meeting of Shareholders.
- ✓ The audit report for 2024 accurately and honestly reflected the financial report data submitted to the General Meeting of Shareholders.

IV. Audit of financial statements for 2024

1. Bases

- ❖ Financial statements are prepared by the Executive Board according to the forms issued by the Ministry of Finance in Circular 200/2014/TT-BTC dated December 22, 2014 guiding the Enterprise Accounting Regime and Circular 53/2019/TT-BTC dated March 21, 2019 amending and supplementing a number of articles of Circular No. 200/2014/TT-BTC;
- ❖ Audited report for 2024 conducted and issued by CPA Vietnam Company Limited (Including Separate Financial Statements and Consolidated Financial Statements).
- ❖ Accounting books and original documents are kept at the Company.

2. Confirm financial statements

2.1. Auditors' Opinion

The accompanying consolidated financial statements gives a true and fair view of, in all material respects, the financial position of the Company as at 31st December 2024 and the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of the consolidated financial statements in Vietnam.

2.2. Basic financial indicators in the 2024

Unit: vietnamdong

a, Separate financial report

| Items | 31/12/2024 | 31/12/2023 | Increase/Decrease | % |
|---|-----------------|-----------------|-------------------|--------|
| A. Assets and Liabilities | | | | |
| Current assets | 863.627.074.672 | 702.613.904.476 | 161.013.170.196 | 22,92% |
| In there: Inventory | 161.511.282.085 | 124.393.736.467 | 37.117.545.618 | 29,84% |
| Long-term assets | 142.754.312.724 | 137.312.839.278 | 5.441.473.446 | 3,96% |
| Liabilities | 826.094.008.568 | 681.887.113.214 | 144.206.895.354 | 21,15% |
| In there: Short-term liabilities | 825.159.556.568 | 680.952.661.214 | 144.206.895.354 | 21,18% |
| B. Revenues and Profits | 2024 | 2023 | | |
| Revenue from sales and services rendered | 619.866.492.406 | 532.211.216.700 | 87.655.275.706 | 16,47% |
| Gross revenues from sales and services rendered | 26.666.544.885 | 26.694.206.403 | (27.661.518) | -0,10% |
| Total net profit before tax | 2.541.546.288 | 2.039.533.745 | 502.012.543 | 24,61% |
| Profit after corporate income tax | 2.541.546.288 | 2.039.533.745 | 502.012.543 | 24,61% |
| Owners' equity | 180.287.378.828 | 158.039.630.540 | 22.247.748.288 | 14,08% |
| Gross revenues/Revenues | 4,30% | 5,02% | | |
| Revenue/Owners' equity | 1,41% | 1,29% | | |
| C. Ability to pay | | | | |
| Quick ratio | 0,85 | 0,85 | | |
| Current ratio | 1,05 | 1,03 | | |

b, Audited consolidated financial statements

| Items | 31/12/2024 | 31/12/2023 | Increase/Decrease | % |
|---|-------------------|-------------------|-------------------|--------|
| A. ASSETS & LIABILITIES | | | | |
| Current assets | 1.097.544.491.763 | 935.994.852.068 | 161.549.639.695 | 17,26% |
| In there: Inventory | 277.577.980.719 | 240.823.952.148 | 36.754.028.571 | 15,26% |
| Long-term assets | 97.871.724.821 | 93.975.197.452 | 3.896.527.369 | 4,15% |
| Liabilities | 994.608.296.241 | 860.204.816.144 | 134.403.480.097 | 15,62% |
| In there: Short-term liabilities | 993.673.844.241 | 859.270.364.097 | 134.403.480.097 | 15,64% |
| B. Revenues and Profits | Năm 2024 | Năm 2023 | | |
| Revenue from sales and services rendered | 1.073.032.357.850 | 1.024.231.986.023 | 48.800.371.827 | 4,76% |
| Gross revenues from sales and services rendered | 84.848.618.845 | 73.835.479.734 | 11.013.139.111 | 14,92% |
| Total net profit before tax | 5.714.116.359 | 4.975.633.070 | 738.483.289 | 14,84% |
| Profit after corporate income tax | 3.652.685.600 | 3.619.862.068 | 32.823.532 | 0,19% |
| Owners' equity | 200.807.920.343 | 169.765.233.376 | 31.042.686.967 | 18,29% |
| Gross revenues/Revenues | 7,91% | 7,21% | | |
| Revenue/Owners' equity | 1,82% | 2,13% | | |
| C. Ability to pay | | | | |
| Quick ratio | 0,83 | 0,81 | | |
| Current ratio | 1,10 | 1,09 | | |

Assessment: Basically, the scale of assets, liabilities, and profits all increased compared to 2023 but only remained stable.

+ Revenue in 2024 compared to 2023, on the separate financial statements increased by VND 87.6 billion, equivalent to an increase of 16.47%; on the consolidated financial statements increased by VND 48.8 billion, equivalent to an increase of 4.76%;

Reason: Maintaining stable cash flow, ensuring business operations during difficult times.

+ Pre-tax profit in 2024 compared to 2023, on the separate financial statements increased by VND 502 million, equivalent to an increase of 24.61%; on the consolidated financial statements increased by VND 738 million, equivalent to an increase of 14.84%.

Reasons: Electronic bidding, competitive bidding prices, thin profit margins, and failure to reduce management costs.

+ Total assets increased and liabilities increased compared to 2023.

- Accounting organization: The Company has performed accounting and opened accounting books in accordance with the current Vietnamese Accounting Standards and Regime, promptly reflecting economic transactions arising in the production and business process.

- Company financial situation: The Company ensures current payment capacity with a coefficient greater than 1.

- Full report details on the Company's website.

3. Recommendation of the Board of Supervisors

- The Company is requested to note the deadline for publishing financial statements to ensure compliance with legal regulations.

- The Company is stepping up the collection of bad debts to increase cash flow for production and business activities.

- Inventory of goods by accounting period, ending at June 30 and January 1 for the accounting period ending December 31 of the fiscal year.

Chapter II

Directions and tasks of the Supervisory Board in 2025

Based on the functions and tasks of the Board of Supervisors as stipulated in the Charter of organization and operation of Armephaco Joint Stock Company. The Board of Supervisors develops the direction and tasks of the Board of Supervisors in 2025 as follows:

1. Monitor compliance with the provisions of law and the Company's Charter in governance and operation as prescribed in Article 41 of the Company's Charter on the following tasks:
 - Managing and operating the Company in accordance with the Charter and Resolutions of the Shareholders' Meeting
 - Completing, amending, supplementing, and issuing new, complete and timely internal control systems suitable to the development scale and characteristics of the Company
 - Provide opinions to the Board of Directors and Executive Board on each specific project and activity under the authority of the Board of Supervisors.
2. Conduct audit of 3-month, semi-annual and annual financial reports as prescribed.
3. Prepare quarterly reports on the performance of assigned tasks and powers of the Board of Supervisors, and the results of financial report appraisal as prescribed in the Charter of Armephaco Joint Stock Company.

4. Promptly notify the Board of Directors of violations by managers and executives, request violators to immediately stop the violation and take measures to remedy the consequences as prescribed in Article 41 of the Company's Charter.

5. Regularly hold meetings of the Board of Supervisors (in person or by collecting written opinions) and summarize quarterly implementation and propose action plans for the following quarter.

6. Perform other tasks according to the functions and duties of the Board of Supervisors as prescribed in the Company's Charter, the Law and as required by the Board of Directors.

Above is the Report on the implementation of assigned tasks and powers of the Board of Supervisors for 2024 and the direction of tasks of the Board of Supervisors in 2025. The Board of Supervisors respectfully submits to the 2025 Annual General Meeting of Shareholders of Armephaco Joint Stock Company for consideration./.

Place of sending:

- As above;
- BOD;
- Members of Supervisory Board
- Save VT, BKS, H05b.

ON BEHALF OF THE BOARD OF DIRECTORS
Head of the Board of Directors



Nguyen Thi Huong

No: 29/BC-AMP

Hanoi, April 29th, 2025

PROPOSAL

Regarding the report on the salaries and remuneration of the Board of Directors, Supervisory Board for the year 2024 and the plan of the salary and remuneration for 2025

To: The Annual General Meeting of Shareholders 2025 Armephaco Joint Stock Company

Pursuant to:

- *Enterprise Law No 59/2020/QH14 approved by the National Assembly of the Socialist Republic of Vietnam and guiding, amending, supplementing and implementing legal documents;*
- *Sucurities Law No 54/2019/QH14 approved by The National Assembly of the Socialist Republic of Vietnam and guiding, amending, supplementing and implementing legal documents;*
- *Chater of Armephaco Joint Stock Company;*
- *The functions and tasks of management and supervision of production and business activities.*

The Board of Directors of Armephaco Joint Stock Company respectfully submits to the General Meeting of Shareholders for approval the following contents:

1. Approval of salary and remuneration payment for the Board of Directors and Supervisors in 2024.

| No | Content | Plan 2024 | Perform 2024 |
|----|-------------------------------------|--------------------|--------------------|
| 1 | Board of Directors | 650.000.000 | 728.659.998 |
| | Chairman | 520.000.000 | 369.799.998 |
| | Member of BoD | 65.000.000 | 115.300.000 |
| | Member of BoD | 65.000.000 | 82.560.000 |
| | Chairman (Dismissed from 18/6/2024) | | 56.000.000 |
| | Chairman (Dismissed from 18/6/2024) | | 105.000.000 |
| 2 | Supervisory Board | 338.000.000 | 235.880.000 |
| | Head of Supervisory Board | 260.000.000 | 122.880.000 |
| | Member of SB | 39.000.000 | 53.000.000 |
| | Member of SB | 39.000.000 | 39.000.000 |

| | | | |
|--|--------------|--------------------|--------------------|
| | Member of SB | | 21.000.000 |
| | Total | 988.000.000 | 964.539.998 |

(Details in the Audited Consolidated Financial Statements for 2024)

2. Approval of the plan for salary and remuneration payment to the Board of Directors and Supervisors in 2025

| No | Content | 2024 | | 2025 | |
|-----------|--|-------------------------|----------------------|------------------------|----------------------|
| | | Amount before tax/month | Total ¹ | Amount after tax/month | Plan |
| I | Board of Directors | | 1.078.133.329 | | 1.092.000.000 |
| 1 | Chairman | 57.333.333 | 745.333.329 | 60.000.000 | 780.000.000 |
| 2 | Members of BoD (2 persons) | 12.800.000 | 332.800.000 | 12.000.000 | 312.000.000 |
| II | Supervisory Board | | 344.240.000 | | 338.000.000 |
| 1 | Head of Supervisory Board | 20.480.000 | 266.240.000 | 20.000.000 | 260.000.000 |
| 2 | Member of Supervisory Board(2 persons) | 3.000.000 | 78.000.000 | 3.000.000 | 78.000.000 |
| | Total | | 1.422.373.329 | | 1.430.000.000 |

¹ The data is calculated based on actual salary/remuneration paid in 1 month of 2024 to the Board of Directors and Board of Supervisors x 13 months.

Note: The salary/remuneration of the Board of Directors and the Board of Supervisors calculated above includes the 13th month salary. If the company does not complete the plan, the 13th month salary will not be paid.

3. Allowances and other benefits of the full-time Chairman of the Board of Directors and the full-time Head of the Supervisory Board are enjoyed according to the Company's Regulations applicable to the Company's Board of Directors.

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

Receiving place:

- As above
- Save VT, TKHDDQT02.

ON BEHALF OF THE BOARD OF DIRECTORS
CHAIRMAN



Phạm Công Doan

No: 21/BC-AMP

Hanoi, April 29th, 2025

PROPOSAL
Approval of the Audited Financial Statements 2024 of Armephaco Joint Stock Company

To: The Annual General Meeting of Shareholders 2025 Armephaco Joint Stock Company

Pursuant to:

- *Enterprise Law No 59/2020/QH14 approved by the National Assembly of the Socialist Republic of Vietnam and guiding, amending, supplementing and implementing legal documents;*
- *Securities Law No 54/2019/QH14 approved by The National Assembly of the Socialist Republic of Vietnam and guiding, amending, supplementing and implementing legal documents;*
- *Chater of Armephaco Joint Stock Company;*
- *Audited consolidated financial statements 2024.*

The Board of Directors of the Company respectfully submits to the 2025 Annual General Meeting of Shareholders for approval of the Separate Financial Statements and Consolidated Financial Statements for 2024 of Armephaco Joint Stock Company audited by CPA Vietnam Auditing Company Limited (The Financial Statements are published with the documents of the General Meeting of Shareholders on the Company's website)

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

Receiving place:

- *As above*
- *Save VT, TKHDDQT02.*

ON BEHALF OF THE BOARD OF DIRECTORS

CHAIRMAN



Phạm Công Doan

No: 22/BC-AMP

Hanoi, April 29th, 2025

PROPOSAL

Regarding the selection of an auditor for the 2025 financial statements and the semi-annual 2025 financial statements

To: The Annual General Meeting of Shareholders 2025 Armephaco Joint Stock Company

Pursuant to:

- *Enterprise Law No 59/2020/QH14 approved by the National Assembly of the Socialist Republic of Vietnam and guiding, amending, supplementing and implementing legal documents;*
- *Sucurities Law No 54/2019/QH14 approved by The National Assembly of the Socialist Republic of Vietnam and guiding, amending, supplementing and implementing legal documents;*
- *The Law on Independent Auditing No. 67/2011/QH12 dated March 29, 2011 and implementing documents;*
- *Chater of Armephaco Joint Stock Company;*

In exercising the powers and obligations stipulated in the Charter of Armephaco Joint Stock Company and the provisions of law, the Board of Supervisors respectfully submits to the 2025 Annual General Meeting of Shareholders for approval the selection of an independent auditing unit to conduct the audit and review of the Financial Statements of Armephaco Joint Stock Company for the fiscal year 2025 with the following contents:

1. Regarding the criteria for selecting an independent Auditing unit:

- As a leading, reputable auditing firm operating in Vietnam, it is on the list of auditing organizations approved to conduct audits for public interest entities announced by the Ministry of Finance.
- The unit must have a team of highly qualified auditors with extensive experience in auditing financial statements in the construction and related activities fields.
- There are reasonable and competitive audit fees, appropriate to the content, scope, quality and progress of the audit. Providing additional preferential and free added values to customers during the financial statement audit process will be a priority.

- Have reasonable and competitive audit fees, consistent with the content, scope, quality and progress of the audit. Providing additional preferential and free added values to customers during the financial statement audit process will be a priority.
- There is no conflict of interest when performing the audit for Armephaco Joint Stock Company.

2. Proposal for independent Auditor:

The General Meeting of Shareholders authorizes the Board of Directors to decide on the selection of an independent auditing company based on the proposal of the General Director and the Board of Supervisors based on the criteria and the auditing companies on the list approved by the Ministry of Finance, to conduct the audit of the 2025 semi-annual financial statements and the 2025 financial statements in accordance with the provisions of the Law and assigns the General Director to prepare a report, after being approved by the Board of Directors, the General Director signs a contract to provide auditing services with the selected auditing company.

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

Receiving place:

- *As above*
- *Save VT, TKHDDQT02.*

ON BEHALF OF THE BOARD OF DIRECTORS

CHAIRMAN



Phạm Công Doan

No: 228/TB-AMP

Hanoi, May 15th, 2025

PROPOSAL

Through the amendment of the Charter, the Operating Regulations of the Board of Directors, and the Internal Regulations on Corporate Governance of Armephaco Joint Stock Company

To: The Annual General Meeting of Shareholders 2025 Armephaco Joint Stock Company

Pursuant to:

- Enterprise Law No 59/2020/QH14 approved by the National Assembly of the Socialist Republic of Vietnam and guiding, amending, supplementing and implementing legal documents;
- Securities Law No 54/2019/QH14 approved by The National Assembly of the Socialist Republic of Vietnam and guiding, amending, supplementing and implementing legal documents;
- Charter of Armephaco Joint Stock Company;

Along with the Operational Regulations of the Board of Directors, the Internal Regulations on Corporate Governance of Armephaco Joint Stock Company. The Board of Directors respectfully presents the following contents for consideration and approval at the Annual General Meeting of shareholders 2025:

1. Supplement and amend clauses 1 and 3 of Article 28 of the **Charter of Armephaco Joint Stock Company**, specifically as follows:

| No | Content before supplementation and modification | Content after supplementation and modification |
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| 1 | Article 28. Remuneration, salaries, and other benefits of the members of the Board of Directors. 1. The company has the right to pay remuneration and bonuses to members of the Board of Directors based on the | Article 28. Remuneration, salaries, and other benefits of the members of the Board of Directors. 1. The company has the right to pay remuneration, salaries and bonuses to members of the Board of Directors based |

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| <p>results and effectiveness of business operations.</p> <p>3. The remuneration of each member of the Board of Directors is included in the operating costs of the Company according to the regulations of the law on corporate income tax, and is presented as a separate item in the Company's annual financial statements and must be reported to the General Meeting of Shareholders at the annual meeting.</p> | <p>on the results and effectiveness of business operations.</p> <p>3. The salaries, bonuses, and the remuneration of each member of the Board of Directors is included in the operating costs of the Company according to the regulations of the law on corporate income tax, and is presented as a separate item in the Company's annual financial statements and must be reported to the General Meeting of Shareholders at the annual meeting.</p> |
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2. Supplement and amend clauses 1 and 3 of Article 21 of **the Operational Regulations of the Board of Directors** of Armephaco Joint Stock Company, specifically as follows:

| No | Content before supplementation and modification | Content after supplementation and modification |
|----|--|--|
| 1 | <p>Article 21. Remuneration, salaries, and other benefits of members of Boards of Directors</p> <p>1. The company has the right to pay bonuses to members of the Board of Directors based on business results and effectiveness.</p> <p>3. The remuneration of each member of the Board of Directors is included in the operating costs of the Company according to the regulations of the law on corporate income tax, and is presented as a separate item in the Company's annual financial statements and must be reported to the General Meeting of Shareholders at the annual meeting.</p> | <p>Article 21. Remuneration, salaries, and other benefits of members of Boards of Directors</p> <p>1. The company has the right to pay bonuses, salaries to members of the Board of Directors based on business results and effectiveness.</p> <p>3. The salaries, bonuses and remuneration of each member of the Board of Directors is included in the operating costs of the Company according to the regulations of the law on corporate income tax, and is presented as a separate item in the Company's annual financial statements and must be reported to the General Meeting of Shareholders at the annual meeting.</p> |

3. Supplement and amend clause 2, Article 58 of the **Internal Regulation on Corporate Governance** of Armephaco Joint Stock Company, specifically as follows:

| No | Content before supplementation and modification | Content after supplementation and modification |
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| 1 | <p>Article 58. Term, standards, and conditions of the General Director</p> <p>2. The person appointed as the General Director must meet the following standards and conditions:</p> <ul style="list-style-type: none"> - Have full civil rights and not be subject to restrictions on business management according to the provisions of the Enterprise Law, have good health, moral qualities, honesty, integrity, awareness and understanding of the law; reside permanently in Vietnam - Person with a degree at the university level or higher in business administration, in the main business sectors of the company. - Have practical experience in business administration or in the main business sectors of the company for at least 5 years. - Not simultaneously serving as the CEO or holding an executive position in another company. - Not to participate in an executive position in another enterprise. Must not be a family member of any member of the Board of Directors, the Supervisory Board member of the company, the representative of state capital, or the representative of the enterprise's capital in the Company. | <p>Article 58. Term, standards, and conditions of the General Director</p> <p>2. The person appointed as the General Director must meet the following standards and conditions:</p> <ul style="list-style-type: none"> - Have full civil rights and not be subject to restrictions on business management according to the provisions of the Enterprise Law, have good health, moral qualities, honesty, integrity, awareness and understanding of the law; reside permanently in Vietnam - Person with a degree at the university level or higher in business administration, in the main business sectors of the company. - Have practical experience in business administration or in the main business sectors of the company for at least 5 years. - Must not be a family member of any member of the Board of Directors, the Supervisory Board member of the company, the representative of state capital, or the representative of the enterprise's capital in the Company. |
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Respectfully submit to the General Meeting of Shareholders for consideration and approval./.

Receiving place:

- As above
- Save VT, TKHDDQT02.

ON BEHALF OF THE BOARD OF DIRECTORS

CHAIRMAN



Phạm Cong Doan