



LADOPHAR
TINH HOA DƯỢC LIỆU

ANNUAL REPORT 2024



LAM DONG PHARMACEUTICAL JOINT STOCK COMPANY

ANNUAL REPORT 2024
LAM DONG PHARMACEUTICAL JOINT STOCK COMPANY

Table of Contents

List of Abbreviations.....	1
I. General information	2
1. Overview information.....	2
2. Business lines and areas.....	7
3. Information about the management model, business organization and management apparatus.....	8
4. Development orientation.....	11
5. Risks.....	13
II. Operating situation during the year.....	18
1. Situation of production and business operations	18
2. Organization and personnel	21
3. Investment activities and project implementation	25
4. Financial situation.....	26
5. Shareholder structure, changes in owners' equity	31
III. Report and assessment of the Board of Management	33
1. Assessment of production and business results	33
2. Financial situation.....	35
3. Improvements in organizational structure, policies and management.....	37
4. Future development plan.....	39
5. Explanation of the Board of Management regarding the audit opinion.....	42
IV. Assessment of the Board of Directors on the operation of the Company	44
1. Assessment by the Board of Directors on the operation of the Company, including assessments related to environmental and social responsibilities	44

2. Assessment of the Board of Directors on the activities of the Company's Board of Management	45
3. Plans and orientations of the Board of Directors	47
V. Corporate governance	50
1. Board of Directors.....	50
2. Board of Supervisors.....	58
3. Transactions, remuneration, and benefits of the Board of Directors, Board of Management, and Board of Supervisors.....	63
VI. Report on sustainable development	69
1. Report on environmental impacts	69
2. Report on policy related to employees.....	70
3. Report on responsibility to the local community	71
4. Report on green capital market activities according to the guidance of the SSC	71
VII. Audited Financial Statements for 2024.....	72
1. Qualified opinion of Auditors for the Consolidated Financial Statements	72
2. Qualified opinion of Auditors for the Financial Statements	72
3. Audited Financial Statements for 2024.....	72

List of Abbreviations

- JSC: Joint Stock Company
- GMS: General Meeting of Shareholders
- BOD: Board of Directors
- BOS: Board of Supervisors
- ETC: retail channel for prescription drugs at Departments and hospitals
- OTC: retail channel for non-prescription drugs at pharmacies

CONTENTS OF ANNUAL REPORT 2024

I. General information

1. Overview information

- Trading name: LAM DONG PHARMACEUTICAL JOINT STOCK COMPANY (LADOPHAR)
- Enterprise name in foreign language: LAM DONG PHARMACEUTICAL JOINT STOCK COMPANY
- Stock code: LDP
- Business Registration Certificate No.: No. 5800000047 issued by the Department of Planning and Investment of Lam Dong Province for the first time on April 01, 2000 and registered for the 31st amendment on December 22, 2023.
- Charter capital: VND 127,031,670,000
- Address: No. 18 Ngo Quyen Street, Ward 6, Da Lat City, Lam Dong Province
- Tel: (0263) 3817 937
- Email: ladopharcorp@gmail.com
- Fax number: (0263) 3822 369
- Website: www.ladophar.com
- History and development process:
 - In 1982, the predecessor of Ladophar was Lam Dong Pharmaceutical United Enterprise, established through the merger of the Medicinal Materials and Pharmaceutical Company under the Decision of the People's Committee of Lam Dong Province. This was an important first step, laying the foundation for the company's development in the pharmaceutical industry.
 - In 1999, Lam Dong Pharmaceutical & Medical Equipment Company was established in the form of a joint stock company, marking a transition from a state-owned enterprise to a more flexible operating model.
 - In 2007, the company officially changed its name to Lam Dong Pharmaceutical Joint Stock Company (Ladophar) and began operations with a new look.
 - In 2008, Ladophar continuously achieved many important achievements, including the construction of a GDP-standard distribution system and a GPP pharmacy.
 - In 2009, Ladophar was honored to receive the Third-class Labor Medal under Decision No. QĐ/CTN dated July 09, 2009 awarded by the President. Ladophar was voted by consumers as High Quality Vietnamese Products.
 - In 2010, the Company officially listed 1,700,000 shares on the Hanoi Stock Exchange with the stock code LDP on June 29, 2010.
 - In 2012, Ladophar won the National Quality Silver Award in 2012 under Decision No.

262/TTg dated January 30, 2013 of the Prime Minister.

- In 2013, Ladophar won the National Quality Silver Award in 2013 under Decision No. 359/QĐ-TTg dated March 10, 2014 of the Prime Minister.
- In 2014, Ladophar won the National Quality Silver Award in 2014 under Decision No. 332/QĐ-TTg dated March 30, 2015 of the Prime Minister and was voted by consumers as High Quality Vietnamese Goods.
- In 2015, Ladophar won the National Quality Gold Award under Decision No. 311/QĐ-TTg dated February 26, 2016 of the Prime Minister and was voted by consumers as High Quality Vietnamese Goods.
- In 2016, Ladophar was one of the three units to receive the Asia-Pacific International Quality Award, Global Excellent Quality Field.
- In 2017, the Company completed the increase of its charter capital from VND 67.99 billion to VND 78.3 billion.
- In 2018, Ladophar was honored to receive the Second-Class Labor Medal under Decision No. 1814/QĐ-CTN dated September 08, 2017 of the President and launched the new brand identity "LADOPHAR Dalat Since 1982".
- In 2019, the State Capital Investment Corporation (SCIC) completed the divestment of 2,495,873 state-owned shares, equivalent to 31.88% of the charter capital in Ladophar.
- In 2020, Ladophar completed the issuance of shares to existing shareholders, increasing charter capital from VND 78.3 billion to VND 127 billion.
- In 2021, the Company's subsidiaries were established: Ladophar Herbal Animal Feed Production Co., Ltd., Ladophar Herbal Beverage Co., Ltd., and Ladophar Herbal Food Cultivation and Processing Co., Ltd.
- In 2022, the Company celebrated its 40th anniversary since 1982. The Board of Directors and all employees continued to fulfill the goals set by the General Meeting of Shareholders, promote the achievements, focus on developing the main business segment, bring stable revenue to the company and ensure income for employees.
- In 2023, the Company continued to maintain positive development momentum after the 40th anniversary milestone in 2022. The company continued to promote its strengths in the field of natural pharmaceuticals, while expanding its distribution market, consolidating its core business segment and improving operational capacity. These efforts have contributed to ensuring a stable source of revenue, improving operational efficiency and maintaining a reasonable level of income for employees.
- In 2024, the Company continued to transform strongly with an orientation towards in-depth development, associated with innovation in business models and investment in modern platforms. Based on inheriting the solid foundations of previous years, the Company has focused on implementing operational restructuring solutions and improving operational efficiency. One of the highlights of the year was the Company's digital transformation in management and business operations, with a focus on

developing online sales channels and chain channels, building a modern, transparent and consumer-friendly brand platform, creating a premise for a stronger development phase in the coming years, towards the goal of becoming the leading herbal brand in Vietnam and gradually reaching out to the international market.

- Outstanding awards and achievements:

Year	Certificate of Merit	Issuing authority
2012	Certificate of Merit for the unit with outstanding achievements in protecting natural resources and environment in the period of 2010 - 2013	Ministry of Natural Resources - Environment
2013	Certificate of Merit for the unit with achievements in complying with tax policies in 2013	General Department of Taxation
	Certificate of Merit for the unit with excellent achievements in the patriotic emulation movement in 2013	People's Committee of Lam Dong province
	Certificate of Merit for the unit with excellent achievements in the patriotic emulation movement in 2013	People's Committee of Lam Dong Province (No. 524/QĐ/UBND)
	Honoring typical enterprises Excellent labor collective	Lam Dong Provincial People's Committee recognized with Decision No. 732/QĐ-UBND dated 2013-04-16
2014	Certificate of Merit for the unit with excellent achievements in implementing the campaign "Vietnamese people prioritize using Vietnamese goods" in the period of 2009-2014	Chairman of Lam Dong Provincial People's Committee (No. 1403/QĐ/UBND)
	Achieving the title of Typical Agricultural Product in 2014 for Atiso Tea product - Lam Dong Pharmaceutical Joint Stock Company.	Chairman of Lam Dong Provincial People's Committee (No. 1403/QĐ/UBND)
2015	Certificate of Merit from the Ministry of Science and Technology to collectives that have participated in the national program to improve productivity, quality and have made many contributions in the movement to apply quality management systems in the period of 2010- 2014	Minister of Science and Technology awarded on September 01, 2015
2017	Certificate of Merit from the People's Committee of Lam Dong province	Lam Dong Provincial People's Committee (742/QĐ/UBND dated April 18, 2017)
2018	Certificate of Merit from the People's Committee of Lam Dong province for the unit with outstanding achievements in the movement "Tet for the poor and victims of Agent Orange" in the period of 2009-2018	Lam Dong Provincial People's Committee (121/QĐ/UBND dated January 19, 2018)

Year	Awards, emulation titles
2004	The Company was honored to receive the Vietnam Quality Award 2004 presented by the Ministry of Science and Technology and the Sao Vàng Đất Việt award for typical brands integrating internationally.
2005	The Company received the Vietnam Quality Award 2005 and the certificate "Prestige - Quality Enterprise 2005".
2006	The Company was voted High Quality Vietnamese Goods and certified "Prestige Quality Enterprise 2006".
2007	The Company was voted High Quality Vietnamese Goods 2007.
2008	Ladophar was honored to receive the Vietnam Quality Award 2008 by the Ministry of Science and Technology and Top 100 Leading Brands in Vietnam.
2009	Ladophar was honored to receive the Third Class Labor Medal awarded by the President.
	Ladophar was voted High Quality Vietnamese Goods 2009.
2012	Ladophar won the National Quality Silver Award in 2012 presented by the Prime Minister (Decision 262/TTg).
2013	The Company was honored as an outstanding typical enterprise, recognized by the People's Committee of Lam Dong province with Decision No. 732/QD-UBND dated April 16, 2013.
	The Company was honored as an Enterprise with Excellent Achievements in production and business activities, contributing to the socio-economic development of the locality, Lam Dong Provincial People's Committee (Decision 2035/QD-UBND).
	The Ministry of Science and Technology certifies that it is a unit awarded the "National Quality Silver Award in 2013" by the Prime Minister (No. 359/QĐTTg).
2014	The Company was honored to receive the title of High Quality Vietnamese Goods 2014 voted by consumers - Pharmaceutical industry.
	Ladophar won the National Quality Silver Award in 2014, according to Decision 332/QĐ-TTg dated 2015-03-30 of the Prime Minister and was voted by consumers as High Quality Vietnamese Goods 2014.
2015	Title of High Quality Vietnamese Goods 2015 voted by consumers - Pharmaceutical industry.
	Actiso tea won the title of typical agricultural product in 2014 awarded by the Vietnam Farmers' Association.
	Ladophar Lam Dong Oriental Medicine Factory, Decision on recognition and attachment of construction signs to celebrate the Xth Provincial Party Congress of Lam Dong (Term 2015 - 2020) by the Chairman of the People's Committee of Lam Dong province.
	The Ministry of Science and Technology certifies that it is a unit awarded the "National Quality Gold Award in 2015" by the Prime Minister.

Year	Awards, emulation titles
	The Company was voted High Quality Vietnamese Goods 2015.
2016	The Company received the Asia Pacific International Quality Award (GPEA) awarded by the Asia Pacific Organization.
	The Company received the title of High Quality Vietnamese Goods 2016.
2017	The President awarded the Second Class Labor Medal (1814/QĐ-CTN).
	The company received the title of High Quality Vietnamese Goods 2016.
2018	Second Class Labor Medal, awarded by the President.
	High Quality Vietnamese Goods - Pharmaceutical Industry, Vietnam High Quality Goods Business Association
	Top 5 Annual Reports in the small cap group in the 2018 Listed Enterprise Voting organized by the Ho Chi Minh City Stock Exchange, Hanoi Stock Exchange, Investment Securities Newspaper and Dragon Capital Company.
2019	Top 5 Annual Reports in the small cap group in the 2019 Listed Enterprise Voting organized by the Ho Chi Minh City Stock Exchange, Hanoi Stock Exchange, Investment Securities Newspaper and Dragon Capital Company.
	The Company was honored to receive the title of High-Quality Vietnamese Goods 2019 voted by consumers - Pharmaceutical industry.
2020	The company was honored to receive the title of High-Quality Vietnamese Goods 2020 voted by consumers - Pharmaceutical industry.
2021	The Company was honored to receive the title "Golden Brand of Vietnam Agriculture".
	Achieved 5-star OCOP certification for Ladoatiso tea Nhat Diep Nguyen Huong product, June 30, 2021.
	Achieved 5-star OCOP certification for Ladoatiso Cao ong product, June 30, 2021.
2023	The Vietnam Unesco Association and GTTCI - Global Trade & Technology Council of India awarded the title "Prestigious Pharmaceutical Enterprise in Asia-Pacific" on 2023-08-03 in New Delhi (India).
	Achieved the certified label of High-Quality Vietnamese Goods 2023 voted by consumers.
	Achieved the standard of "High-Quality Shopping Point" for 10 consecutive years: 34 Khu Hoa Binh and 18 Ngo Quyen.
	Achieved 3-star OCOP certification for Ladoactiso Cao Dac Health Protection Food product, December 22, 2023.
2024	Achieved 3-star OCOP certification for Lado Tea Tra Actiso Health Protection Food product, December 22, 2023.
	Won the High-Quality Vietnamese Goods award for the 15th consecutive time and the title of Prestigious Pharmaceutical Enterprise in Asia - Pacific.
	Halal certification achieved on December 20, 2024

2. Business lines and areas

a. Business lines:

Lam Dong Pharmaceutical Joint Stock Company (Ladophar) is operating the following business lines:

No.	Business line	Business line code
1	Wholesale of other household appliances Details: trading in medicines, pharmaceuticals, cosmetics, supplies, and medical equipment.	4649 (Main)
2	Short-term accommodation services	5510
3	Real estate business, land use rights belonging to owners, users or lessees	6810
4	Wholesale of food	4632
5	Road freight transport	4933
6	Manufacture of medicines, pharmaceuticals and medicinal materials Details: manufacturing of Western medicines and traditional medicines.	2100
7	Retail of food in specialized stores Details: retail of functional foods.	4722
8	Retail of drugs, medical equipment, cosmetics and hygiene products in specialized stores	4772
9	Retail via mail order or internet	4791
10	Production of other food products not elsewhere classified Details: production of functional foods.	1079
11	Distilling, rectifying and blending of spirits Details: production of wine and alcoholic beverages.	1101
12	Production of non-alcoholic beverages, mineral water Details: production of carbonated and non-carbonated beverages.	1104
13	Other specialized wholesale not elsewhere classified Details: - Import and export of medicines, pharmaceuticals, raw materials for medicine production, medical equipment and supplies. - Business of biological products, vaccines, chemicals (serving biochemical, chemical, hematological tests and experiments). - Wholesale of all kinds of plastic packaging (container packaging), PP, PE fabrics, PE bags, PP straps, PP forks and accessories for the container packaging industry), PP, PE fabrics, PE bags, PP straps, PP forks and accessories for the packaging industry)	4669
14	Wholesale of beverages Details: business of wine, alcoholic and non-alcoholic beverages.	4633

No.	Business line	Business line code
15	Processing and preserving meat and meat products	1010
16	Processing and preserving aquatic products and products from aquatic products	1020
17	Production of prepared meals and food	1075
18	Producing feed for livestock, poultry and aquaculture	1080
19	Growing perennial spice, medicinal and aromatic plants	0128
20	Retail of food in specialized stores	4721
21	Retail of other new goods in specialized stores Retail of packaging, PP, PE plastic seeds, color masterbatch, plastic additive seeds, UV seeds; retail of plastic packaging (container packaging), PP, PE fabrics, PE bags, PP straps, PP buckles and accessories for the packaging industry	4773
22	Other business support service activities n.e.c. Detail: - Importing and exporting goods that the company trades. - Entrusting and receiving entrustment for export and import of goods.	8299
23	Other road passenger transport Detail: - Passenger transportation by passenger car within the province and inter-province. - Renting cars with drivers for passenger transport, including contracts to transport passengers for sightseeing, tourism or other purposes.	4932

b. Business areas and distribution system:

Currently, Ladophar has built a widespread distribution network throughout the country, contributing to bringing natural pharmaceutical products closer to consumers in all regions of the country. Lam Dong province continues to play a key role of a key market, not only in terms of brand but also as an area that brings in the main revenue for the Company for many consecutive years.

In addition to enhancing its position in the domestic market, Ladophar is also gradually expanding its presence in the international market, with the orientation of exporting product lines to many countries with a tradition of using medicinal herbs, especially China, Mongolia, South Korea, Japan, Middle Eastern countries and countries with strict inspection standards such as France and the United States. At the same time, the Company continuously innovates designs, improves quality and invests in modern production technologies to meet the strict requirements of the global market.

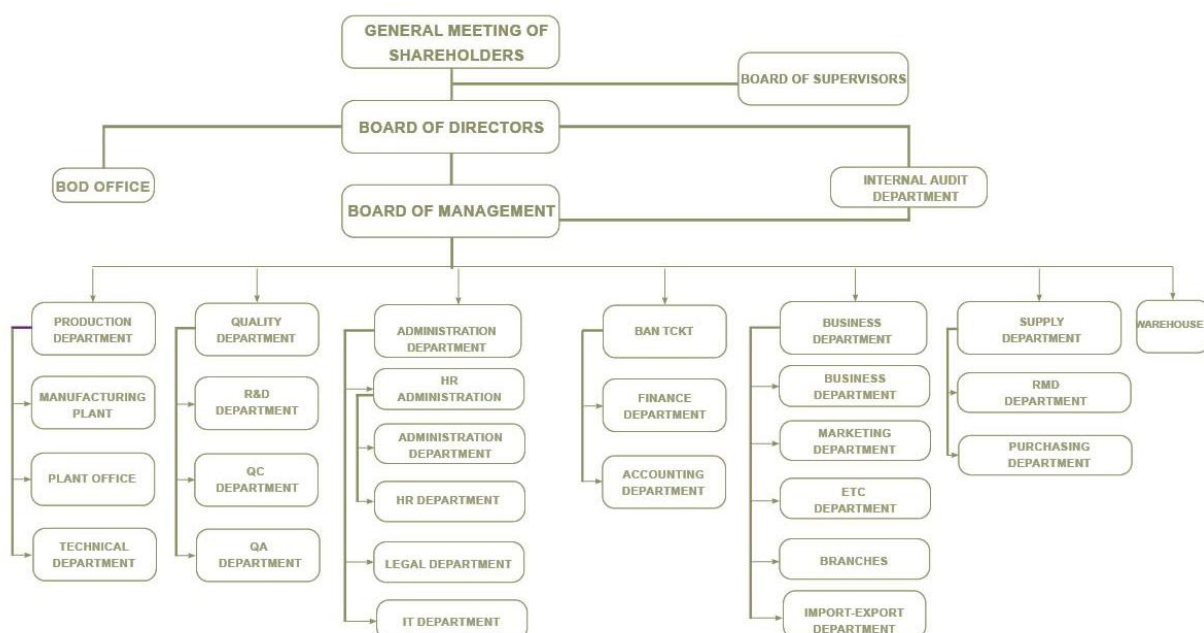
3. Information about the management model, business organization and management apparatus

a. Governance model and management apparatus:

Lam Dong Pharmaceutical Joint Stock Company (Ladophar) operates under a governance structure which includes the General Meeting of Shareholders, Board of Directors, Board of Supervisors, General Director and relevant departments:

- General Meeting of Shareholders: An organization including all shareholders with voting rights, and is the highest authority of the Company. The rights and duties of the General Meeting of Shareholders are stipulated in the Company's Charter.
- Board of Directors (BOD): The governing authority of the Company, which has full authority to act on behalf of the Company to decide on all matters under the authority of the Board of Directors. The rights and duties of the Board of Directors are stipulated in the Company's Charter. The Board of Directors of LDP consists of 5 members.
- Board of Supervisors (BOS): The Board of Supervisors is the authority that supervises the Board of Directors and the General Director in the management and operation of the Company, and is responsible to the General Meeting of Shareholders for the performance of assigned tasks. The rights and duties of the Board of Supervisors are stipulated in the Company's Charter.
- Board of Management: The Company's Board of Management includes 1 (one) General Director and 1 (one) Deputy General Director. The General Director is authorized by the Board of Directors to manage all daily activities of the Company and is responsible to the Board of Directors for the exercise of assigned rights and duties. The Deputy General Director manages direct business operations and provides advice to the General Director in making strategic decisions for the Company.

b. Management apparatus structure:



c. Subsidiaries, associates:

Subsidiaries: Ladophar Herbal Beverage Co., Ltd

- Address: 18 Ngo Quyen, Ward 6, Da Lat City, Lam Dong Province.

- Main field: Production of non-alcoholic beverages, mineral water.
Other business support service activities.
- Charter capital: 1,000,000,000 VND
- Percentage of ownership: 100%

Dependent accounting branch: Southern Branch - Lam Dong Pharmaceutical Joint Stock Company (Ladophar)

- Address: 319B88 Ly Thuong Kiet Street, Ward 15, District 11, Ho Chi Minh City, Vietnam.
- Main field: Wholesale of other household goods.
Details: trading in medicines, pharmaceuticals, cosmetics, supplies, and medical equipment.

Dependent accounting branch: Northern Branch - Lam Dong Pharmaceutical Joint Stock Company (Ladophar)

- Address: 77, Nguyen Cong Hoan Street, Ngoc Khanh Ward, Ba Dinh District, Hanoi City, Vietnam.
- Main field: Wholesale of other household goods.
Details: trading in medicines, pharmaceuticals, cosmetics, supplies, and medical equipment.

Dependent accounting branch: Western Branch - Lam Dong Pharmaceutical Joint Stock Company (Ladophar)

- Address: 6-7 Trinh Van An Street, Dong Xuyen Ward, Long Xuyen City, Anh Giang Province, Vietnam.
- Main field: Wholesale of other household goods.
Details: trading in medicines, pharmaceuticals, cosmetics, supplies, and medical equipment.

Dependent accounting branch: Branch of Lam Dong Pharmaceutical Joint Stock Company (Ladophar) in Duc Trong

- Address: Lot BII-1, BII-3, BII-5, BII-7 Phu Hoi Industrial Park, Phu Hoi Commune, Duc Trong District, Lam Dong Province, Vietnam.
- Main production-business sector: Wholesale of other household goods
Details: trading in medicines, pharmaceuticals, cosmetics, supplies, and medical equipment.

Dependent accounting branch: Branch of Lam Dong Pharmaceutical Joint Stock Company (Ladophar) in Bao Loc

- Address: No. 1A, Pham Ngoc Thach, Ward 1, Bao Loc City, Lam Dong Province, Vietnam.
- Main production-business sector: Wholesale of other household goods.
Details: trading in medicines, pharmaceuticals, cosmetics, supplies, and medical equipment.

Dependent accounting branch: Branch of Lam Dong Pharmaceutical Joint Stock Company (Ladophar) in Cat Tien

- Address: No. 243, Civil group 6, Cat Tien Town, Cat Tien District, Lam Dong Province, Vietnam.
- Main production-business sector: Wholesale of other household goods
Details: trading in medicines, pharmaceuticals, cosmetics, supplies, and medical equipment.

4. Development orientation

The goal of Lam Dong Pharmaceutical Joint Stock Company (Ladophar - LDP) is to maintain and strengthen its competitiveness. To achieve this, the Company builds an overall business strategy, with a customer-centric approach that emphasizes market expansion, optimizes competitiveness and diversifies distribution system.

a. Main objectives of the Company:

- Focus on promoting manufactured products, particularly premium liquid dietary supplements, to optimize gross profit margins. At the same time, the Company actively expands its market, targets potential customers in key regions such as Northern, Central, and Mekong Delta Vietnam and promotes exports to international markets such as Korea, Mongolia, Poland, ...
- Continue to consolidate and develop online sales channels on popular e-commerce platforms such as Shopee, Lazada, TikTok Shop,... The Company cooperates with strong partners in this field, such as APG Eco, to enhance brand name and product recognition. In addition, Ladophar leverages the influence of KOLs (key opinion leaders) and KOCs (key opinion consumers) to promote products and reach consumers quickly.
- Focus on promoting the ETC channel (hospitals and clinics) in provinces and cities, focus on manufactured products. The Company increases the number of drug registrations, promotes research and development of new drug products to expand the portfolio and create favorable conditions for bidding participation. In addition, Ladophar focuses on exploiting customer groups who are pharmacy chains and high-end functional food chains to promote sales and increase market share in this segment.
- Continue to synchronize and rejuvenate brand identity through product packaging innovation, especially the tea product line. The Company continuously researches and develops new products, improves existing products to build quality, reputation and user experience. At the same time, Ladophar focuses on controlling the quality of input materials by actively developing cultivation areas or cooperating in consumption, meeting the strict standards of the international markets.

b. Mid and long-term development strategy:

Mid-term:

- The Company always puts product quality first by strictly controlling raw material sources and production processes according to international standards. At the same time, the Company focuses on building an effective communication strategy to enhance brand recognition and bring products closer to consumers.
- The Company strengthens resource and financial management by developing a transparent

financial plan that balances production, operational, and investment capital. This is to ensure a solid financial foundation for long-term development.

- Ladophar continuously improves product quality and expands its export markets. The Company invests in a Japan-GMP standard factory, applies advanced technology, aiming to meet domestic demand and expand to potential markets such as South Korea, Japan, and the Middle East.
- The Company develops experiential services at the showroom, including tours and shopping, to promote direct sales and increase customer interaction. Simultaneously, Ladophar upgrades and expands its production system, applying modern technology to optimize costs and improve productivity.

Long-term:

- The Company is committed to providing high-quality, safe, and reliable products to consumers. To achieve this, the Company applies a strict quality control policy, ensuring each product meets rigorous standards. A modern control system and advanced production processes are implemented to maintain consistency in quality, thereby building trust and satisfaction for customers.
- Ladophar integrates a modern management system based on advanced information technology to optimize efficiency and accuracy in business operations. The application of technology helps minimize errors, improves the productivity of business operation management, as well as save costs, in order to increase profits and improve product quality.
- The Company continuously expands and upgrades its distribution network, developing new sales channels to enhance access to potential customers. Ladophar also implements attractive promotion programs, promptly captures market trends, and effectively exploits online sales channels and e-commerce. As a result, the Company can expand its market share, attract new customers and strengthen relationships with existing customers.
- To enhance competitiveness and ensure sustainable development, Ladophar focuses on building a lean and efficient organizational and personnel structure. The Company invests in in-depth training programs to improve the professional qualifications of its staff, while creating a professional working environment that encourages innovation and creativity. In addition, Ladophar continuously improves salary, bonus, and benefit policies to attract and retain talent so as to develop long-term engagement with the Company.

c. Sustainable development goals and key programs related to the short and mid-term of the Company:

- Ladophar identifies workforce as a key factor determining success in the development and integration process of the Company. To meet the needs of growth and adapt to market changes, the Company focuses on investing in the quality and quantity of human resources. Ladophar not only focuses on recruitment but also pays special attention to training and developing the team through programs to improve professional qualifications, in order to build a solid foundation for sustainable development in the long-term.
- The Company proactively implements environmental protection programs, not only within

the internal scope but also spreading to the local community. The Company cooperates closely with the authorities to solve urgent environmental issues, as well as actively raises environmental awareness for employees through propaganda activities on saving resources, classifying and treating waste in accordance with regulations. These efforts contribute to the ecosystem protection and create a green, clean and beautiful living environment.

- The Company always strictly complies with regulations on environmental protection and strives to minimize negative impacts from the production process. The Company applies strict control measures on the amount of waste, while constantly seeking and implementing environmentally friendly production solutions. The goal of Ladophar is to contribute to the living environment, air quality improvement and community health assurance, towards a harmonious development between business and the environment.
- The Company actively builds and strengthens relationships with the local community through meaningful volunteer programs such as planting trees, providing scholarships to students with difficult circumstances and contributing to charitable funds. These activities not only demonstrate the corporate social responsibility of the business but also contribute to building a friendly and reliable brand image in the public's mind. At the same time, Ladophar always puts product quality and customer satisfaction first, committing to bringing products that meet strict inspection standards, ensuring safety and effectiveness for consumers.

5. Risks

a. Economic risk:

In 2024, the world economy recorded positive signs of recovery, reflected in the growth of many economic indicators. However, the pace of recovery remained relatively slow, indicating that the global economy is still facing many challenges. Although inflation in many countries has been significantly controlled, bringing hope for economic stability, geopolitical instability continues to cause deep concerns. Escalating tensions in the Middle East and the prolonged war between Russia and Ukraine show no signs of abating, creating unpredictable risks for the global economy. In addition, the energy crisis and the negative impacts of climate change have also become major barriers, slowing down the economic recovery process, especially in the last months of the year.

The Vietnamese economy has also been significantly affected by the fluctuations of the global economy. Potential risks such as increasing public debt, slow growth due to reduced purchasing power, and rising prices of raw materials for production due to exchange rate pressures have created significant challenges for Vietnam's economic development process. However, according to data from the General Statistics Office, Vietnam's GDP growth rate in 2024 reached 7.09%, exceeding the expected level of 6-6.5%, showing significant efforts by the government in managing and stabilizing the economy.

The government of Vietnam has implemented a series of policies to support and promote production and business activities, while encouraging new business methods and supporting the recovery of the domestic trade sector. Vietnam's participation in the Vietnam-EU Free Trade Agreement (EVFTA) in 2024 has both opened up many opportunities and posed challenges for

domestic enterprises. The increase in foreign investment projects and the expansion of trade activities help Vietnamese businesses access input materials more easily. However, this also means increasing competitive pressure in the domestic market, as imported products increasingly dominate market share.

In the context of a volatile global and domestic economy, Vietnamese businesses in general, and businesses in the pharmaceutical industry like Ladophar in particular, face both opportunities and challenges. The recovery process of the global economy opens up new opportunities but also comes with increasingly complex challenges. The Company always closely monitors the market situation and carefully assesses the impacts of economic factors, in order to choose the most appropriate development strategy.

b. Legal risk:

At the end of 2024, the government of Vietnam issued Law No. 44/2024/QH15, amending and supplementing a number of articles of the 2016 Law on Pharmacy, along with other related legal documents. These changes aim to address the obstacles in procedures and business terms, creating more favorable conditions for enterprises operating in the pharmaceutical sector. However, for Ladophar, as a public company listed on the HNX, complying with the new regulations poses certain challenges, because the company must simultaneously comply with many laws such as the Securities Law, the Enterprise Law, and circulars of the Ministry of Finance, including the requirements for periodic information disclosure in English according to Circular No. 68/2024/TT-BTC of the Ministry of Finance amending and supplementing a number of articles of Circulars 96/2020/TT-BTC providing guidance on information disclosure on the stock market.

The legal amendments and supplements in 2024 have brought more transparency and clarity to the regulations, creating development opportunities for businesses. However, adapting to the new laws, which are sometimes overlapping, requires the Company to quickly adjust its business operations. The Company needs to ensure full compliance with the new regulations, while also addressing any issues arising during implementation. This places high demands on governance capacity and flexibility in business operations.

In light of this situation, the Company has proactively monitored and updated new legal regulations in a timely manner. The Company will continue to closely monitor implementation guidelines, review and update internal procedures, and cooperate with management agencies and legal advisors to ensure compliance. The Company also focuses on improving governance capacity, enhancing information transparency, and protecting the rights of shareholders, employees, and stakeholders.

c. Competition risk:

In 2024, the Vietnamese pharmaceutical market witnessed fierce competition, especially in the field of pharmaceuticals and functional foods. The rapid expansion of the market has attracted many domestic and international businesses, placing Ladophar (LDP) in a fiercely competitive environment. The main competitors include domestic pharmaceutical companies and functional food importers. Imported pharmaceutical products occupy a large market share due to advantages in technology, quality and design. At the same time, the global consumer trend towards products

from natural herbs also creates great pressure, especially in LDP's traditional herbal segment.

To enhance competitiveness, LDP focuses on effectively exploiting the Atiso raw material area and precious medicinal herbs in Lam Dong, meeting GACP-WHO standards. The "Essence of Medicinal Herbs" strategy is promoted through investment in research and improvement of production processes, to increase productivity, optimize costs and ensure product quality. LDP also constantly innovates its business strategy to adapt to market fluctuations. Despite facing fierce competition, LDP has advantages thanks to its high-quality medicinal herb cultivation area, clear strategy and strong investment in research and production.

Competitive pressure from both domestic and foreign enterprises creates significant challenges for LDP. However, the company still has many development opportunities thanks to its standardized medicinal herb cultivation area system, sound business strategy and strong investment in research and production activities. These factors will help LDP strengthen its competitiveness, expand its market share in the future, and maintain a solid position in the potential but challenging pharmaceutical market in Vietnam.

d. Raw material risk:

In 2024, the Vietnamese pharmaceutical industry continued to face difficulties in ensuring the supply of raw materials. The heavy reliance on imports, accounting for 80-90%, mainly from China and India, makes the industry vulnerable to global fluctuations. Factors such as trade protection policies, geopolitical tensions, exchange rate fluctuations and deflation in China have negatively impacted prices, transportation costs and exchange rates, increasing the cost of importing raw materials and affecting the stability of production costs for pharmaceutical businesses.

The serious climate change situation in 2024 has caused significant negative impacts on medicinal herb cultivation areas in Vietnam. The El Nino phenomenon occurred strongly and unpredictably, with severe heat waves and widespread storms and floods, seriously affecting the yield and quality of important medicinal herbs such as Atiso, *Phyllanthus urinaria* and *Angelica sinensis*, which are essential raw material sources for Ladophar. The harvested output from medicinal herb cultivation areas in Lam Dong and the Central Highlands decreased significantly, posing a risk of raw material shortages and increased purchasing costs for the Company.

Despite numerous difficulties, Ladophar has proactively implemented measures to mitigate risks related to supply and raw material prices:

- Continue to expand the area for growing medicinal herbs according to GACP – WHO, Global GAP standards, to ensure a stable supply and reduce dependence on imported raw materials.
- Continue to implement a long-term procurement strategy to control prices and ensure the original product quality is maintained. Simultaneously, focus on researching and increasing the propagation of rare medicinal herbs that must be imported, ensuring proactive supply and minimizing import costs to the maximum extent.
- Strengthen cooperation with reputable raw material suppliers, seek new supply sources from countries other than China and India, to diversify supply chain risks.

- Additionally, according to Resolution No. 81/2023/NQ-QH15, the Vietnamese Government has oriented the expansion of medicinal herb cultivation areas in the Central Highlands and Northern mountainous regions, creating opportunities for Ladophar to invest in developing large-scale raw material areas, building a closed supply chain from production and preservation to processing. This helps the Company ensure a stable source of raw materials, minimize the impact from fluctuating raw material prices, and gradually enhance its competitiveness in the pharmaceutical industry.

e. Counterfeit and replication risk in the pharmaceutical industry:

Although data from the Vietnam Pharmaceutical Association shows a significant decrease in cases related to counterfeit and substandard drugs over the years, with the rate decreasing from over 7% in 1991 to below 0.1% in recent years, 2024 has witnessed a worrying resurgence of counterfeit and replicated pharmaceutical products in the pharmaceutical industry. This phenomenon is pushing the market into unhealthy competition, causing serious consequences for genuine manufacturing enterprises and weakening consumer confidence in pharmaceutical products.

In that context, LDP focuses on building a brand protection strategy through solutions such as:

- Standardizing product packaging, ensuring uniformity in design across product lines to help customers easily recognize genuine LDP products.
- Publicizing detailed product information: All information about origin, ingredients, and expiration date is clearly printed on the packaging, helping customers easily check and verify the accuracy of the product.
- The company has expanded the scope of trademark registration, not only in Vietnam but also in potential export markets to prevent trademark infringement.
- Strengthening brand promotion activities, promoting LDP brand recognition in the market, helping customers better understand the quality and value of genuine products.

By implementing a series of solutions for reputation protection, Ladophar not only protects its business interests but also makes an important contribution to protecting community health. By standardizing packaging, publicizing transparent product information, expanding trademark protection, and strengthening promotion, LDP is building a transparent, safe, and sustainable pharmaceutical market. The Company is committed to continuing to improve product quality, improve the anti-counterfeit system, and maintain brand reputation, to affirm its leading position in the Vietnamese pharmaceutical industry.

f. Risks related to senior personnel and intellectual labor:

In 2024, Ladophar continued to face significant challenges related to senior leadership and high-skilled workforce, a challenging issue in the context of an increasingly competitive pharmaceutical labor market. The brain drain, shortage of highly specialized personnel, and fierce competition from large domestic and foreign pharmaceutical companies have created difficulties for LDP in retaining top-level executives and recruiting qualified replacements, directly affecting the Company's ability to maintain stability and development.

To address this challenge, LDP has recognized the crucial role of human resources and implemented proactive measures. The Company focuses on improving compensation policies and creating a good working environment to retain talent, while also developing in-depth training programs for all levels of personnel, especially leaders and successors. LDP also emphasizes improving working conditions, ensuring a safe, professional, and friendly environment, along with competitive salary and bonus policies, to attract and retain employees.

Thanks to flexible strategies and well-organized investment in personnel management, LDP has minimized the risk of staff shortages and built a positive working environment, contributing to the retention of high-quality workforce. This not only helps the company stabilize operations but also creates a solid foundation for sustainable development in the competitive pharmaceutical industry. LDP is committed to continuing to invest in and develop human resources, considering this a key factor for future success.

g. Other risks

In the context of an increasingly volatile business environment, pharmaceutical companies, including Ladophar, face risks from force majeure events such as natural disasters, epidemics, fires, wars, and climate change. Recognizing the importance of preparedness, LDP has proactively implemented preventive and risk mitigation measures. The Company focuses on developing detailed contingency plans for each situation, strengthening the protection system for production and research facilities, and organizing regular fire prevention training for employees. These efforts help LDP enhance its ability to respond flexibly and minimize damage when facing unforeseen risks.

II. Operating situation during the year

1. Situation of production and business operations

Unit: million VND

No.	Indicator - Consolidated	Actual 2023	Plan 2024	Actual 2024	% Actual 2024/ Plan for 2024	% Actual 2024/ Actual n 2023
1	Net revenue	186,001	275,072	217,958	79.24%	117.18%
2	Net profit from business activities	-19,165	-	6,571	-	-
3	Profit before tax	-20,105	3,000	6,919	230.63%	-
4	Profit after tax	-20,105	-	6,919	-	-

Unit: million VND

No.	Indicator - Consolidated	Year 2023		Year 2024		% Actual 2024/Actual 2023
		Value	Percentage	Value	Percentage	
1	Direct raw materials cost	58,163	42.83%	76,304	47.43%	131.19%
2	Labor cost	38,790	28.56%	46,374	28.83%	119.55%
3	Depreciation cost of fixed assets	8,237	6.06%	6,964	4.33%	84.54%
4	Outside purchasing services cost	15,800	11.63%	18,641	11.59%	117.98%
5	Other expenses	14,826	10.92%	12,588	7.82%	84.90%
Total		135.816	100%	160.871	100%	118.45%

The year 2024 marked a notable recovery in Ladophar's production and business performance, with growth indicators increasing compared to 2023. Specifically, net revenue reached VND 217.96 billion, an increase of 17.18% compared to the same period last year, equivalent to 79.24% of the annual target. Profit before tax recorded VND 6.92 billion, a turnaround from a loss of over VND 20 billion to a profit compared to the previous year and exceeding the target set by the General Meeting of Shareholders by 230.63%. This recovery result is the achievement of implementing a strategy to improve business performance, focusing on promoting the brand, expanding ETC and OTC sales channels, as well as improving production efficiency and investing in modern machinery lines and high-quality human resources.

Regarding its main products distributed at tourist destinations and export markets, Ladophar actively coordinated with the Lam Dong Provincial Leadership to welcome and work with a delegation led by the Vietnamese Ambassadors Extraordinary and Plenipotencia to Bulgaria, Saudi Arabia, and Egypt in the fourth quarter of 2024, laying the foundation for expanding the scale of exports. At the same time, the pany also upgraded the appearance of the showroom at

its headquarters to attract tourists. However, the large proportion of the cost of goods sold, coupled with rising selling, general & administrative expenses, affected profit before tax, despite significant the growth of revenue. The cost of goods sold at the end of the Quarter IV/2024 was VND 153.57 billion, with a modest increase in costs of raw materials and finished goods. The main reason was the high cost of raw materials, due to strict requirements on product quality. Raw material costs increased by 31.19% and labor costs increased by 19.55% compared to the same period last year. Ladophar also recorded an increase in procurement service costs. The Board of Management of the Company is continuing to adjust its business development strategy to suit the market and support the recovery and growth process.

Structure of total revenue from sales and service rendered:

Unit: million VND

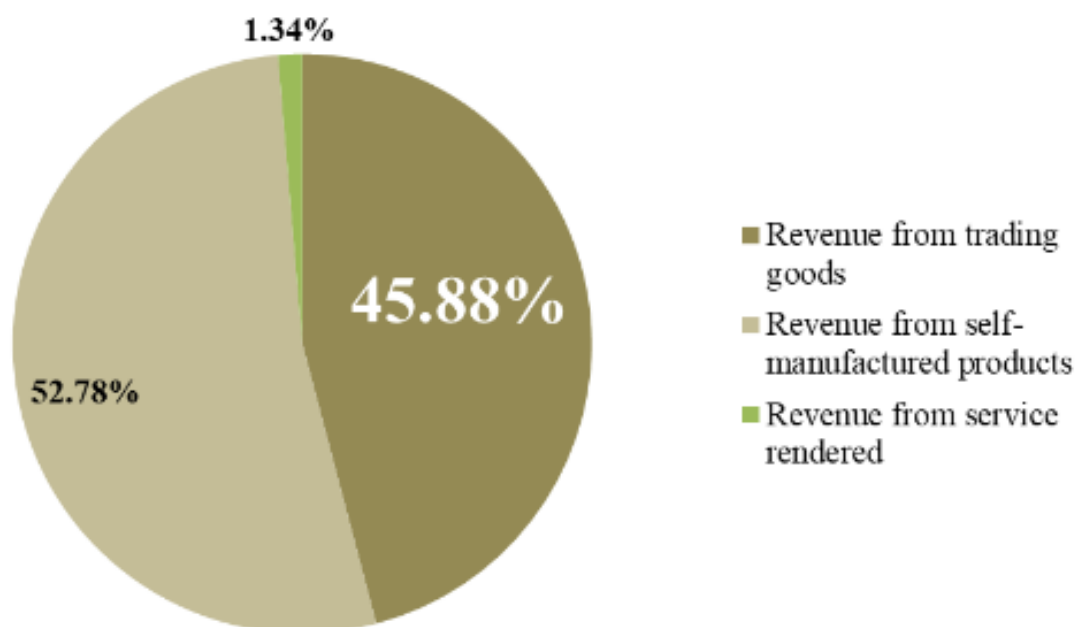
No.	Indicator-Consolidated	Year 2023		Year 2024		% Actual 2024/ Actual 2023
		Value	Percentage	Value	Percentage	
1	Revenue from trading goods	85,482	45.88%	85,653	39.21%	100.20%
2	Revenue from self-manufactured products	98,329	52.78%	130,368	59.68%	132.58%
3	Revenue from service rendered	2,497	1.34%	2,410	1.11%	96.50%
Total		186,308	100.00%	218,431	100.00%	117.24%

The revenue structure of Ladophar in 2024 remained stable compared to 2023, with revenue from self-manufactured products continuing to serve as the primary driver. Specifically, revenue from self-manufactured products reached VND 130.37 billion, accounting for 59.68% of total revenue from sales and services, recording an impressive growth of 32.58% compared to the previous year. In contrast, revenue from trading goods increased only slightly by 0.2%, reaching VND 85.65 billion. Revenue from service rendered decreased insignificantly, about 3.5%. These results show that business strategy of the Company focusing on the consumption of finished products has been highly effective.

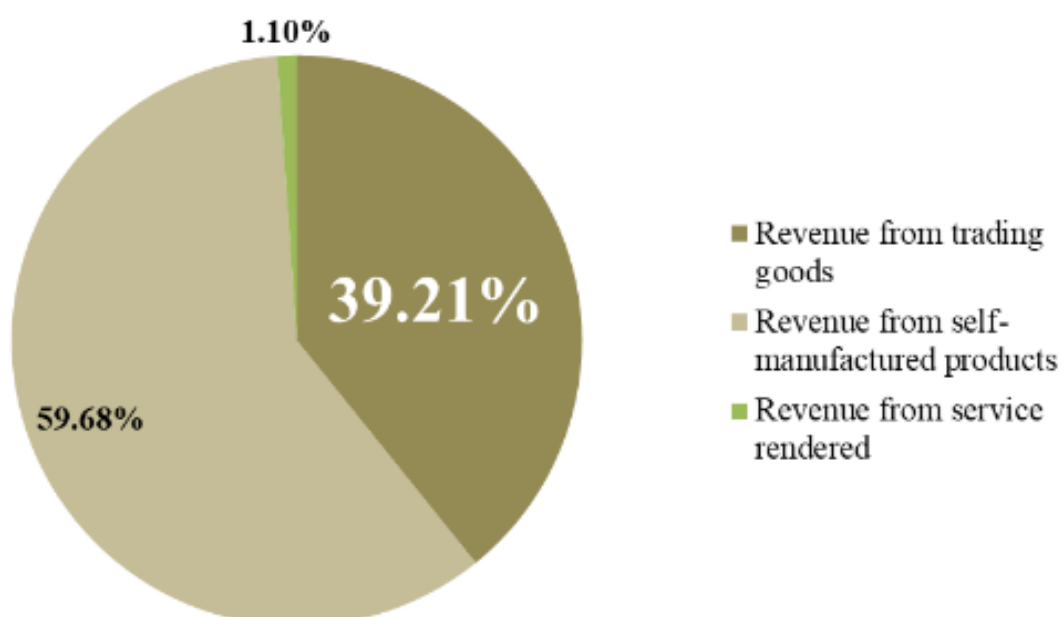
The outstanding growth of revenue from self-manufactured products was strongly driven by the development of distribution channels through chain stores and supermarkets, with growth rates of 93% and 129% respectively, driven by the success of its flagship product, Nosamin. and the expansion of the retail network such as Bach Hoa Xanh, Big C & Go... The Southern Branch also contributed positively to this growth, accounting for about 25%. Meanwhile, revenue from goods sales experienced mixed performance across different distribution channels. The OTC channel grew by 36% thanks to the pricing policy and the ability to meet increasing demand at retail branches. However, the ETC channel decreased by 23% due to changes in bidding regulations (from package bidding to bidding by item) and the fact that some partners switched to self-bidding instead of authorizing Ladophar. In general, revenue structure of Ladophar in

2024 reflects a positive shift toward a higher share of self-manufactured products, affirming the position and competitiveness of the Company in the market.

Structure of total revenue from sales and service rendered 2023



Structure of total revenue from sales and service rendered 2024



2. Organization and personnel

a. List of the Board of Executives:

No.	Member	Position	Number of shares owned/represented (*)	Ownership percentage
1	Le Tien Thinh	General Director	0	0%
2	Ngo Van Tri	Permanent Deputy General Director	0	0%
3	Truong Thi Ngoc Hien	Chief Accountant	92	0.0007%

(*) As of December 31, 2024

b. Profiles of Members of the Board of Management: (as of December 31, 2024)

1. Mr. Le Tien Thinh – Members of Board of Directors cum General Director

- ◆ **Nationality:** Vietnam
- ◆ **Qualification:** Bachelor of Business Administration
- ◆ **Working experience:**

2009 - 2012	Director of HISN Company – HIPT Group.
2012 - 2017	Founder, Director – East Gate JSC.
2014 - 2023	Co-Founder, Sales Director, Member of Board of Directors – DMSpro JSC.
2022-06 to present	Member of Board of Directors – Louis Holdings JSC.
2022-06 – 2022-12	Member of Board of Directors – An Giang Import Export Corporation (AGM).
2022-12 to present	Chairman of the Board of Directors– An Giang Import Export Corporation (AGM).
2023 to present	Member of Board of Directors (concurrently General Director and Legal Representative) of Lam Dong Pharmaceutical JSC.
2022-06 to present	Member of Board of Directors of Angimex Food Co., Ltd.
2022-06 to present	Member of Board of Directors of Angimex Food Processing Co., Ltd.
2022-06 to present	Member of Board of Directors of Angimex High-Tech Agricultural Service Co., Ltd.

- ◆ **Current position at the Company:** Member of Board of Directors (cum General Director and Legal Representative).

- ◆ **Positions held at other organizations:**

Chairman of the Board – An Giang Import Export Corporation (AGM)

Member of Board of Directors – Louis Holdings Corporation

Member of Board of Directors of Angimex Foodstuff Co., Ltd.

Member of Board of Directors of Angimex Foodstuff Processing Co., Ltd.

Member of Board of Directors of Angimex Hi-Tech Agricultural Service Co., Ltd.

- ◆ **Number of shares owned/represented:** 0 shares, accounting for 0.00% of charter capital.

2. Mr. Ngo Van Tri - Deputy General Director

- ◆ **Nationality:** Vietnam
- ◆ **Qualification:** Bachelor of Financial Management - Accounting.
- ◆ **Working experience:**

2002-01 - 2022-07	Duy Tan Co., Ltd. (Bao Loc, Lam Dong)
2022-08 – 2005-07	Viet Hai Co., Ltd. (Bao Loc, Lam Dong)
2005-08 - 2006-12	Asia Silk Joint Stock Company (Bao Loc, Lam Dong)
2007-01 – 2008-03	Asia Silk Joint Stock Company (Ho Chi Minh City)
2008-04 - 2021-12	An Giang Import Export Joint Stock Company.
2016-10 to present	Chief Accountant of Docimexco Joint Stock Company.
2020-09 – 2021-12	Deputy General Director in charge of HR Administration - An Giang Import Export Joint Stock Company.
2021-12 to present	Deputy General Director of Lam Dong Pharmaceutical Joint Stock Company (Ladophar)
2022-10 to present	Director – Legal Representative of Ladophar Herbal Beverage One Member Company Limited.

- ◆ **Current Position at the Company:** Permanent Deputy General Director.

- ◆ **Positions Held at Other Organizations:**

Chief Accountant at Docimexco Corporation.

Director – Legal Representative of Ladophar Herbal Drink Co., Ltd.

- ◆ **Number of shares owned/represented:** 0 shares, accounting for 0% of charter capital.

3. Ms. Truong Thi Ngoc Hien – Chief Accountant

- ◆ **Nationality:** Vietnam
- ◆ **Qualification:** Bachelor of Finance - Accounting
- ◆ **Working experience:**

2001 - 2013-06	Accountant of Lam Dong Pharmaceutical Joint Stock Company (Ladophar).
2013-07 to present	Chief Accountant of Lam Dong Pharmaceutical Joint Stock Company (Ladophar).

- ◆ **Current Position at the Company:** Chief Accountant.

- ◆ **Positions Held at Other Organizations:** none.
- ◆ **Number of shares owned/represented:** 92 shares, accounting for 0.0007% of charter capital.

c. Changes in the Board of Management in 2024: none

d. Number of employees:

No.	Indicator	2024	
		Quantity (person)	Proportion
I	By education level		
1	University and Postgraduate	75	31%
2	College, Professional Intermediate	24	10%
3	Primary and Technical Workers	84	34%
4	Unskilled workers	62	25%
II	By gender		
1	Male	103	42%
2	Female	142	58%
III	By contract duration		
1	Less than 1 year	147	60%
2	1 to 3 years	83	34%
3	Indefinite-term contract	15	6%

Average income of workers:

Indicator	2020	2021	2022	2023	2024
Total number of employees (people)	271	214	245	211	245
Average salary (VND/person/month)	10,339,843	10,634,902	12,747,560	13,871,278	15,155,478

Human resources policy:

Recruitment:

The Pharmaceutical industry plays an important role in community healthcare, requiring a highly specialized and experienced workforce. Therefore, the recruitment process in this field is always strict with rigorous standards in terms of both physical and industry knowledge.

Ladophar focuses on recruiting a quality workforce, not only meeting professional requirements but also emphasizing professional ethics and long-term commitment. The Company seeks candidates who are passionate about the Pharmaceutical industry and want to join Ladophar in fulfilling its mission of improving community health.

Currently, Ladophar still regularly opens opportunities for candidates through official information channels such as the website and reputable recruitment platforms of the Company.

With a professional, dynamic working environment and wide development opportunities, Ladophar always welcomes talents to join and accompany the Company on its sustainable development journey.

Training:

In the context of globalization and fierce competition, a high-quality workforce becomes a strategic factor for the development of enterprises. For the Pharmaceutical industry – a specific field requiring high levels of both expertise and experience, training not only helps staff complete their work accurately and optimally but is also a long-term investment for them to accompany the business.

Clearly aware of this, Ladophar continuously researches and learns advanced training models from Japan, Singapore, and South Korea, while applying effective training methods in practice. The Company focuses on fostering the management team through in-depth training programs on professional management and professional skills to improve management capacity. For workers at factories, Ladophar organizes training in professional skills, guiding the operation of modern machinery systems, helping to improve productivity and product quality. Thanks to a methodical training strategy, the Company not only improves the capacity of its staff but also ensures sustainable development in the modern technological era.

Working environment:

Ladophar always focuses on developing professional capacity for employees and building a professional and friendly working environment. The Company establishes a system of clear processes and regulations, ensuring effective work and creating cohesion between leaders and employees, as well as between colleagues. Thanks to investing in talented human resources and a quality working environment, Ladophar has achieved many significant achievements, and customers and partners trust the quality of its products and services. The Company has also received many positive reviews from reputable organizations in the industry.

In addition, Ladophar creates a dynamic, friendly, and professional working space, encouraging creativity, a spirit of advancement, and the proactivity of officials and employees. This helps promote work efficiency, increase labor productivity, and enhance the value of the company. To achieve this goal, Ladophar focuses on investing in modern equipment, meeting business production needs; complies with the provisions of the Labor Code to ensure the rights of employees; and creates opportunities for employees to learn, train, and advance.

Ladophar always prioritizes occupational safety, implementing practical measures to protect employees:

- Provision of labor protection: Fully providing and regularly inspecting protective equipment such as hats, shoes, reflective clothing, masks, and gloves, ensuring quality and suitability for each job position.
- Safe working environment: Strictly complying with occupational safety regulations, organizing training and guiding employees on safe working procedures. Placing signs and warnings in dangerous areas to ensure the safety of workers.
- Safe infrastructure: Investing in and maintaining standard drainage, electricity, and fire protection systems. Regularly inspecting, maintaining, and upgrading infrastructure to ensure safety and meet usage needs.

These measures not only comply with legal regulations on occupational safety but also demonstrate commitment of Ladophar to protecting the health and safety of its employees.

Salaries, bonuses, benefits, and remuneration:

Lam Dong Pharmaceutical Joint Stock Company (Ladophar) always prioritizes compliance with labor regulations and builds a fair working environment, demonstrated through welfare policies and practical activities for employees. The Company applies a competitive and transparent salary and bonus policy, closely linked to productivity and work efficiency, while supporting employees when they are sick, ensuring timely salary payments and full participation in insurance schemes. Ladophar focuses on training, improving professional skills, creating fair promotion opportunities, and building a professional, civilized, and humane working environment. In addition, the company also organizes team-building activities to enhance solidarity and relieve stress for employees. With these efforts, Ladophar is committed to providing the best working environment, affirming its position as a reputable employer where employees are respected and developed.

3. Investment activities and project implementation

3.1. Investments in assets during the year:

Explanation	Value (VND)	Note
Fuel warehouse container	38,888,889	Increased assets in 2024
Volkswagen car 757.75	2,259,395,000	Increased assets in 2025
PM Oracle Netsuite copyright from October 01, 2024 to September 30, 2025	1,523,944,648	Increased investment expenses in 2024
Oracle Netsuite PM deployment expense	3,290,724,000	According to progress
Brand identity design expense	14,000,000	Increased investment in 2024
Company office repainting expense	165,495,000	Increased investment in 2024
Logo sign construction expense at Company office	27,944,000	Increased investment in 2024
Signage expense at NQ Showroom	27,631,500	Increased investment in 2025
Contract for construction of Northern Branch showroom	288,345,960	Acceptance in 2025
Contract for construction and repair of Northern Branch	94,015,469	Acceptance in 2025
Contract for construction and repair of Western Branch	332,844,120	Acceptance in 2025
Total	8,063,228,586	

3.2. Subsidiaries, associates:

Financial situation at the subsidiary:

Ladophar Herbal Beverage One Member Limited Company

Unit: billion VND

No.	Indicator	Actual 2023	Actual 2024	% Actual 2024/ Actual 2023
1	Total asset	17,742,314,185	17,740,035,947	100%
2	Net revenue	-	-	-
3	Gross profit from sales and services rendered	-	-	-
4	Other profit	-	-	-
5	Profit before tax	-2,276,035	-2,278,238	-
6	Profit after tax	-2,276,035	-2,278,238	-

4. Financial situation

a. Financial situation: (Based on the Consolidated Financial Statements)

Unit: million VND

No.	Indicator	2023	2024	% 2024/2023
1	Total asset	194,773	207,157	1066%
2	Net revenue from sales and services rendered	186,001	217,958	117.18%
3	Profit from operating activities	-19,165	6,571	-
4	Other profit	-940	348	-
5	Profit before tax	-20,105	6,919	-
6	Profit after tax	-20,105	6,919	-

b. Key financial indicators:

Indicator - Consolidated	Unit	2023	2024	% increase/ decrease
Liquidity ratios				
Current ratio	Times	1.39	1.48	24%

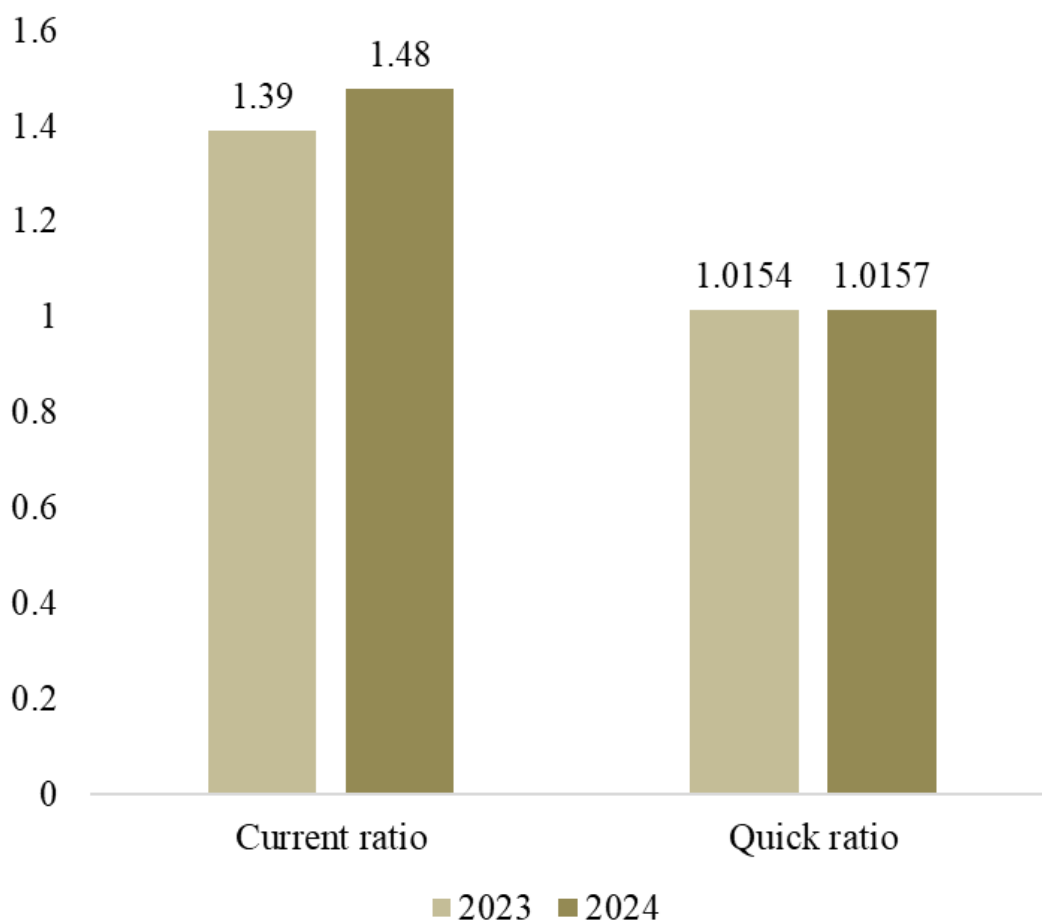
Indicator - Consolidated	Unit	2023	2024	% increase/decrease
Quick ratio	Times	1.0154	1.0157	0.03%
Capital structure ratios				
Debt/Asset ratio	%	52.58%	52.07%	-0.96%
Debt/Equity ratio	%	110.87%	108.65%	-2.00%
Operating capacity ratios				
Inventory turnover	Turns	3.18	3.54	11.50%
Total asset turnover	Turns	0.88	1.08	23.37%
Profitability Ratios				
Return on Sales (ROS)	%	-10.81%	3.17%	-129.37%
Return on Equity (ROE)	%	-19.63%	7.22%	-136.78%
Return on Assets (ROA)	%	-9.50%	3.44%	-136.23%
Operating profit margin	%	-10.30%	3.01%	-129.26%

Liquidity Ratios

In 2024, the liquidity ratios of Ladophar showed a slight improvement compared to 2023. The current ratio increased from 1.39 to 1.48, equivalent to an increase of 6.24%, reflecting the growth of both current assets (from VND 139.99 billion to VND 156.73 billion) and current liabilities (from VND 100.69 billion to VND 106.10 billion). This growth is primarily driven by an increase in current trade receivables, due to collections from FPT Long Chau and related parties, along with steady growth in inventory components (finished goods, raw materials, and goods). Although the quick ratio increased slightly from 1.0154 to 1.0157, only equivalent to an increase of 0.03% due to the increase in inventory, showing that the Company is actively meeting consumer demand.

Overall, Ladophar has effectively managed inventories and provisions, ensuring stable solvency. The increase in the current ratio shows that the Company is well-positioned to meet its short-term obligations and the adjustment of the inventory structure to ensure supply reflects proactivity in business management. These factors indicate that Ladophar is maintaining a stable and flexible financial situation.

Liquidity Ratios

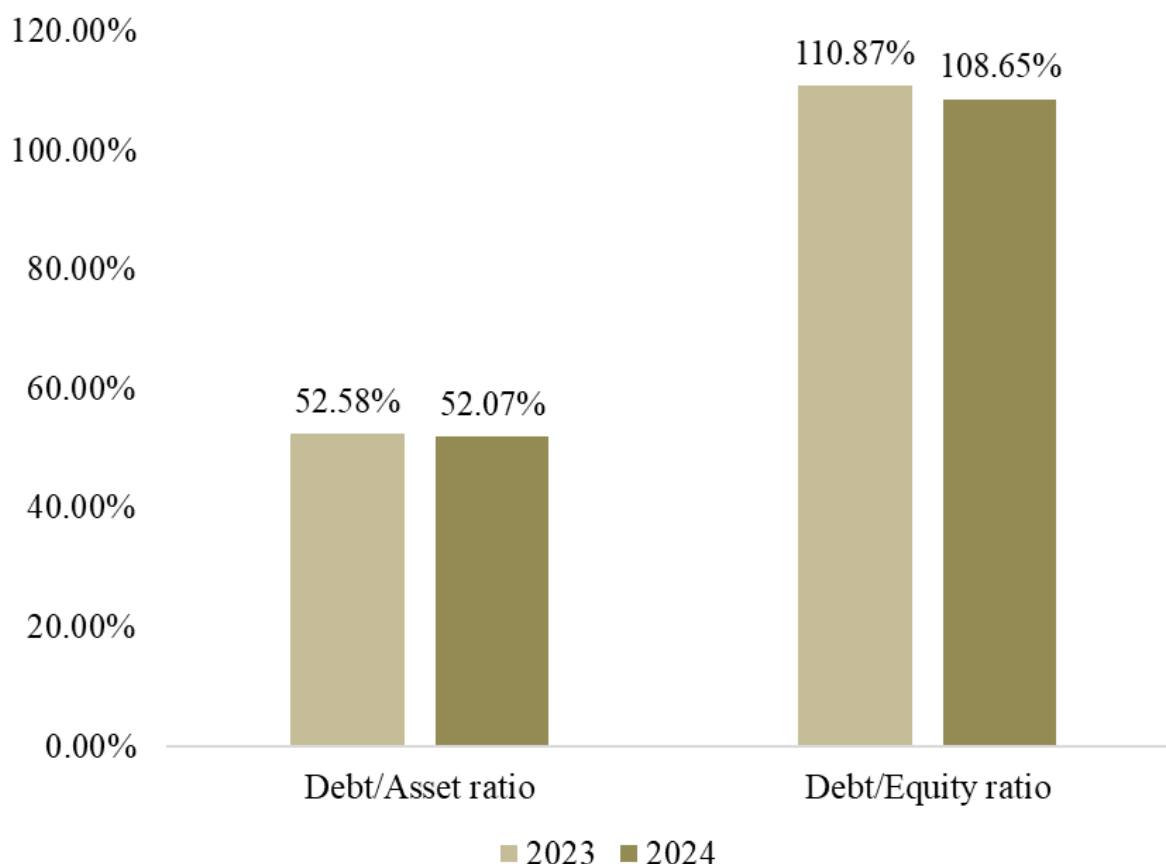


Capital structure ratios

As of December 31, 2024, Ladophar recorded a slight decrease in capital structure ratios, indicating that the company is maintaining a stable financial situation. The debt-to-assets ratio decreased from 52.58% to 52.07%, and the debt-to-equity ratio decreased from 110.87% to 108.65%, corresponding to reductions of 0.96% and 2.02%, respectively. This decrease is mainly due to reduced borrowing activities. Specifically, current liabilities decreased from VND 106.1 billion to VND 100.69 billion, and non-current liabilities decreased from VND 1.77 billion to VND 1.72 billion. Borrowings and finance lease liabilities incurred during the period were fully paid, with bank loans and bond issuances decreasing by approximately 30% compared to 2023. Meanwhile, total assets and equity both increased slightly by 6.29% and 7.34%, respectively.

Overall, Ladophar not only focuses on increasing sales revenue but also effectively manages its debt obligations, taxes, and payables to the government. The reduction in the debt ratio in the financial structure has created better liquidity for investment expansion and business production activities in the upcoming year. This demonstrates that Ladophar is implementing a prudent financial strategy which helps balancing revenue growth and financial risk management. Successfully fulfilling debt and tax obligations also demonstrates the compliance of the Company with the law and ensures financial stability which facilitates development plans in long-term.

Capital structure ratios

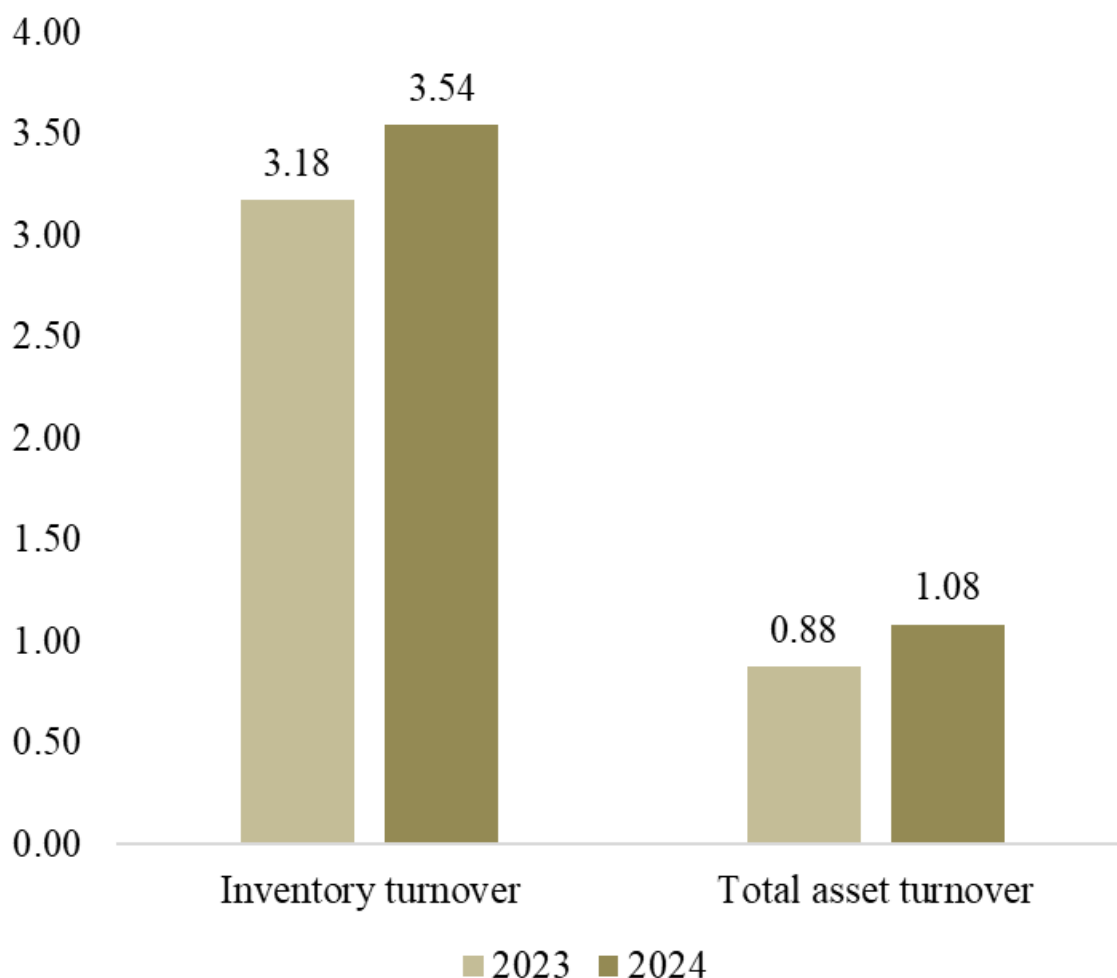


Operating capacity ratios

In 2024, Ladophar recorded a slight increase in operational performance indicators compared to 2023. The inventory turnover ratio increased from 3.18 turns to 3.54 turns, mainly due to the company increasing its finished goods inventory by 24.82% to meet peak demand in the pharmaceutical market. The cost of goods sold also increased slightly by 3.18% due to increased personnel costs and input materials. The total asset turnover ratio increased from 0.88 turns to 1.08 turns (an increase of 23.37%), thanks to a sharp increase in net revenue of 17.18% from VND 186 billion to VND 217.96 billion, as a result of improved business production efficiency.

Overall, the operational performance of Ladophar continued to grow in 2024. However, the Company is still striving to achieve its goals of increasing asset utilization efficiency and improving revenue, in order to enhance operational performance in the future. The increases in inventory turnover and total asset turnover ratios show that Ladophar is using assets more efficiently and optimizing business operations. Despite the positive improvements, Ladophar still needs to continue focusing on optimizing costs and increasing revenue to achieve sustainable growth.

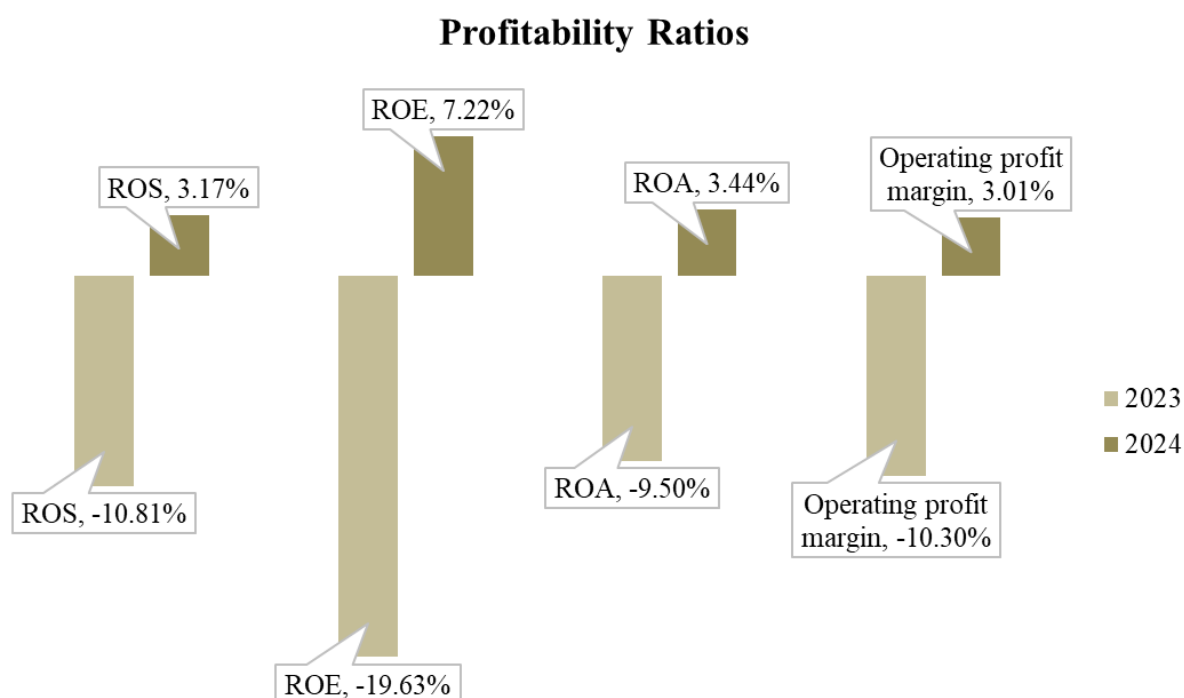
Operating capacity ratios



Profitability ratios

In 2024, Ladophar recorded a significant improvement in profitability ratios compared to the previous year. The ROS, ROE, ROA and Operating profit margin all shifted from negative to positive values, reaching 3.17%, 7.22%, 3.44%, and 3.01%, respectively. This positive transformation is the result of a comprehensive business development strategy that the company implemented. Profit after tax and profit from operating activities at the end of 2024 both increased by approximately 34%, reaching VND 6.92 billion. The slight growth of net revenue, total assets, and equity also contributed to the increase in profitability ratios, reflecting improved business production efficiency.

Ladophar is gradually repositioning its brand in the market through communication strategies and expanding product distribution. The goal of the Company is to optimize costs and maximize profits in the future. The positive transformation in profitability indicators shows that Ladophar is moving in the right direction in improving business operational efficiency. However, the Company still needs to continue its efforts to strengthen its brand position and ensure sustainable growth. Focusing on effective cost management and market expansion will be key factors for Ladophar to achieve its profit optimization goals.



5. Shareholder structure, changes in owners' equity

a. Shares as of December 31, 2024:

- Total number of shares issued: 12,703,167 shares
- Number of outstanding shares: 12,703,135 shares
- Number of treasury shares: 32 shares
- Type of shares: common shares
- Par value per share: VND 10,000/share

b. Shareholder structure:

(Based on the most recent Shareholder List as of February 15, 2024)

No.	Criteria	Number of shareholders	Number of shares owned	Percentage (%)
I	By ownership percentage	424	12,703,167	100
1	Major shareholders	2	8,878,425	69.8914
	Louis Holdings Joint Stock Company		6,480,725	51.0166
	APG Securities Joint Stock Company		2,397,700	18.8748
2	Minor shareholders (owning <5%)	422	3,824,710	30.1083
3	Treasury shares owned by the Company		32	0.0003

No.	Criteria	Number of shareholders	Number of shares owned	Percentage (%)
II	Organization and individual shareholders	424	12,703,167	100
1	Organization	9	9,004,197	70.8815
2	Individual	415	3,698,938	29.1182
3	Treasury shares owned by the Company		32	0.0003
III	Domestic and foreign shareholders	424	12,703,167	100
1	Domestic	415	12,676,803	99.7924
2	Foreign		26,332	0.2073
3	Treasury shares owned by the Company		32	0.0003
IV	State shareholders and other shareholders	424	12,703,167	100
1	State	0	0	0
2	Other shareholders	424	12,703,167	99.9997
3	Treasury shares owned by the Company	-	32	0.0003

List of major shareholders: *(Based on the most recent Shareholder List as of February 15, 2024)*

No.	Name	Number of shares	Ownership percentage/Charter capital (*)
1	Louis Holdings Joint Stock Company	6,480,725	51.0166
2	APG Securities Joint Stock Company	2,397,700	18.8748

(*): Percentage of ownership is calculated on the number of shares with voting rights.

Maximum foreign ownership percentage: 0%

c. Changes in owner's equity: None

d. Treasury share transactions: None

e. Other securities: None

III. Report and assessment of the Board of Management

1. Assessment of production and business results

SWOT analysis:

Strengths:

With over 40 years of extensive experience, the Company has firmly established itself as one of the leading enterprises in the traditional medicine industry in Vietnam. Owning three modern manufacturing plants that meet GMP-WHO and HACCP standards, Ladophar is committed to bringing to the market high-quality, safe, and effective traditional medicines and functional foods for consumers.

Ladophar always prioritizes investing in advanced production lines and applying modern scientific and technical achievements to the production process. The workforce of the Company, with extensive expertise, enthusiasm, and a high sense of responsibility, constantly strive to research and develop new products, meeting the increasingly diverse and demanding needs of the market.

After a year of implementing a comprehensive business recovery strategy, Ladophar has made important strategic adjustments to the personnel structure to strengthen its position and brand, as well as optimize the financial structure to increase profits and control operating costs. The Company always welcomes dynamic, creative, and passionate talents in the field of traditional medicine and sets out clear criteria and development orientations for staff development, ensuring suitability with sustainable development strategy of Ladophar.

Lam Dong Pharmaceutical Joint Stock Company (Ladophar) is proud to own a nationwide product distribution system:

- Quality product portfolio of Ladophar is currently distributed through reputable supermarket chains such as CoopMart, CoopMart Extra, Big C, LotteMart, Aeon Mall, and retail stores as well as chain and independent pharmacies nationwide.
- Providing high-quality raw materials for 15 domestic and international partners (Rohto, Dopharma.,JSC, 3M Vietnam Limited, BV Pharma .,JSC, Quang Ninh Pharmaceutical Co., Ltd., HDPHARMA .,JSC...).
- Ladophar is currently providing drug products for treatment to hospitals, clinics & healthcare facilities nationwide.
- In the future, developing the international market is one of the key objectives of the business team, potential markets include Canada, Germany, Japan, USA, Australia, Hongkong & China.

Weaknesses:

Since the state shareholders divested, business operations of Ladophar have faced many negative fluctuations. As a pharmaceutical enterprise, a field that requires high research and production costs to meet stringent domestic and international standards, Ladophar is under great pressure. LDP shares have been put under warning status from April 02, 2021 due to unstable accumulated

profits and losses arising from 2021, reflecting the difficulties in financial situation of the Company.

Currently, Ladophar still relies on external sources for raw materials, except for artichoke, which poses risks in terms of price and quality. The lack of a clear market strategy to maximize potential has caused the company to face many challenges in competing effectively with competitors in the market.

The ambition to expand the market outside the Lam Dong area poses great requirements for investment in machinery, equipment, distribution systems, and marketing. However, limited internal capital and high bank interest rates have hindered the capital mobilization process. High transportation costs due to the production location being far from the main consumption markets also affect product prices, reducing Ladophar's competitiveness compared to local businesses.

In addition, the increasing trend of consuming imported goods in Vietnam creates significant competitive pressure. Imported products are not only of high quality but also diverse in designs, packaging, and uses, meeting many healthcare needs of consumers. This requires Ladophar to strengthen its competitiveness to maintain and consolidate its position in the market.

Opportunities:

After the COVID-19 pandemic, concern for human health has increased significantly, promoting strong investment in the healthcare and pharmaceutical sectors. The demand for safe and effective drugs in preventing and treating infectious diseases is increasing, creating a great impetus for the development of the pharmaceutical industry.

The functional food market in Vietnam is witnessing strong and diverse development, meeting the needs of many customer segments, from the elderly to young people, and from urban to rural areas. Ladophar, with its strategy to expand into the functional food sector, not only captures diverse consumption trends but also opens up promising business opportunities.

As a pharmaceutical enterprise, Ladophar has an advantage in developing new products with unique formulas, ensuring safety, and designing creative packaging to attract consumers. In addition, government policies supporting the development of the medicinal herb industry create favorable conditions for Ladophar to access high-quality raw materials, stabilize prices, and diversify its product portfolio. Trade promotion activities are also being promoted, opening up opportunities for cooperation both domestically and internationally, expanding export markets, and enhancing competitiveness.

Circular No. 05/2015/TT-BYT of the Ministry of Health on the list of traditional medicines, medicines from medicinal herbs, and traditional medicine ingredients covered by the health insurance fund has marked an important turning point for the Vietnamese medicinal herb industry. This list includes many valuable medicinal herbs such as Artichoke, *Phyllanthus urinaria*, Dandelion, *Codonopsis pilosula*, *Angelica sinensis*, and prioritizes bidding for drugs produced from domestic medicinal herbs. With its strength in researching and producing products from medicinal herbs, Ladophar is facing a great opportunity as consumers increasingly prefer products of natural origin.

The process of deep international economic integration opens up great opportunities for Ladophar to expand its market to the region and internationally, enhance its position, increase revenue, and affirm its brand on the global pharmaceutical map. However, Ladophar also faces fierce competition from multinational corporations and strict requirements on product quality according to international standards.

Challenges:

The traditional medicine industry in Vietnam is facing major fluctuations, and Ladophar is no exception. The decline of the traditional distribution system, especially in pharmacies, is reducing customer access. At the same time, Ladophar's product portfolio is not diverse enough to meet market demand, while high product prices create barriers for consumers.

Competition in the traditional medicine industry is becoming increasingly fierce, with the continuous emergence of new products from competitors with equivalent quality and more competitive prices. Consumers are also becoming more demanding in their choice of healthcare products. The change in the bidding mechanism, where suppliers implement themselves instead of delegating to Ladophar, has caused difficulties in accessing raw materials and affected product costs. In addition, fluctuations in senior personnel structure have led to a shortage of experienced human resources, negatively affecting the company's development.

The export market continues to be affected by the macroeconomic situation, delaying the recovery process and reducing revenue from import and export pharmaceutical products. The limited understanding of Vietnamese consumers about functional foods requires Ladophar to raise awareness about the benefits and uses of the products. The emergence of foreign enterprises with strong financial resources and experience creates great competitive pressure. This requires Ladophar to continuously update and adapt to market changes, invest in research and development, control quality, and improve customer service to maintain and develop in the current context.

2. Financial situation

a. Asset situation:

Unit: million VND

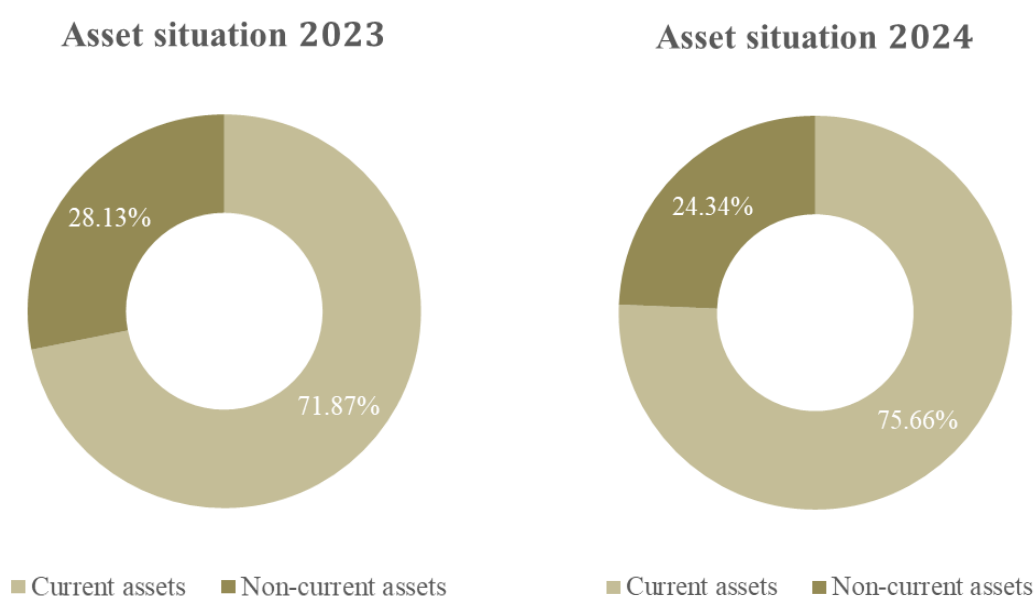
Indicator – Consolidated	December 31, 2023		December 31, 20234		% increase/decrease
	Value	Proportion	Value	Proportion	
Current assets	139,993	71.87%	156,733	75.66%	11.96%
Non-current assets	54,780	28.13%	50,424	24.34%	-7.95%
Total asset	194,773	100.00%	207,157	100.00%	6.36%

At the end of 2024, Ladophar recorded total assets of VND 207.16 billion, an increase of more than 6% compared to the previous year, equivalent to an increase of VND 12.38 billion. In which, current assets continued to prevail with VND 156.73 billion, equivalent to 75.66% of total assets, an increase of nearly 12% compared to 2023. The allocation ratio between current and non-current assets remained stable.

The growth of current assets mainly came from a 30% increase in inventory (equivalent to VND 11.2 billion) and a 12% increase in accounts receivable (equivalent to an increase of VND 7.6 billion). Specifically, commercial inventory increased mainly in the OTC product group, while production inventory increased in the raw material group due to a sharp increase in the amount of leaves purchased (from 0.5 tons to 1.7 tons/year). Accounts receivable increased due to increased revenue, especially from cooperation with FPT Long Chau. Meanwhile, cash and bank deposits decreased by 17% (VND 2.8 billion).

For non-current assets, the Company recorded a slight decrease of 14%, equivalent to VND 6.9 billion, mainly due to asset liquidation (VND 0.8 billion) and fixed asset depreciation (VND 6 billion). However, other assets increased by 65%, equivalent to VND 4.2 billion, due to increased investment in construction-in-progress expenses .

In the asset structure, receivables (35%), inventory (24%) and fixed assets (20%) accounted for the largest proportion. Ladophar has focused on adjusting current assets items and completing non-current items, showing efforts to restructure in preparation for the upcoming growth phase.



b. Liabilities situation:

Unit: million VND

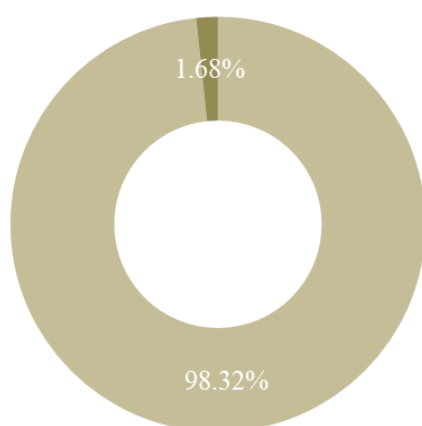
Target – Consolidated	December 31, 2023		December 31, 20234		% increase/decrease
	Value	Proportion	Value	Proportion	
Current liabilities	100,687	98.32%	106,103	98.36%	5.38%
Non-current liabilities	1,720	1.68%	1,770	1.64%	2.91%
Total liabilities	102,407	100.00%	107,873	100,00%	5.34%

In 2024, Ladophar recorded total liabilities increasing by more than 5% compared to the previous year, reaching VND 107.87 billion. In which, loans and payable bonds accounted for the largest proportion, reaching 26% of total liabilities, mainly current loans to meet working capital needs

for production and business operation. Current liabilities accounted for 98.36% of total liabilities, reaching VND 106.10 billion, a slight increase of 5.38% compared to 2023. The main reason is that Ladophar borrowed VND 27.2 billion from BIDV and issued VND 27.82 billion of bonds to supplement working capital for investment and communication activities. Non-current liabilities also increased slightly by 2.91% because the Company had completed payment of some long-term bank loans. In general, Ladophar has reasonably supplemented loan capital to serve production and business operation and expand its scale.

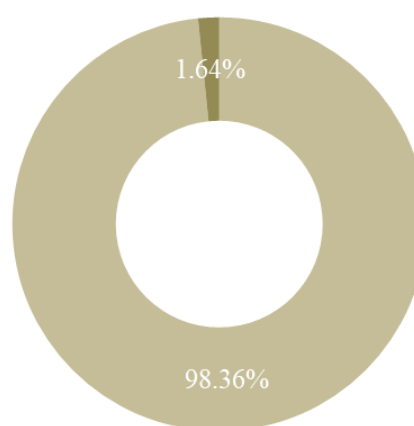
Regarding fluctuations, trade payables increased sharply by 36%, equivalent to VND 8.8 billion, due to increased purchases to meet business demands. Loans decreased by 31%, equivalent to VND 10.9 billion, mainly due to a reduction in short-term bank loans as the Company balanced revenue sources to repay loan principal, reducing interest rate pressure. Conversely, other payables increased by 68%, equivalent to VND 8.2 billion. The increase in accounts payable to suppliers reflects the expansion of operating activities, while the reduction in bank loan liabilities demonstrates efforts to reduce financial costs. Overall, the change in the structure of accounts payable indicates that Ladophar is adjusting its financial strategy to suit the business situation and preparing for development plans.

Liabilities situation 2023



■ Current liabilities ■ Non-current liabilities

Liabilities situation 2024



■ Current liabilities ■ Non-current liabilities

3. Improvements in organizational structure, policies and management

Regarding operating activities:

- The Company has focused on maximizing the potential of the existing market while rapidly expanding into niche markets and outer provinces such as the Mekong Delta, Central region, and Central Highlands.
- The Company has focused on introducing high-end products, including functional foods and premium teas, into the system of pharmacy chains and functional food chains. At the same time, the Company has developed flexible sales and credit policies to support the import of goods and promote sales, in order to increase the company's product coverage nationwide;

- For directly-owned retail outlets, the company has synchronized brand identity boards to ensure consistency. At the same time, the Company conducts a detailed assessment of the operating efficiency of each sales point to make recommendations for improvement or decide to close inefficient outlets, in order to minimize fixed costs;
- The ETC channel market for manufactured products still has much untapped potential due to a lack of drug items in the bidding list. To overcome this, the Company promotes the bidding of products that have registration numbers but have not been produced or strongly exploited, as well as new products. In particular, focus should be placed on group 1 products to increase competitive advantage and profits;
- To optimize the capacity of machinery and equipment and create jobs for production workers, the Company will promote processing orders from partners. The Company will implement a processing bonus policy to encourage employees to introduce orders, establish a team in charge of processing and exporting to take care of customers and promote orders. At the same time, the Company will develop a professional Sales Kit to introduce the company's production capacity, GMP standards, and high-quality raw materials.
- To restore export revenue, the Company will strengthen contact with old partners to understand their needs and product orientations, thereby providing appropriate advice and support. At the same time, the Company will expand export markets by cooperating with tourism companies to promote products to international customers.

Regarding marketing activities:

- Regarding activities to increase brand recognition, focus on synchronizing brand identity images throughout the system by renovating and repairing signboards at retail outlets, showrooms, logos, ...;
- Strengthen the promotion of brands, images, product quality, and clean material areas that meet GACP, Organic standards, ...
- Implement other promotional activities through product experiences for customers at fairs, high-level conferences (bringing products to provincial/city conferences), and provincial programs on OCOP products. In addition, coordinate with supermarket chains to promote products;
- Along with renovating the showroom and factory landscapes, coordinating with travel companies to conduct tours to help customers experience and purchase products;
- Other marketing and sales programs support branches in pushing goods to the market, through the principle of focusing on selling products with competitive advantages in each area and region. The programs are specified and dedicated to each branch as well as each different area;
- Strengthening customer care through consulting on benefits, product uses to customers, training for the Sales team, ...

Regarding production activities:

- Invest in artichoke medicinal plant gardens in the Xuan Tho and Lam Ha areas to improve

the quality of input materials;

- Restart the Company 1 Phyllanthus urinaria cultivation area to increase bidding products with high competitive advantages;
- Research and cultivating clean medicinal herbs, meeting strict international standards as well as meeting the conditions for exporting to demanding countries such as Europe, the Americas, and Korea;
- Strengthen process and product quality improvements to optimize costs and increase competitive advantages;
- Review old equipment that does not ensure labor safety and operating capacity to reduce costs as well as increase productivity;
- Coordinate with other companies to process products for partners, take advantage of available machinery and equipment, and increasing factory capacity.

Regarding operation management activities:

- Promulgate and implement organizational regulations, which establish regulations related to machine operation, in order to improve operational efficiency as well as enhance the ability to manage and supervise the Company's entire operations;
- Develop a KPI policy to create motivation for the Sales team and other indirect support teams;
- Promulgate and implement a decentralization system, in order to improve the Company's decentralization system and empower proactive management within the regulatory framework for management levels, as well as create a more flexible mechanism for departments/divisions and branches in operation;
- Build, consolidate and complete the system of legal documents, including regulations, procedures, ... to help systematize documents according to a framework and ensure more flexible operating principles for departments and branch units;
- Organize internal training courses and hiring units/experts to implement skills training courses and improve professional skills for staff.

4. Future development plan

Business plan for 2025:

Unit: million VND

No.	Content	Value	%/ revenue
A	Revenue	354,932	100%
1	Commercial goods	107,010	30%
	<i>Commercial goods ETC</i>	<i>44,430</i>	13%
	<i>Commercial goods OTC</i>	<i>62,580</i>	18%
2	Manufactured goods	245,066	69%

No.	Content	Value	%/ revenue
	<i>Manufactured goods ETC</i>	5,090	1%
	<i>Manufactured goods OTC</i>	239,976	68%
3	Services	2,858	1%
B	Gross profit	118,523	34%
1	Commercial goods	5,674	2%
	<i>Commercial goods ETC</i>	3,110	1%
	<i>Commercial goods OTC</i>	2,564	1%
2	Manufactured goods	110,700	31%
	<i>Manufactured goods ETC</i>	764	0,2%
	<i>Manufactured goods OTC</i>	109,936	31%
3	Services	2,712	1%
C	Operating expenses	111,523	31%
1	<i>Salary expenses</i>	41,086	12%
2	<i>Marketing, brand expenses</i>	13,583	3,8%
3	<i>Financial expenses</i>	12,798	4%
4	<i>Selling and conference organization expenses</i>	15,822	4%
5	<i>Outside purchasing services, tools, supplies, fuel, others expenses...</i>	16,008	5%
6	<i>Diplomatic expenses, guest reception, business trip expenses, business trip allowance</i>	5,412	2%
7	<i>Premise expenses</i>	5,504	2%
8	<i>Depreciation expenses</i>	1,309	0,4%
D	Other profit	-	0%
E	Profit before tax	7,000	2%

a. Gross revenue - profit:

In 2025, the Company targets total revenue of VND 355 billion, a strong growth of 63% compared to 2024, equivalent to an increase of VND 137 billion. In particular, manufactured goods revenue is expected to increase dramatically by 89% (VND 115.2 billion) and commercial goods revenue to increase by 25% (VND 21.4 billion), specifically:

Unit: million VND

Indicator	Result in 2024	Plan for 2025	+/-	%
Revenue	217,958	354,932	136,974	63%
Commercial	85,637	107,010	21,372	25%

Indicator	Result in 2024	Plan for 2025	+/-	%
Production	129,911	245,066	115,156	89%
Other	2,410	2,856	446	19%
Gross profit	64,381	118,523	54,142	84%
Commercial	4,772	5,674	902	19%
Production	57,308	110,137	52,829	92%
Other	2,300	2,712	411	18%

b. Operating expenses

Total planned expenses for 2024 are expected to be VND 112 billion, marking a strong increase of 97% compared to 2023, equivalent to an increase of VND 55.3 billion. This increase includes many different expenses:

Unit: million VND

Indicator	Result in 2024	Plan for 2025	+/-	%
Salary expenses	28,647	41,086	12,439	43%
Marketing and sales expenses	9,934	29,902	19,968	201%
Depreciation and premise expenses	3,922	6,814	2,891	74%
Financial expenses	5,613	12,798	7,185	128%
Other operating expenses	8,604	21,420	12,816	149%
Total	56,720	112,020	55,300	97%

Operating expenses increased by 97%, equivalent to an increase of VND 55.3 billion, of which:

- Salary expenses increased by 43%, equivalent to an increase of VND 12.4 billion, due to an increase in direct business salary expenses to achieve the revenue target of VND 355 billion and an increase in KPI bonus expenses;
- Marketing and sales expenses are expected to surge by 201% (VND 20 billion) in 2025. The main reason is the increased investment in brand recognition at retail outlets/showrooms. In addition, marketing expenses for customers, sales collaborators' expenses, sales staff incentive bonus expenses, e-commerce platform operation expenses, and online advertising expenses also increased sharply. In parallel with promoting revenue, expenses such as transportation and hiring PG/collaborators in new areas also increased accordingly. The company will also make provisions for bad debts for loans of Le Minh Duc and debts of VKC, Sametel;
- Financial expenses increased by 128%, equivalent to an increase of VND 7.2 billion, mainly in interest expenses. In 2025, it is expected to increase the working capital limit from VND 60 billion to VND 150 billion to serve purchasing activities to support revenue growth;

- Other operating expenses increased by 149%, equivalent to an increase of VND 12.8 billion, mainly in expenses for entertaining guests, public relations, event organization expenses, and other business trip expenses...

c. Investment plan:

Based on the need to use assets according to the actual situation, the investment items in 2025 proposed include:

- Investment in brand recognition: this is an investment related to repairing and synchronizing Ladophar brand identity images (signs of retail counters, showroom landscapes, logos, ...); deploying showroom models, visiting locations, and product testing at Xuân Thọ;
- Investment in new and improved machinery and equipment (M&E): these are investments in purchasing new, repairing, and improving M&E, production lines, and systems to serve the increased productivity of the Manufacturing Plant. At the same time, upgrading and repairing equipment serving the operation of the Quality Block. Besides that, investment in means of transport serves production, business/management activities;

Currently, most of the main machinery and equipment at the lines are leased from AMC Company, and the lease term expires in 2024-06, so to prepare in case AMC withdraws M&E and does not lease, the Board of Management proposes new M&E investment options, specifically as follows:

Unit: million VND

No.	Indicator	Department in use	Total value
A	Investment in brand recognition	Operating division	12,000
B	New investment and improvement of machinery, equipment, and transportation vehicles		
1	New purchase, repair, and improvement of machinery, equipment, lines, and systems to improve the productivity of the Manufacturing Plant as well as transportation vehicles for business operations	Manufacturing Plant, R&D, operating division	36,000
2	New purchase of damaged MMTB with low accuracy in input quality control of products.	Quality division	2,000
	Total		50,000

Based on the actual needs and capital situation of the Company in the process of production and business activities, the Board of Management will proactively submit to the Board of Directors for approval of a suitable investment plan for implementation and report to the General Meeting of Shareholders in the annual meeting in 2025.

5. Explanation of the Board of Management regarding the audit opinion

Audit opinion:

As of December 31, 2024, the Company has an account receivable from Bao Thu Industrial

Development and Investment Joint Stock Company (hereinafter referred to as " Bao Thu Company") with an amount of VND 50,050,000,000 (see explanation No. V.4 in the Notes to the Consolidated Financial Statements). This is the amount that the Company has invested under the trust contract for consulting on the development of the Nguyen Kim Đà Lat commercial center project and 02 land use right lease contracts at Thang Hai 1 Industrial Cluster signed between the Company and Bao Thu Company. However, more than 2 years after the Company transferred the investment money, the above projects have not been implemented and Bao Thu Company has not yet paid the above amount to the Company. On 2025-02-18 and 2025-03-03, the People's Court of La Gi Town, Binh Thuan Province issued Judgment No. 01/2025/KDTM-ST and Judgment No. 02/2025/KDTM-ST forcing Bao Thu Company to be responsible for returning to the Company a total amount of VND 32,500,000,000. However, with the available documents and information, the Company does not have enough basis to assess the recoverability and losses (if any) of this debt.

Explanation from the Board of Management

According to Judgment No. 01/2025/KDTM-ST dated February 18, 2025 and Judgment No. 02/2025/KDTM-ST dated March 03, 2025, the People's Court of La Gi Town, Binh Thuan Province, ruled that Bao Thu Industrial Investment and Development Joint Stock Company is responsible for returning a total amount of VND 32,500,000,000 (Thirty-two billion Vietnamese Dong) to Lam Dong Pharmaceutical Joint Stock Company (Ladophar). In addition, Lam Dong Pharmaceutical Joint Stock Company (Ladophar) is also in the process of reporting the crime of fraudulent appropriation of property for the remaining contract with Bao Thu Industrial Investment and Development Joint Stock Company in order to quickly recover the invested amount.

IV. Assessment of the Board of Directors on the operation of the Company

1. Assessment by the Board of Directors on the operation of the Company, including assessments related to environmental and social responsibilities

The year 2024 witnessed a volatile global economic landscape with strong price fluctuations and natural disasters affecting many regions. However, thanks to timely guidance, Vietnam's agriculture, forestry, and fishery sectors still maintained positive growth momentum. The Vietnamese economy recorded an impressive recovery, with GDP growth estimated at 7.09%, far exceeding the set target. In particular, Lam Dong province has made remarkable progress in the field of digital economy, contributing more than 8% to GRDP, leading the Central Highlands region and ranking 21st nationwide.

Benefiting from the overall growth of the Vietnamese economy and Lam Dong province, the Company achieved a net revenue value of VND 217.96 billion in 2024, equivalent to 79.24% compared to the plan approved by the 2024 Annual General Meeting of Shareholders. Notably, revenue in 2024 increased by 17.18% compared to 2023, equivalent to an increase of VND 32 billion, mainly due to the strong growth of manufacturing revenue with an increase of 32%, equivalent to VND 31.8 billion. Meanwhile, revenue from commercial activities did not change significantly.

The business results for 2024 of the Company are as follows:

Unit: million VND

Indicator - Consolidated	Result in 2023	Result in 2024	Plan for 2024	% Result/ Plan for 2024
Net revenue	186,001	217,958	275,072	79.24%
Profit before tax	-20,105	6,919	3,000	230.63%

Regarding production activities:

The Company always prioritizes the quality of input materials, evidenced by owning Atiso and medicinal herb cultivation areas that meet GACP-WHO standards. Not stopping there, the Company also continuously expands these cultivation areas to meet strict international standards, aiming for export. Currently, Ladophar operates two manufacturing plants that simultaneously achieve GMP-WHO and HACCP certifications, and especially, from December 20, 2024, both plants have been granted Halal certification, affirming their commitment to product quality for both domestic and international markets. In 2024, Ladophar introduced the functional food product Lado Revive to the market, specially designed to support liver detoxification for people who regularly use alcohol and beer. At the same time, the company continues to promote research and development of new products, meeting the diverse health care needs of consumers, as well as improving product packaging designs and modernizing management tools by implementing ERP software into management operations.

Regarding the selection of an audit firm for the 2024 financial statements:

The Board of Directors unanimously decided to select A&C Auditing and Consulting Co., Ltd.

as the unit to provide consulting and auditing services for the 2024 semi-annual reviewed financial statements and the 2024 audited financial statements.

Regarding environmental and social responsibility:

The Board of Directors always determines that the company's sustainable development must go hand in hand with the general development of the community and society. Therefore, Ladophar always aims for green production, being environmentally friendly, and commits to strictly complying with legal regulations on environmental protection in all activities.

In addition, Ladophar also continuously fulfills its corporate social responsibilities. In 2024, the Company promptly supported people in the Northern region affected by storm No. 3 (Yagi) by sending 1,500 bags of "loving" medicine and donating 04 breeding buffaloes to households in Yen Bai province. All employees of the Company also joined hands to contribute at least one day's salary to help people in the Northern region overcome the consequences of the storm. In addition, on holidays, Ladophar regularly coordinates with the grassroots Trade Union and the superior Trade Union to give meaningful gifts to employees facing difficulties in the Company, demonstrating the Company's care and sharing for the community and its employees.

2. Assessment of the Board of Directors on the activities of the Company's Board of Management

In 2024, the Board of Directors closely and promptly directed, supervised, and monitored the management and administration activities of the Board of Management. The Board of Directors proactively resolved arising issues within its authority, ensuring the management process took place effectively.

The Board of Directors maintains regular and unscheduled meetings with the General Director through various flexible forms such as face-to-face meetings or using online means and email. The purpose of these meetings is for the Board of Directors and the General Director to discuss the implementation of the production and business plan of the Company, as well as the progress of implementing the Resolutions approved by the General Meeting of Shareholders and the Board of Directors itself. At the end of the discussions, the Board of Directors will issue official Resolutions, which serve as the legal basis and orientation for the Board of Management to implement and carry out specific operating activities of the company. More specifically, the Board of Directors has supervised the following activities:

a. Supervision of production, business, investment, and financial management operation:

The Board of Directors has regularly urged and supervised the management and administration of the Board of Management in production, business, investment, and financial management; specifically:

- The Board of Directors has closely supervised the Board of Management in operating business activities in accordance with the plan approved by the General Meeting of Shareholders. The Board of Directors pays special attention to ensuring that the Company's operating orientation is in line with the trend of integration and the development of digital technology in the current context of the country;

- The Board of Directors has supervised and directed the Board of Management in applying scientific and technological advances and advanced technology to production activities. The goal is to optimize costs and the use of resources, while comprehensively improving work efficiency. In addition, the Board of Directors also requires the Board of Management to regularly review and improve existing production processes, ensuring that product quality is always at the highest level. Strict compliance with the Good Manufacturing Practices standards recommended by the World Health Organization (GMP-WHO) at manufacturing plants, compliance with GPs standards (including 5 good practice standards in the pharmaceutical industry) and ISO 22000:2018 standards throughout the production, testing and storage of products is also specifically supervised by the Board of Directors. Comprehensive quality control, from input materials to finished products, including the storage of raw materials and semi-finished products, finished products after production, is always closely monitored by the Board of Directors to ensure that all products of the company meet the highest quality standards;
- The Board of Directors has oriented the General Director in expanding and developing markets both domestically and internationally, with a special focus on markets with high growth potential. At the same time, the Board of Directors also directed the General Director to promote marketing and brand promotion strategies effectively, in order to enhance the level of Ladophar brand recognition in the market, build reputation and strengthen competitive advantages.

b. Other activities:

- Supervise the General Director in organizing the Annual General Meeting of Shareholders in 2024 on April 10, 2022, the General Director has implemented and thoroughly carried out the contents of organizing the General Meeting of Shareholders in accordance with the prescribed time, the General Meeting of Shareholders was successfully held in the first organization;
- Review the organizational structure, evaluating personnel work and the management apparatus, evaluate and dismiss/appoint management titles under the authority of the Board of Directors to strengthen control and management, ensure sufficient human resources to meet the needs of expanding the Company's production and business activities;
- Closely monitor internal control to improve efficiency and compliance in all activities of the Company;
- Always pay attention to training and developing human resources, build a team of professional and enthusiastic employees; implement training programs, improve skills and knowledge for employees;
- Create a professional working environment to attract qualified and experienced resources;
- Fully and promptly implement policies and regimes for employees such as: salary, allowances, benefits, Social insurance...;

- Ensure the implementation of requirements on Occupational Safety and Health, Fire Prevention and Fighting at the enterprise; at the same time, paying attention to environmental protection, applying green and sustainable production measures;
- Promulgate the Regulations on Information Disclosure on the Vietnam Stock Market of the Company, clearly stipulating the coordination between affiliated units, departments, individuals of the Company and other parties in fulfilling the obligation to disclose information in accordance with the provisions of Law;
- In addition, at the 2024 Annual General Meeting of Shareholders held on April 10, 2024, the General Meeting of Shareholders approved the dismissal and additional election of members of the Board of Directors.

With the positive results in revenue and profit that the Company achieved in 2024, the Board of Directors highly appreciates the management of the General Director; the Company's activities are carried out by the General Director in accordance with the provisions of current Law, in accordance with the Charter and internal regulations and rules of the Company, closely following the contents of the Resolution of the General Meeting of Shareholders and of the Board of Directors in the process of operation, at the same time, the General Director also pays great attention to financial management, reasonable use of expenses, and effective use of capital in production, business, investment, and other activities.

3. Plans and orientations of the Board of Directors

According to the United Nations' 2025 World Economic Situation and Prospects report, although inflation is trending down, the labor market is improving, and monetary policy is easing, the global economic growth rate is expected to remain lower than in the pre-pandemic period. The report also points out that the global economy will continue to face many significant uncertainties. However, the United Nations also forecasts a slight recovery, with global economic growth expected to reach 2.9% in 2026.

a. Regarding operating activities:

- Promote the signing of exclusive distribution contracts for Ladophar's products with partners in South Korea, Mongolia, Poland, ..., and develop new customers in the Northern, Central, and Western markets; continue to seek potential partners in other developed countries to negotiate the exclusive distribution of Ladophar's products; promote manufactured goods, especially high-end functional food groups, to generate high gross profits.
- Continue to maintain and develop e-commerce channels on all platforms such as Shopee, Lazanda, Tiktok shop, ... Partner with strong entities in online sales, such as APG Eco, to increase brand and product recognition of LDP among consumers. Collaborate with KOLs and KOCs to widely distribute products and increase user reach as quickly as possible.
- Promote the ETC market in provinces, focusing on manufactured goods, by increasing drug registration numbers, promoting research on drug products to expand the catalog, and creating conditions for the bidding channel to bid/authorize bidding for partners.

- Focus on customer groups that are pharmacy chains and high-end functional food chains to boost profits and increase products in the high-end segment.
- Maintain and develop the Company's existing sales channels, while leveraging existing product certifications, along with the Halal certification according to GSO 2055-1:2015 that the Company has just obtained, to promote research and expand export sales markets, especially potential markets in Islamic countries.
- Continue to carry out product promotion activities through participation in OCOP product programs, fairs, exhibitions, and high-level conferences.
- Continue to closely monitor the operations of the showroom and pharmacies under the Company's branches to ensure required sales.
- Invest in developing sales services associated with tourism.

b. Regarding operating activities production:

- Maintain and further invest in clean medicinal herb cultivation areas and medicinal herb cultivation areas that meet international GACP-WHO standards to ensure the quality of input materials, meet the strict standards of the international market, and be eligible for export to demanding countries in Europe and the Americas; at the same time, increase bidding products in Group 1 that have a high competitive advantage.
- Upgrade and expand production lines and apply modern processes and techniques to minimize operating costs and promote goods output.
- Seek partners who need the Company to process products, making the most of the capacity of existing machinery and equipment.
- Regularly review and improve product formulas.
- Launch new product lines to meet the diversity of goods on the market, such as Nourishing Tea, Artichoke Plus Tea, Lado Prospan Cough Medicine, Soursop Leaf Tea, Lado Tonic Blood Tonic, Lado Berberin product to support the treatment of colitis, and liquid product lines specializing in the sedative and mind-nourishing group.

c. Regarding management and operation activities:

- Actively recover receivables and bad debts.
- Continue to reduce and use costs reasonably in management, operation, and business operations.
- Effectively implement the KPI policy to create motivation for the entire Company to develop.
- Consolidate and complete the system of documents, regulations, rules, procedures, ..., to ensure the principle of smooth and flexible coordination.
- Facilitate employees to participate in skills training courses and professional development to serve the work;

- Timely assess to equip assets, tools, and instruments, as well as recruit personnel appropriately in terms of quantity and standards to best serve the Company's operations;
- According to the share offering plans approved by the 2024 Annual General Meeting of Shareholders, the Company has submitted documents to the State Securities Commission to carry out procedures for issuing shares under the employee stock ownership plan (ESOP); at the same time, the Company is also in the process of preparing documents and procedures for offering private placement shares to professional securities investors.

The Company sets targets for the business plan for 2025 as follows:

- Consolidated revenue: VND 354,932,000,000.
- Consolidated profit before tax: VND 7,000,000,000.

V. Corporate governance

1. Board of Directors

a. Structure of the Board of Directors

As of December 31, 2024

No.	Name	Position	Number of shares owned	Ownership percentage	Date of dismissal
1	Pham Trung Kien	Chairman of the Board (concurrently Legal Representative, Representative of 100% of Louis Holdings Joint Stock Company's capital at LDP from January 19, 2024)	0	0%	
2	Le Tien Thinh	Member of Board of Directors (concurrently General Director, Legal Representative and Person authorized to disclose information)	0	0%	
3	Le Xuan Thanh	Independent member of Board of Directors	0	0%	
4	Dang Thuy Linh	Non-executive members of the Board of Directors	0	0%	
5	Nguyen Thi Hong Giang	Non-executive members of the Board of Directors	0	0%	
6	Nguyen Ho Hung	Non-executive members of the Board of Directors	0	0%	April 10, 2024
7	Vo Qui Lam	Non-executive members of the Board of Directors	0	0%	April 10, 2024

b. Profiles of Members of the Board of Directors: (as of December 31, 2024)

1. Mr. Pham Trung Kien - Chairman of the Board of Directors

- ♦ **Nationality:** Vietnam
- ♦ **Qualification:** Master of Business Administration.
- ♦ **Working experience:**

2000 - 2002	Project management specialist in agriculture and environment - French Embassy in Hanoi.
2002 to present	Senior project management specialist in agriculture and rural development infrastructure – French Development Agency in

	Vietnam.
2021 - 2022	Chairman of the Board of Directors - Lam Dong Pharmaceutical Joint Stock Company (Ladophar).
2022 to present	Chairman cum legal representative of DK PCF International Trading Joint Stock Company

♦ **Current Position at the Company:** Chairman of the Board of Directors.

♦ **Current Position at other organizations:**

Chairman of the Board of Directors cum Legal Representative of Louis Holdings JSC.

Chairman cum legal representative of DK PCF International Trading Joint Stock Company.

♦ **Number of shares owned/represented:**

Representative: Louis Holding JSC: 6,480,725 shares, accounting for 51.02% of charter capital.

2. Mr. Le Tien Thinh – Members of Board of Directors cum General Director

♦ **Nationality:** Vietnam

♦ **Qualification:** Bachelor of Business Administration

♦ **Working experience:**

2009 - 2012	Director of HISN Company – HIPT Group.
2012 - 2017	Founder, Director – East Gate JSC.
2014 - 2023	Co-Founder, Sales Director, Member of Board of Directors – DMSpro JSC.
2022-06 to present	Member of Board of Directors – Louis Holdings JSC.
2022-06 – 2022-12	Member of Board of Directors – An Giang Import Export Corporation (AGM).
2022-12 to present	Chairman of the Board of Directors– An Giang Import Export Corporation (AGM).
2023 to present	Member of Board of Directors (concurrently General Director and Legal Representative) of Lam Dong Pharmaceutical JSC.
2022-06 to present	Member of Board of Directors of Angimex Food Co., Ltd.
2022-06 to present	Member of Board of Directors of Angimex Food Processing Co., Ltd.
2022-06 to present	Member of Board of Directors of Angimex High-Tech Agricultural Service Co., Ltd.

♦ **Current position at the Company:** Member of Board of Directors (cum General Director and Legal Representative).

♦ **Positions held at other organizations:**

Chairman of the Board – An Giang Import Export Corporation (AGM)

Member of Board of Directors – Louis Holdings Corporation

Member of Board of Directors of Angimex Foodstuff Co., Ltd.

Member of Board of Directors of Angimex Foodstuff Processing Co., Ltd.

Member of Board of Directors of Angimex Hi-Tech Agricultural Service Co., Ltd.

- ◆ **Number of shares owned/represented:** 0 shares, accounting for 0.00% of charter capital.

3. Mr. Le Xuan Thanh - Independent Member of Board of Directorss

- ◆ **Nationality:** Vietnam
- ◆ **Qualification:** Master of Economic Management.
- ◆ **Working experience:**

2001 – 2006	Lecturer at Hai Duong University.
2006 – 2013	Head of Corporate Customer Department – Vietcombank Hai Duong Industrial Park.
2013 – 2018	Retail Area Director - Techcombank.
2018 to present	Deputy Director of MB Bank's Corporate Customer Division.
2023-12 to present	Independent Member of Board of Directors of Lam Dong Pharmaceutical Joint Stock Company (Ladophar).
2024-06-07 to present	Head of Internal Control Department of Lam Dong Pharmaceutical Joint Stock Company (Ladophar).

- ◆ **Current Position at the Company:** Independent Member of Board of Directors cum Head of Internal Control Committee.
- ◆ **Current Position at other organizations:**
Deputy Director of Individual Customer Segment for MB Bank Block.

- ◆ **Number of shares owned/represented:** None

4. Ms. Dang Thuy Linh – Non-executive members of the Board of Directors:

- ◆ **Nationality:** Vietnam
- ◆ **Qualification:** Master of Business Administration.
- ◆ **Working experience:**

1995 – 1996	Student at Mittel Schule Groeditz, Germany (Germany).
1996 – 1997	Student at Maida Vale School London (England).
1998 – 1999	Student at German School in Paris (France).
1999 - 2000	Students of Grossenhainer Gymnasium (Germany).
2000 – 2005	Student at Fashion School of Luxury and Design, Paris (France).
2006 – 2008	Director of Wittmode Germany (Germany).
2009 – 2014	Director of Manh Minh Garment Embroidery and Import-Export Jsc (Vietnam).

2014 – 2012	Director of Book A Bee Jsc (Vietnam).
2021	MBA Harvard.
2021 – 2024	Chairman of the Board of Directors of APG ECO Joint Stock Company Chairman of the Board of Directors of Vietnam Oil and Gas Building and Installation Joint Stock Company (PVCLAND).
2024	General Director of Eco Inc. Joint Stock Company.
2024-04 to present	Chairman of the Board of Directors of APG Eco Jsc
2024-04 to present	Chairman of the Board of Directors of Vietnam Oil and Gas Building Installation Real Estate Joint Stock Company (PVC LAND)
2024-04-10 to present	Non-executive members of the Board of Directors of Lam Dong Pharmaceutical Joint Stock Company (Ladophar)

♦ **Current Position at the Company:** Non-executive members of the Board of Directors.

♦ **Current Position at other organizations:**

Chairman of the Board of Directors of APG Eco JSC

Chairman of the Board of Directors of Vietnam Petroleum Construction Real Estate Corporation (PVC LAND)

♦ **Number of shares owned/represented:** None

5. Ms. Nguyen Thi Hong Giang – Non-executive members of the Board of Directors:

♦ **Nationality:** Vietnam

♦ **Qualification:** Bachelor of Foreign Languages.

♦ **Career history:**

2021 – 2023	Assistant to the Chairman of the Board of Directors of APG ECO Jsc.
2022 – 2024	Secretary of the Board of Directors cum Assistant to the Chairman of the Board of Directors of Petro Viet Nam Construction Land Corporation.
2024-04 to present	Non-executive members of the Board of Directors (Ladophar).
2024-04	Assistant to the Chairman of the Board of Directors of APG Eco Jsc
2024-04	Secretary of the Board of Directors cum Assistant to the Chairman of the Board of Directors of Vietnam Real Estate Construction and Installation Joint Stock Company (PVCLAND)
2024-04-10 to present	Non-executive members of the Board of Directors of Lam Dong Pharmaceutical Joint Stock Company (Ladophar)

- ◆ **Current Position at the Company:** Non-executive members of the Board of Directors.
- ◆ **Current Position at other organizations:** None.
- ◆ **Number of shares owned/represented:** None.

c. Changes in the Board of Directors

No.	Name	Title	Date of appointment	Date of resignation/dismissal
1	Dang Thuy Linh	Non-executive members of the Board of Directors	April 10, 2024	
2	Nguyen Thi Hong Giang	Non-executive members of the Board of Directors	April 10, 2024	
3	Nguyen Ho Hung	Non-executive members of the Board of Directors	December 20, 2023	April 10, 2024
4	Vo Qui Lam	Non-executive members of the Board of Directors	December 20, 2023	April 10, 2024

d. Subcommittees of the Board of Directors:

The Board of Directors has not established specialized subcommittees but operates through the Company's functional departments, assigning personnel to be in charge of specific issues to support the activities of the Board of Directors and the General Director.

e. Activities of the Board of Directors:

Assessment of the operation of the Board of Directors in 2024

In 2024, the Board of Directors and the Board of Management closely monitored business operations, ensuring that activities were carried out in accordance with the plan approved by the 2024 Annual General Meeting of Shareholders. Thanks to the efforts of all Company employees, the Company has returned to profitability after two years of accumulated losses.

During the implementation process, the Board of Directors supervised, inspected, and urged implementation. The members of Board of Directorss actively participated in providing opinions on business plans proposed by the General Director in the Board of Directors meetings.

Supervisory activities of the Board of Directors towards the Board of Management

Based on the Charter and internal regulations of the Company, the Board of Directors has regularly and promptly supervised and directed the activities of the Board of Management in operating business production and implementing the Resolutions of the General Meeting of Shareholders and the Board of Directors in 2024.

The Board of Directors always closely monitors the activities of the Board of Management, promptly resolving issues within its authority to create favorable conditions for the Board of

Management and management staff in the process of operating the Company's activities, ensuring that the Board of Management always adheres to the Resolutions and Decisions of the General Meeting of Shareholders and the Board of Directors, in accordance with the Company's development orientation.

f. Number of meetings:

No.	Name	Number of meetings attended by Board of Directors	Percentage of meeting attendance	Reasons for absence
1	Pham Trung Kien	14/14	100%	
2	Le Tien Thinh	14/14	100%	
3	Le Xuan Thanh	14/14	100%	
4	Dang Thuy Linh	7/14	50%	Appointed from April 10, 2024
5	Nguyen Thi Hong Giang	7/14 (Including 1/7 meeting authorized to Mr. Nguyen Ho Hung to attend)	50%	Appointed from April 10, 2024
6	Nguyen Ho Hung	7/14	50%	Dismissed from April 10, 2024
7	Võ Quý Lâm	07/14	50%	Dismissal from Date April 10, 2024

g. Content and results of the meetings:

In 2024, the Board of Directors held 14 Board of Directors meetings, issued 25 Resolutions/Decisions, and most of them have been implemented. Specific contents of the meetings and Resolutions issued are as follows:

No.	Resolution/Decision No.	Date	Content	Percentage
1	01/NQ-HĐQT/2024	January 18, 2024	Resolution on organizing the 2024 Annual General Meeting of Shareholders.	100%
2	02/NQ-HĐQT/2024	February 05, 2024	Resolution on approving the employment contract of the General Director.	100%
3	03/NQ-HĐQT/2024	February 23, 2024	Resolution on determining the time and venue for the 2024 Annual General Meeting of Shareholders.	100%
4	04/NQ-HĐQT/2024	February 23, 2024	Resolution on approving documents for the 2024 Annual General Meeting of Shareholders.	100%

No.	Resolution/Decision No.	Date	Content	Percentage
5	05/NQ-HĐQT/2024	February 23, 2024	Resolution on approving contracts and transactions between the Company and related parties for the year 2024.	100%
6	06/NQ-HĐQT/2024	February 29, 2024	Resolution on continuing the temporary suspension of operations of the Western Branch of Lam Dong Pharmaceutical Joint Stock Company (Ladophar).	100%
7	07/NQ-HĐQT/2024	March 05, 2024	Resolution on approving the Regulation on Information Disclosure of Lam Dong Pharmaceutical Joint Stock Company (Ladophar).	100%
8	08/NQ-HĐQT/2024	March 19, 2024	Resolution on updating, revising, and supplementing documents for the 2024 Annual General Meeting of Shareholders (First Revision).	100%
9	09/NQ-HĐQT/2024	April 06, 2024	Resolution on updating, revising, and supplementing documents for the 2024 Annual General Meeting of Shareholders (Second Revision).	100%
10	10/NQ-HĐQT/2024	April 10, 2024	Resolution on revising and supplementing documents for the 2024 Annual General Meeting of Shareholders based on the recommendations of the major shareholder, APG Securities Joint Stock Company.	100%
11	11/NQ-HĐQT/2024	May 10, 2024	Resolution on selecting the auditing company for the fiscal year 2024.	100%
12	12/NQ-HĐQT/2024	May 15, 2024	Resolution on approving, assigning tasks, and determining the income level for the full-time Chairman of the Board of Directors.	100%
13	13/NQ-HĐQT/2024	June 07, 2024	Resolution on dismissing and appointing the Head of the Internal Audit Committee.	100%
14	14/NQ-HĐQT/2024	June 07, 2024	Resolution on approving the loan needs for 2024-2025 at BIDV - North An Giang Branch.	100%
15	15/NQ-HĐQT/2024	June 13, 2024	Resolution on approving the regulations and related contents for issuing shares under the Employee Stock Ownership Plan (ESOP).	100%
16	16/NQ-HĐQT/2024	June 13, 2024	Resolution on implementing the plan to issue shares under the Employee Stock Ownership Plan (ESOP).	100%

No.	Resolution/Decision No.	Date	Content	Percentage
17	17/NQ-HĐQT/2024	July 12, 2024	Resolution on approving the plan to resume operations of the Northern Branch of Lam Dong Pharmaceutical Joint Stock Company (Ladophar).	60%
18	18/NQ-HĐQT/2024	July 12, 2024	Resolution on approving the plan to resume operations of the Western Branch of Lam Dong Pharmaceutical Joint Stock Company (Ladophar).	60%
19	19/NQ-HĐQT/2024	December 12, 2024	Resolution on approving the capital needs plan for 2024-2025 at Ho Chi Minh City Development Joint Stock Commercial Bank.	100%
20	20/NQ-HĐQT/2024	December 12, 2024	Resolution on approving the medium-term loan plan at BIDV - North An Giang Branch.	100%
21	21/NQ-HĐQT/2024	December 12, 2024	Resolution on approving contracts and transactions between the Company and related parties under the authority of the Board of Directors for the year 2025.	100%
22	01/QĐ-HĐQT/2024	February 27, 2024	Decision on convening the 2024 Annual General Meeting of Shareholders.	
23	02/QĐ-HĐQT/2023	March 05, 2024	Decision on issuing the Regulation on Information Disclosure of Lam Dong Pharmaceutical Joint Stock Company (Ladophar).	
24	05/QĐ-CT.HĐQT/2024	July 16, 2024	Decision on changing the office location of the Western Branch.	
25	07/QĐ-CT.HĐQT/2024	July 16, 2024	Decision on changing the registered office location of the Western Branch and Northern Branch.	

h. Activities of Independent members of the Board of Directors:

The number of independent members of the Board of Directors of Lam Dong Pharmaceutical Joint Stock Company (Ladophar) is 01 (one) out of 05 (five) Member of Board of Directors.

In 2024, Mr. Le Xuan Thanh continued to hold the position of Independent members of the Board of Directors with the responsibility of supervising, providing feedback, and ensuring transparency in the Company's operations.

Independent members of the Board of Directors at the Company operate in compliance with the Law on Enterprises of 2020, current regulations of the State, and the Company's Charter.

Independent members of the Board of Directors supervise and evaluate the Company's operations through the activities of the Board of Directors, the Board of Management, financial statements, management reports, accounting books, recommendations of inspectors, internal auditors, supervise the process of rectifying recommendations, and inspect some relevant documents.

The operational content of Independent members of the Board of Directors in 2024 includes:

- Independent members of the Board of Directors attended fully and actively in the Board of Directors meetings, contributing critical opinions to improve management efficiency.
- Closely monitor the management and operation of the Board of Management, ensuring compliance with legal regulations and the company's business strategy.
- Evaluate and inspect the transparency and legality of business, financial, management reports, and related documents.
- Monitor the development and amendment of internal regulations and rules to ensure efficiency in business operations.

i. Training courses on corporate governance:

Training courses on corporate governance were involved by members of Board of Directors, the Board of Supervisors, Director (General Director), other managers and secretaries in accordance with regulations on corporate governance: None.

2. Board of Supervisors

a. Structure of the Board of Supervisors

As of December 31, 2024

No.	Member	Position	Number of shares owned	Ownership percentage	Date of appointment	Date of dismissal
1	Dao Thi Nga	Head of the Board	0	0,00%	December 20, 2023	-
2	Vo Kim Nguyen	Member	0	0,00%	December 20, 2023	-
3	Nguyen Thi Quynh Nga	Member	0	0,00%	December 20, 2023	-

b. Profiles of Members of the Board of Supervisors: (as of December 31, 2024)

1. Ms. Dao Thi Nga - Head of the Board of Supervisors

Nationality: Vietnam

Qualification: Bachelor of Laws

Current Position at the company: Head of the Board of Supervisors

Career history:

- 2023-08 to present: Head of Internal Audit Department - APG Securities Corporation
- 2023-12 to present: Head of the Board of Supervisors of Lam Dong Pharmaceutical Joint Stock Company (Ladophar)

Current Position at other organizations: Head of Internal Audit Department - APG Securities Corporation

Number of shares owned/represented: 0 shares, accounting for 0.00% of charter capital

2. Mr. Vo Kim Nguyen - Member of the Board of Supervisors

Nationality: Vietnam

Qualification: Bachelor of Mathematics - Finance

Current Position at the company: Member of the Board of Supervisors

Career history:

- 2017-04 to present: Director of Thien Loi Ceramic Material - Construction Co., Ltd.
- 2017-09 to present: Director of Bidico Titan Industry Co., Ltd.
- 2019-10 to present: Director of Hong Viet Financial Trading Co., Ltd.
- 2014-04 – 2020-10: Head of Department/Director of Investment of Bao Thu Industrial Development and Investment Joint Stock Company
- 2020-10 – 2022-06: Head of Shareholder Relations Department of Louis Holdings Corporation
- 2021-06 – 2021-12: Person in charge of administration of Louis Capital Corporation
- 2022-01 - 2023-04: Person in charge of administration of Lam Dong Pharmaceutical Joint Stock Company (Ladophar)
- 2022-06 to present: Member of Board of Directorss of An Giang Import-Export Joint Stock Company
- 2022-08 – 2023-04: General Director of The Golden Group Joint Stock Company
- 2023-03 to present: Member of Board of Directorss of The Golden Group Joint Stock Company
- 2023-04 to present: Deputy General Director of The Golden Group Corporation
- 2023-12 to present: Member of the Board of Supervisors of Lam Dong Pharmaceutical Joint Stock Company (Ladophar)

Current Position at other organizations:

- Director of Thien Loi Ceramic Material - Construction Co., Ltd.
- Director of Bidico Titan Industry Co., Ltd.
- Director of Hong Viet Financial Trading Co., Ltd.

- Member of Board of Directorss of An Giang Import-Export Joint Stock Company

Number of shares owned/represented: 0 shares, accounting for 0.00% of charter capital

3. Ms. Nguyen Thi Quynh Nga - Member of the Board of Supervisors

Nationality: Vietnam

Qualification: Bachelor

Current Position at the company: Member of the Board of Supervisors

Career history:

- 2004 - 2009: Teacher at Mai Dong Elementary School
- 2009-02 – 2012-06: Staff of HR Department of Truc Bach Investment Joint Stock Company
- 2012-08 – 2020: Staff of HR Department of APG Securities Corporation
- 2020 – 2022-04: Staff of HR Department of Pharmacy 360 International Trading Co., Ltd.
- 2022-04 to present: Staff of General Department of APG Securities Corporation
- 2022-11-01 to present: In charge of Company Administration cum Secretary of the Board of Directors of APG Securities Corporation
- 2023-12 to present: Member of the Board of Supervisors of Lam Dong Pharmaceutical Joint Stock Company (Ladophar)

Current Position at other organizations:

- Staff of General Department of APG Securities Corporation
- In charge of Company Administration cum Secretary of the Board of Directors of APG Securities Corporation

Number of shares owned/represented: 0 shares, accounting for 0.00% of the charter capital

c. Activities of the Board of Supervisors:

Assessment of the operation of the Board of Supervisors in 2024:

Based on the powers and duties stipulated in the Company's Charter, the Board of Supervisors has proactively carried out the following tasks:

- Supervising and inspecting the compliance with the provisions of the Law on Enterprises, the Charter and internal regulations of the Company in the entire operation of the Company;
- Representatives of the Board of Supervisors fully attended the meetings of the Board of Directors and gave opinions on related issues so that the Board of Directors had information to make decisions;
- Supervising the implementation of the Resolution of the 2024 Annual General Meeting of Shareholders and the implementation of the Resolutions of the Board of Directors;

- Participating in contributing opinions to improve regulations, rules and management processes to improve operational efficiency in the Company;
- Checking the annual, semi-annual, quarterly financial statements and reports on the Company's business situation; Auditing the Company's financial statements according to Vietnamese accounting standards and system and audited by A&C Auditing and Consulting Co., Ltd.;

Through the implementation of tasks, the Board of Supervisors has made proposals and recommendations to the Board of Directors and the Board of Management to strengthen governance, improve the internal control system, and meet the strategic requirements and short and long-term business plans of the Company. The proposals and recommendations of the Board of Supervisors are directed and implemented by the Board of Directors, General Director.

Supervisory activities of the Board of Supervisors towards the Board of Directors, the Board of Management and shareholders:

In 2024, the Board of Directors actively implemented many contents under the authority of the Board of Directors. The Board of Directors holds quarterly meetings to update on business operations and promptly direct operational directions in 2024. The contents of the Board of Directors' meetings are fully reflected in the Board of Directors' Resolutions and assigned to the General Director for implementation.

The General Director is assigned to implement tasks according to the Company's Charter, Resolutions and Decisions of the Board of Directors; assign and direct Deputy General Directors, Heads of Branches/Departments/Affiliated Units to specifically implement the contents of the Resolutions, Decisions of the Board of Directors and report the implementation results to the Board of Directors.

Some recommendations of the Board of Supervisors:

- **Regarding strategy:** The Company needs to develop a prudent and clear business strategy in the short and medium term to have appropriate implementation plans in the current difficult situation, to ensure sustainable growth for the company.
- **Regarding business operations:** The Board of Directors and the Board of Management need to maintain the best current growth, conduct reviews and evaluate the effectiveness of sales activities and business networks at home and abroad to make adjustments appropriate to the current business situation. Improve the efficiency of coordination in handling work between departments/divisions, especially in forecasting and coordinating goods between the business, supply and production departments, to maximize the role, responsibilities and functions of each Department/Division, increasing operational efficiency.
- **Regarding marketing activities:** The Company needs to further enhance Ladophar's reputation and brand name. Focus on developing suitable marketing plans/campaigns for each product line/product to improve business performance.
- **Regarding personnel:** It is necessary to strengthen personnel training to improve professional capacity to meet the Company's business development needs in the coming time. Build a personnel structure suitable for the Company's development. In order to ensure

operational work and avoid the risk of information interruption, it is recommended that the Board of Directors add a Secretary of the Board of Directors to support the implementation of corporate governance work to ensure the operation, management, preparation, submission and disclosure of periodic/irregular information in accordance with the law and regulations of management agencies. Adding personnel to the above department is necessary, having at least 2 personnel will avoid risks when there are sudden changes in personnel, and minimize the highest risk when there are disagreements leading to delays in fulfilling obligations to disclose information/submit reports/explanations... to State management agencies. The aim is to avoid administrative violations such as the Company's recent fine when unusual problems arise within the Company.

- **Regarding production and research activities:** Seek more new solutions to improve production processes, apply technology to minimize costs and lower prices while ensuring quality to increase the competitiveness of products on the market.
- **Financial management:** Balance finances and optimize capital sources in accordance with the Company's business activities at each time and business cycle:
 - Evaluate and review receivables, bad debts, and inventory.
 - Allocate capital to potential areas to optimize existing capital sources.
 - The Company needs to review and re-evaluate short-term loans and financial leases; borrowing from bond issuance to ensure safe and effective use of capital, avoiding the state of imbalance of the Company's capital sources.
 - The Company needs to rebuild its pricing strategy, suitable for each market segment in order to promote and expand more market segments, in addition, the company needs to re-control operating costs to minimize costs and optimize profits.
- **Product and service quality:** Further improve the quality of the Company's products and services.
- **Forecasting work: Strengthen** forecasting work to limit risks in business activities from internal and external impacts of the Company.
- **Regarding management tools:** It is necessary to review and adjust current internal management documents in a concise and effective manner. Build additional documents (if necessary) to improve management and administration efficiency.

The coordination among the Board of Supervisors regarding the activities of the Board of Directors, Board of Management and other managers:

The members of the Board of Supervisors has an independent relationship with the Board of Directors and the Board of Management to perform the supervisory function of the Board of Supervisors as prescribed. However, there is always close coordination between the Board of Supervisors and the Board of Directors and the Board of Management, specifically as follows:

- The Board of Directors has promptly updated the Board of Supervisors on the implementation of the General Meeting of Shareholders' Resolution, the Board of Management in general and the Board of Management in particular regularly update the

implementation of Resolutions of the Board of Directors during the year for the Board of Supervisors to grasp information to develop plans and implement appropriate control activities.

- The Board of Management, management personnel, and functional departments and divisions of the Company have coordinated and facilitated the Board of Supervisors in updating the production and business operations, financial situation, corporate governance situation, and collecting information and documents for inspection and supervision fully, clearly, and promptly upon request.
- Representatives of the Board of Supervisors fully attended the Board of Directors meetings and provided comments on related issues so that the Board of Directors had information for decisions.

Number of Board of Supervisors meetings:

No.	Name	Number of meetings attended	Percentage of meeting attendance	Percentage of approval	Reasons for absence
1	Dao Thi Nga	2/2	100%	100%	-
2	Vo Kim Nguyen	2/2	100%	100%	-
3	Nguyen Thi Quynh Nga	2/2	100%	100%	-

Content and results of the meetings:

The Board of Supervisors held 02 meetings. The specific content of the meetings was issued as follows:

No.	Date	Content
1	March 16, 2024	Approved the Report of the Board of Supervisors of Lam Dong Pharmaceutical Joint Stock in 2023 Company (Ladophar)
2	July 25, 2024	Report on the activities of the Board of Supervisors in the first six months of 2024

3. Transactions, remuneration, and benefits of the Board of Directors, Board of Management, and Board of Supervisors

a. Salaries, bonuses, remuneration, and benefits:

Unit: VND

No.	Member	Position	2023	2024
I	Board of Directors			
1	Pham Trung Kien	Chairman of the Board	212,000,000	622,452,745
2	Le Tien Thinh	Member of the	93,548,387	120,000,000

No.	Member	Position	2023	2024
		Board of Directors		
3	Dang Thuy Linh	Member of the Board of Directors	-	87,000,000
4	Nguyen Thi Hong Giang	Member of the Board of Directors	-	106,500,000
5	Le Xuan Thanh	Independent member of the Board of Directors	3,871,000	154,000,000
6	Dismissed members of the Board of Directors	Formerly member of the Board of Directors	406,580,613	66,000,000
II	Board of Supervisors			
1	Dao Thi Nga	Head of the BoS	3,871,000	120,000,000
2	Vo Kim Nguyen	Member of the Board of Supervisors	1,935,000	60,000,000
3	Nguyen Thi Quynh Nga	Member of the Board of Supervisors	1,935,000	60,000,000
4	Dismissed members of the Board of Supervisors		204,194,000	-
III	Board of Management			
1	Le Tien Thinh	General Director	-	1,750,777,889
2	Ngo Van Trii	Deputy General Director	821,184,000	821,184,000
	Dismissed members of the Board of Management		2,570,494,431	-

b. Related party transaction:

No.	Name of organization/individual	Relationship with the Company	NSH No., date of issue, place of issue	Address of headquarters/contact address	Transaction period with the Company	Resolution/Decision of the General Meeting of Shareholders/Board of Directors (clearly state the date of issuance)	Content, quantity, total transaction value	Notes
I	Organization							
1	Angimex Food Company Limited	Subsidiary 100% owned by AGM – AGM is a related organization of Internal Person	1602131107, September 28, 2020, Department of Planning and Investment of An Giang Province	No. 01 Ngo Gia Tu Street, My Long Ward, Long Xuyen City, An Giang Province	January 24, 2024	Resolution of the Board of Directors No. 05/NQ-HĐQT/2024 dated February 23, 2024 (*)	Sale of regular goods. Total transaction value: 11,218,418 VND (excluding VAT)	Sale of regular goods
					From July 01, 2024 to December 31, 2024	Resolution of the Board of Directors No. 05/NQ-HĐQT/2024 dated February 23, 2024 (*)	Purchase of regular goods. Total transaction value: 564,844,808 VND (after VAT)	Purchase of regular goods
2	APG Securities Joint Stock Company	Major Shareholder; Related organization of Internal Person	63/UBCK-GP, November 15, 2007, State Securities Commission	Floor 5, Grand Building, No. 32 Hoa Ma Street, Hai Ba Trung District, Hanoi	24/05/2024	Resolution of the Board of Directors No. 05/NQ-HĐQT/2024 dated February 23, 2024 (*)	<ul style="list-style-type: none"> - Advance payment for private share offering advisory services: 82,500,000 VND; - Advance payment for advisory services for stock issuance under the employee stock ownership plan (ESOP): 27,500,000 VND; Total transaction value:	As per Advisory Service Contract for Private Share Offering No. 0705-1/2024/HĐTV/L DP-APG dated May 07, 2024; and Advisory Service Contract for ESOP No.

No.	Name of organization/individual	Relationship with the Company	NSH No., date of issue, place of issue	Address of headquarters/contact address	Transaction period with the Company	Resolution/Decision of the General Meeting of Shareholders/Board of Directors (clearly state the date of issuance)	Content, quantity, total transaction value	Notes
							110,000,000 VND	0705-2/2024/HĐTV/L DP-APG dated May 07, 202
3	APG Eco Joint Stock Company	Related organization of Internal Person	2802929978, March 23, 2021, Department of Planning and Investment of Thanh Hoa Province	Lot 1a, Plot 1+4, Sub-area 290, Bai Tom Hamlet, Dien Quang Commune, Ba Thuoc District, Thanh Hoa Province	From April 10, 2024 to December 31, 2024	Resolution of the Board of Directors No. 05/NQ-HĐQT/2024 dated February 23, 2024 (*)	Sale of regular goods. Total transaction value: 4,976,967,122 VND (before VAT)	Sale of regular goods. APG Eco JSC became an affiliated organization from April 10, 2024
4	DK PCF International Trading Joint Stock Company	Related organization of Internal Person	0109760055, October 01, 2021, Department of Planning and Investment of Hanoi	No. 23 B2 3 Dam Trau Area, Bach Dang Ward, Hai Ba Trung District, Hanoi	From 26/11/2024 to December 31, 2024	Resolution of the Board of Directors No. 05/NQ-HĐQT/2024 dated February 23, 2024 (*)	Purchase of regular goods. Total transaction value: 350,220,000 VND (after VAT)	Purchase of regular goods. DK PCF JSC became an affiliated organization from November 26, 2024
II	Individual							
1	Pham Trung	Internal Person	001077000471, May 31,	No. 20 Alley 437, Ngoc	29/02/2024	Resolution of the Board of Directors	Sale of regular goods. Total transaction value: 2,770,789	Sale of regular goods

No.	Name of organization/individual	Relationship with the Company	NSH No., date of issue, place of issue	Address of headquarters/contact address	Transaction period with the Company	Resolution/Decision of the General Meeting of Shareholders/Board of Directors (clearly state the date of issuance)	Content, quantity, total transaction value	Notes
	Kien	(Chairman of the Board of Directors cum Legal Representative, Representative of 100% parent company LHs' capital)	2023, Police Department for Administrative Management of Social Order .	Thuy, Long Bien, Hanoi		No. 05/NQ-HĐQT/2024 dated February 23, 2024 (*)	VND (before VAT)	
2	Nguyen Thi Hong Giang	Internal Person (Non-executive member of the Board of Directors)	03319600409 9, November 07, 2023, Police Department for Administrative Management of Social Order .	No. 1368/29A LVL Hamlet 2, Phuoc Kien, Nha Be, Ho Chi Minh City	26/06/2024	Resolution of the Board of Directors No. 05/NQ-HĐQT/2024 dated February 23, 2024 (*)	Service payment. Total transaction value: 19,500,000 VND (before personal income tax)	As per Advertising Service Contract No. 03/2024/HDDV QC/LDP dated May 23, 2024

c. Securities transactions by internal persons:

None.

d. Evaluation of the implementation of regulations on corporate governance:

Corporate governance compliance is always a top priority for the Company, considering it a key factor for sustainable development. In 2024, the Company made efforts to strictly comply with legal regulations, the Charter and internal regulations, aiming for transparency and efficiency in business operations and protecting the interests of shareholders. However, in addition to the signs of personal violations by some former members of the Board of Directors and the General Director that are under investigation, the Company has recorded some errors in compliance, specifically the delay in reporting the results of AGM share transactions and the failure to fully disclose mandatory information as required by law.

In order to strengthen supervision and improve governance capacity for members of the Board of Directors and the Board of Management, Ladophar is committed to making full and timely information disclosures in accordance with the law. The Company will also hold the General Meeting of Shareholders and pay dividends on time (if any) in the near future. The events that have occurred demonstrate the need to continue strengthening compliance governance and risk management at Ladophar, ensuring absolute compliance with legal regulations and improving business performance in the following years.

VI. Report on sustainable development

1. Report on environmental impacts

1.1. Environmental impacts:

The Company considers sustainable development a top strategic responsibility, demonstrated through its absolute commitment to complying with environmental protection regulations. To ensure this, the Company focuses on equipping all officials and employees with knowledge of environmental law, in parallel with the implementation of an effective environmental management system, including regular monitoring, evaluation, and reporting.

Recognizing the potential for gas emissions from the pharmaceutical production process, which can be harmful to the air and ecosystems, Ladophar has been continuously striving to minimize this impact. The Company proactively applies modern emission treatment technology solutions, conducts periodic monitoring of emission quality, and promotes training activities to raise employees' awareness of environmental protection, gradually realizing the goal of sustainable development.

1.2. Management of raw materials:

Located in Lam Dong, a region famous for its climate and soil that are particularly favorable for the development of medicinal herbs, Ladophar has a huge competitive advantage. Taking advantage of this potential, the company always takes the lead in developing the medicinal herb industry through research, application of science and technology, and production of products from the rich natural raw materials of the locality.

To ensure superior quality, Ladophar applies a closed production process, meeting GMP-WHO and ISO 22000:2005 standards, with strict control from input materials to finished products. In particular, the company has upgraded the GMP pharmaceutical factory into a modern factory specializing in the production of medicinal herbal medicines, meeting strict international standards.

1.3. Energy consumption:

Energy saving is an urgent requirement in the context of climate change and the decline of natural resources, bringing practical benefits both economically and environmentally. Deeply aware of the importance of this issue, the Company has proactively implemented many solutions to optimize energy use throughout its operations. Specific measures include the application of energy-saving equipment, continuous improvement of production processes to minimize energy consumption, and strengthening propaganda to raise awareness of all officials and employees about energy saving.

The efforts and effective measures in energy saving not only help Ladophar significantly reduce production costs, but also make an important contribution to limiting CO2 emissions into the environment, demonstrating the company's responsibility to the community and the ecosystem. As a result, Ladophar is gradually building the image of a sustainable development enterprise. The Company is committed to continuing to research and apply more advanced energy-saving solutions, steadfastly pursuing the goal of green development and contributing to protecting a better future for future generations.

1.4. Water consumption:

Water plays a key role in all production and business activities, especially in the pharmaceutical industry, where it determines the smooth operation of production processes. Clearly aware of the importance of using water reasonably, the Company always prioritizes solutions to save and improve the efficiency of using this precious resource. Effective water management and use not only brings positive impacts to the environment, but also helps businesses save production costs and enhance their competitiveness in the market.

To realize its commitment to environmental protection and sustainable water use, Ladophar has implemented many specific measures in production and agriculture. The company applies water-saving irrigation methods such as drip irrigation and mist irrigation for medicinal herb cultivation areas, uses self-closing faucets in the production process, and researches and implements wastewater filtration and reuse solutions. In addition, Ladophar also focuses on raising awareness of environmental protection for all employees through propaganda activities. The company is committed to continuing to invest in advanced technologies to further optimize water use, contributing to the sustainable development of the medicinal herb industry and protecting community health.

1.5. Compliance with regulations on environmental protection:

Environmental pollution is one of the biggest global challenges, causing direct negative impacts on human health and the balance of the ecosystem. The main causes of this situation include ineffective waste treatment, excessive exploitation of natural resources, and limited community awareness of environmental protection. Solving the problem of environmental pollution requires the joint efforts of all stakeholders, from governments, businesses to each individual in society.

Ladophar sees itself not only as a pharmaceutical enterprise but also as a responsible member of the community and a companion of nature. With a high sense of responsibility towards the environment, Ladophar is committed to strictly complying with all legal regulations on environmental protection. The Company has established and maintained a strict management system for the treatment of waste, wastewater, emissions, and noise, ensuring that all operations meet the prescribed environmental standards. The full and strict implementation of environmental protection measures not only helps Ladophar maintain clean production operations but also ensures that the Company always complies with the law and contributes to the common effort of protecting the living environment.

2. Report on policy related to employees

As of December 31, 2024, the Company has a total of 245 employees, with an average annual income of VND 15,155,478/person/month. At Ladophar, employees are considered valuable assets, playing a key role in the success and sustainable development of the business. The Company always values each individual, creating a favorable working environment for employees to maximize their abilities and contribute effectively to common goals. To achieve this, Ladophar has implemented a comprehensive human resources policy, focusing on fostering the existing team through in-depth training programs, while implementing a rigorous recruitment process, selecting candidates with the capacity and potential for development that meet the company's needs.

In addition to developing capacity, Ladophar pays special attention to improving the material and spiritual life of employees. The Company provides full periodic insurance benefits and applies a competitive salary and bonus policy to ensure the health and stable income of employees. In human resource management, LDP actively cooperates with professional organizations and applies advanced technology in production to organize diverse training courses, creating opportunities for staff and employees to learn, improve their qualifications, and develop their careers. Furthermore, the company also works closely with the Trade Union and local authorities to support employees when they encounter difficulties in life, while creating conditions for them to participate in recreational activities, helping to balance their spiritual life and maximize work efficiency. With continuous efforts, Ladophar is proud to be an ideal working environment where employees can feel secure in their commitment and develop with the business in 2024 and the following years.

3. Report on responsibility to the local community

As a business operating in the pharmaceutical sector, Ladophar always focuses on contributing to the sustainable development of the community, especially in Lam Dong province, where the company is headquartered. In addition to creating stable job opportunities for local people, Ladophar also actively participates in many community and charitable activities launched by local authorities and organizations. These activities include afforestation programs, contributing to protecting the living environment; fundraising activities to support those in difficult circumstances in the community; meaningful gratitude programs for Vietnamese Heroic Mothers and policy families, expressing deep gratitude to those who have contributed to the country. In particular, Ladophar always cares about the young generation and the future of the locality by awarding scholarships to encourage learning, supporting studious students from difficult circumstances to continue their path of knowledge and realize their dreams.

4. Report on green capital market activities according to the guidance of the SSC

The green capital market has been becoming a mainstream trend in recent financial years, attracting the widespread interest and participation of businesses in various fields. Grasping this trend, the Company is also in the process of actively researching and preparing the necessary conditions to be able to participate in the green capital market in the future. Although currently, Ladophar has not implemented any specific activities related to this field, the Company's Board of Management always proactively monitors and updates the latest information as well as official guidelines from the State Securities Commission. Ladophar is committed to taking the necessary steps proactively and promptly to be able to participate in the green capital market as soon as it receives specific instructions from the state management agency.

VII. Audited Financial Statements for 2024

1. Qualified opinion of Auditors for the Consolidated Financial Statements

In our opinion, except for the effects of the matters described in the "Basis for qualified audit opinion" paragraph, the Consolidated Financial Statements give a true and fair view, in all material respects, of the consolidated financial position as of 31 December 2024 of the Group, its consolidated financial performance and its consolidated cash flows for the fiscal year then ended, in conformity with the Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System and relevant statutory requirements on the preparation and presentation of the Consolidated Financial Statements.

2. Qualified opinion of Auditors for the Financial Statements

In our opinion, except for the effects of the matters described in the "Basis for qualified audit opinion" paragraph, the Financial Statements give a true and fair view, in all material respects, of the financial position as of 31 December 2024 of Lam Dong Pharmaceutical Joint Stock Company (Ladophar), its financial performance and its cash flows for the fiscal year then ended, in conformity with the Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System and relevant statutory requirements on the preparation and presentation of the Financial Statements.

3. Audited Financial Statements for 2024

The full audited consolidated and separate financial statements for the year 2024 of Lam Dong Pharmaceutical Joint Stock Company (Ladophar) have been publicly disclosed in accordance with regulations and are posted on the "Investor Relations" section of LDP's website at: <https://ladophar.com/quan-he-co-dong>

Lam Dong, April 16, 2025

LAM DONG PHARMACEUTICAL JOINT STOCK COMPANY CONFIRMATION OF LEGAL REPRESENTATIVE OF THE COMPANY

(Sign, full name and seal)


PHẠM TRUNG KIÊN