

## **ANNUAL REPORT In 2024**

### **I. General information**

#### **1. General information**

- Trading name: DAPHARCO
- Business registration certificate number: 0400101404
- Charter capital: 153,493,280,000 VND
- Owner's investment capital: 153,493,280,000 VND
- Address: 02 Phan Dinh Phung, Hai Chau District, Da Nang City
- Phone number: (0236) 3822247 - 3810735
- Website: [www.dapharco.com.vn](http://www.dapharco.com.vn)
- Stock code: DDN (UPCoM)

#### **2. Formation and development process**

##### ***- Formation and development process:***

- + Company establishment: Danang Pharmaceutical - Medical Equipment Joint Stock Company, formerly Danang Pharmaceutical Company, was established in early 1984. After Danang City separated its central administrative boundaries, it merged with Quang Nam - Da Nang Pharmaceutical Company (January 01, 1998).
- + Equitization from State-owned enterprise Da Nang Pharmaceutical Company according to Decision 195/2004/QD-UB, dated December 8, 2004 of Da Nang City People's Committee on "approval of the equitization plan to convert Da Nang Pharmaceutical Company into Da Nang Pharmaceutical - Medical Equipment Joint Stock Company", the Joint Stock Company officially operated from April 01, 2005.
- + Registered as a public company under the Securities Law by the end of 2007
- + Listing: UPCI - June 24, 2009

##### ***- Other events:***

- + Issue 2,000,000 shares to increase charter capital from VND 8,000,000,000 to VND 28,000,000,000 by the end of 2007. State Capital Investment Corporation holds 36.43%.
- + Issue 2,040,000 shares to increase charter capital from VND 28,000,000,000 to VND 50,400,000,000 in the third quarter of 2014. State Capital Investment Corporation holds 36.43%.
- + April 2015 Annual General Meeting of Shareholders 2015 and summary of the company's 5 years of operation. At the same time, elect the Board of Directors and Board of Supervisors for the term 2015-2020.

- + November 2015 State Capital Investment Corporation - SCIC (holding 36.43%) divested all capital in the company. Individual investors bought all SCIC shares divested from the company.
- + Issued 3,753,896 shares to increase charter capital from VND 50,400,000,000 to VND 87,938,960,000 - Registered to increase capital in the first quarter of 2017, additional transaction of newly issued shares on March 30, 2017.
- + Issued 1,318,766 shares to increase charter capital from VND 87,938,960,000 to VND 101,126,620,000 - Registered to increase capital in the fourth quarter of 2018, additional transaction of newly issued shares on September 5, 2018.
- + On May 3, 2019, the Annual General Meeting of Shareholders approved the change of the Company's management structure from the Model: General Meeting of Shareholders, Board of Directors, Board of Supervisors, General Director to the Model: General Meeting of Shareholders, Board of Directors, General Director, Internal Audit Board under the Board of Directors (without Board of Supervisors).
- + Issued 2,021,812 shares from 2018 dividends and bonus shares to increase charter capital from VND 101,126,620,000 to VND 121,344,740,000 - Registered to increase capital in the third quarter of 2019, additional transactions of newly issued shares from August 22, 2019.
- + Issued 1,819,841 shares from 2020 dividends, increasing charter capital from VND 121,344,740,000 to VND 139,543,150,000 - Registered to increase capital in the fourth quarter of 2021, additional transaction of newly issued shares from January 19, 2022.
- + Issued 1,395,013 shares from 2021 dividends, increasing charter capital from VND 139,543,150,000 to VND 153,493,280,000 - Registered to increase capital in the fourth quarter of 2022, additional transaction of newly issued shares from August 23, 2022.

### **3. Business lines and business locations**

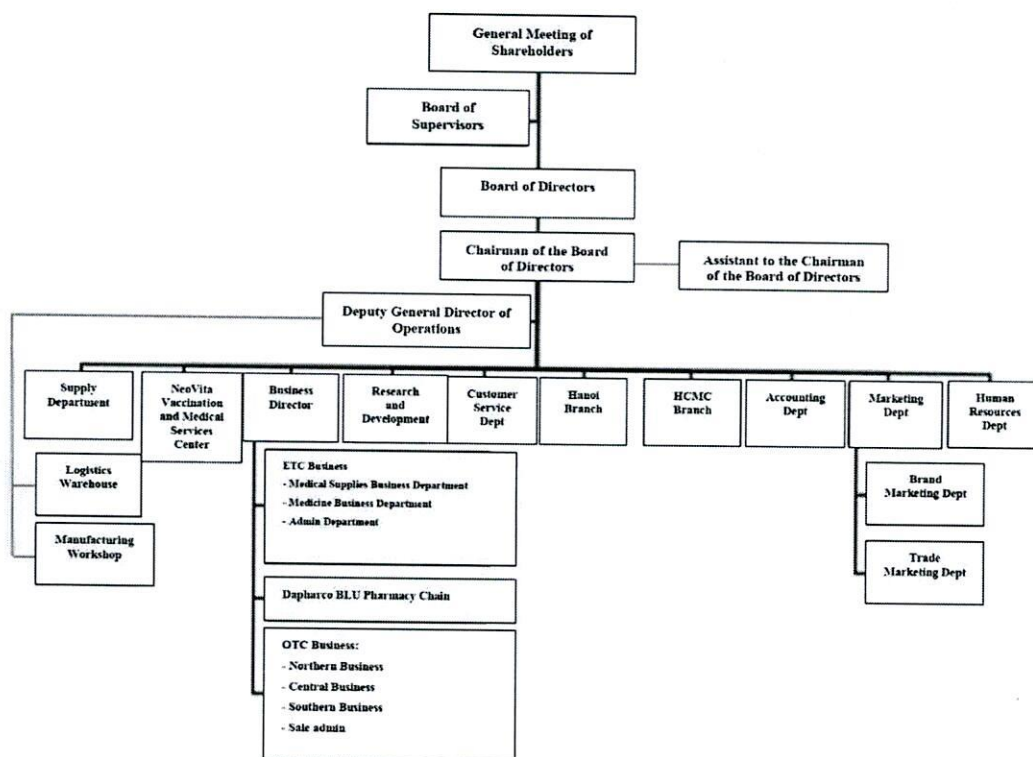
- Main business lines: Trading - import and export of pharmaceuticals, medicinal materials, chemicals, medical equipment - science and technology, nutritional and disease prevention foods, Preventive medicine, Vaccination center.
- Main business locations: Da Nang, Quang Nam, Ho Chi Minh City and Hanoi

### **4. Information on governance model, business organization and management apparatus**

- Governance model: The corporate governance model includes the General Meeting of Shareholders; the Board of Supervisors under the General Meeting of Shareholders; the Board of Directors; and the Board of General Directors.

Management structure:





Subsidiaries, affiliates: None

## 5. Development orientation

- Digital transformation: Continue to invest heavily in information technology infrastructure to promote growth.
- Improve customer experience: Dramatically change customer service, focusing on customers.
- Investing in people: Continue to develop high-quality human resources and train the next generation.
- Invest in products: Persist in the goal of developing and improving product quality.
- Optimize operations: Adjust and eliminate unnecessary procedures to reduce product costs.

## 6. Risks

The world and Vietnamese economies have lower-than-expected growth rates due to declining aggregate demand; inflation has cooled down but remains high; tight monetary policy, geopolitical instability, natural disasters, climate change, etc. are increasing.

With fierce competition from businesses operating in the same industry, along with changes in the Ministry of Health's policy on the drug bidding mechanism for medical examination and treatment facilities, it has been affecting the Company's production and business activities, and revenue - especially revenue from supplying medical examination and treatment facilities and the distribution system - has decreased significantly.

## II. Operational situation during the year

### 1. Production and business performance

- Production and business results during the year:

Net revenue from sales and service provision	: 1,392.7 billion VND
Total profit before tax	: 9.7 billion VND
Basic earnings/share	: 497 VND

- Implementation status compared to plan:

Target	Compared to 2024 plan			Compared to 2023		
	Perform	Plan	Ratio (%)	2024	2023	Ratio (%)
Total revenue (billion VND)	1,392.7	720.0	193%	1,392.7	945.6	47%
Profit before tax (billion VND)	9.7	6.0	162%	9.7	2.2	341%

Profit before corporate income tax in 2024 increased by 341% compared to 2023 thanks to business growth, cash flow optimization and liquidation of unused assets.

## 2. Organization and personnel

- List of Executive Board as of December 31, 2024:

Full name	Position
Mr. Nguyen Trung	Deputy General Director
Mr. Nguyen Ba Hai	Deputy General Director
Ms. Tran Thi Anh Minh	Chief Accountant

- Summary of profile:

### Mr. Nguyen Trung - Deputy General Director

Date of birth: December 28, 1973.

Nationality: Vietnam

Professional qualifications: Level I Pharmacist, Bachelor of Business Administration.

Work process:

- From April 1996 to November 1999: Sales staff of Quang Nam - Da Nang Pharmaceutical Company.
- From December 1999 to September 2001: Market staff of Da Nang City Pharmaceutical Company
- From October 2001 to May 2005: studied in the University Pharmacy class (4-year full-time program at Hue University of Medical Technology and Pharmacy.
- From June 2005 to May 2011: Secretary of the Board of Directors, concurrently specialist of Dapharco's Import-Export Business Department
- From June 2011 to October 2018: Secretary of the Board of Directors (Company Secretary), concurrently Assistant to the General Director, specialist of Dapharco Import-Export Business Department
- From November 2018 to December 2019: Assistant to General Director, concurrently Deputy Head of Sales - Import-Export Department of Dapharco.
- From January 2020 to July 2021: Assistant to General Director, concurrently Director of Supply and Import-Export Department of Dapharco
- From August 2021 to present: Deputy General Director, concurrently Head of Supply and Import-Export Department
- Voting shares ownership ratio: 0.13%.

### Mr. Nguyen Ba Hai - Deputy General Director



Date of birth: November 14, 1974.

Nationality: Vietnam

Qualifications: Bachelor of Economics, Secondary Pharmacy

Work process:

- From April 1999 to December 2003: Accountant of Ho Chi Minh City branch
- From January 2004 to December 2015: Deputy Director of Ho Chi Minh City branch
- From 01/2016 to 10/14/2024: Director of Ho Chi Minh City branch
- From October 15, 2024 to present: Deputy General Director and Director of Ho Chi Minh City Branch at Danang Pharmaceutical - Medical Equipment Joint Stock Company.
- Voting shares ownership ratio: 0.15%.

**Ms. Tran Thi Anh Minh - Chief Accountant**

Date of birth: February 23, 1976

Nationality: Vietnam

Qualification: Bachelor of Economics

Work process:

- November 1998 to March 2005, accounting and finance staff, Da Nang Pharmaceutical Company
- April 2005 to September 2012, staff of accounting and finance department, Danang Pharmaceutical - Medical Equipment Joint Stock Company
- October 2012 to present: Chief Accountant of Danang Pharmaceutical - Medical Equipment Joint Stock Company
- Voting shares ownership ratio: 0.13%
- **Number of staff. Summary of policies and changes in policies for employees:** See Section 6.6 Part II of the report.

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

**a) Large investments:**

- Completed investment and put into operation 02 NeoVita Vaccination and Medical Service Centers in Ho Chi Minh City, specifically:

+ NeoVita Go Vap Vaccination and Medical Service Center – 305 Nguyen Van Khoi, Ward 8, Go Vap District, HCMC:

*Total estimate: 5.7 billion VND.*

*Total settlement value: 5.1 billion VND.*

+ NeoVita Binh Tan Vaccination and Medical Service Center – 02-04 extended 6B street, Vinh Loc residential area, Binh Hung Hoa B ward, Binh Tan district, HCMC.

*Total estimate: 5.5 billion VND.*

*Total settlement value: 4.9 billion VND*

**b) Subsidiaries and affiliates: None**

**4. Financial situation**

**a) Financial situation**

Target	2023 (VND)	2024 (VND)	% increase/decrease
Total asset value	727,180,177,063	1,172,762,265,057	61.3%
Net revenue	943,404,242,590	1,392,658,709,594	47.6%
Profit from business activities	974,600,589	2,708,778,457	177.9%
Other profits	1,236,316,526	6,954,488,570	462.5%
Profit before tax	2,210,917,115	9,663,267,027	337.1%
Profit after tax	1,111,199,314	7,624,152,377	586.1%
Dividend payout ratio/charter capital	0%	5%	

**b) Key financial indicators**

Indicators	2023	2024	Note
1. Solvency ratio			
□ Current ratio (times):	1.21	1.12	
+ Quick payment ratio (times):	1.00	0.94	
2. Capital structure indicators			
□ Debt/Total Assets Ratio □	0.73	0.83	
□ Debt/Equity Ratio:	2.71	4.76	
3. Performance indicators			
□ Inventory turnover (times):	6.12	9.32	
□ Total asset turnover	1.35	1.47	
4. Profitability ratio			
□ Profit after tax/Net revenue ratio (%)	0.1%	0.5%	
□ Average Profit after Tax/Equity Ratio (%)	0.6%	3.8%	
□ Average Profit after Tax/Total Assets (%)	0.2%	0.8%	
+ Operating Profit/Net Revenue (%)	0.1%	0.2%	

**5. Shareholder structure, change in owner's capital investment (December 31, 2024)**

**a) Shares:**

- Total number of shares in circulation : 15,349,328 shares
- Stock type : Common stock
- Number of freely transferable shares : 15,349,328 shares
- Number of shares restricted from transfer : None

**b) Shareholder structure:**

Shareholder structure	Quantity	Ownership	Rate (%)
+ Major shareholder	3	9,933,810	64.7%
+ Minor shareholders	1236	5,415,518	35.3%
+ Institutional shareholders	7	9,449,124	61.6%
+ Individual shareholders	1232	5,900,204	38.4%
+ Domestic shareholders	1234	15,303,530	99.7%



+ Foreign shareholders	5	45,798	0.3%
+ State shareholders	0	0	0%
+ Other shareholders	1239	15,349,328	100%

- Profit distribution situation in 2023:

Pursuant to Resolution of the General Meeting of Shareholders No. 19/2024/NQ-ĐHĐCĐ dated April 26, 2024, the Company will not pay dividends in 2023 to ensure cash flow for reinvestment in business operations.

- Treasury stock transactions: None

c) Other securities: None

## **6. Report on the company's environmental and social impacts**

### *6.1. Environmental impact:*

Total direct and indirect greenhouse gas (GHG) emissions: None

Initiatives and measures to reduce greenhouse gas emissions: *None*

### *6.2. Management of raw materials:*

a) Total amount of raw materials used to produce and package the organization's main products and services during the year: 30,000 kg

b) Report the percentage of recycled materials used to manufacture the organization's primary products and services: No

### *6.3. Energy consumption:*

a) Direct and indirect energy consumption: 300,000 KW/h of electricity

b) Energy saved through energy efficiency initiatives: None

c) Reports on energy saving initiatives (providing energy saving products and services or using renewable energy); reports on the results of these initiatives: None

### *6.4. Water consumption: (water consumption of business activities during the year)*

a) Water supply and water usage:

\* Supply source: City's domestic water - Da Nang City Water Supply Company

\* Water usage: 2,900 m<sup>3</sup>

b) Percentage and total amount of recycled and reused water: None

### *6.5. Compliance with environmental protection laws*

a) Number of times fined for non-compliance with environmental laws and regulations: None

b) Total amount of fines for non-compliance with environmental laws and regulations: None

### *6.6. Employee related policies*

a) Number of employees, average salary for employees.

- Average number of employees: 300 people

- Average salary/employee/month: 12,000,000 VND

b) Labor policies to ensure the health, safety and welfare of workers/

- The company implements a working regime of 5.5 days/week, 8 hours/day. Overtime work is organized to ensure time according to the Labor Law and overtime pay is paid according to the provisions of the State Law.

- Public and fair salary and bonus regulations based on work and contribution to the company. Salary is paid on time,

- Fully implement the signing of labor contracts for all employees, periodically consider salary increases for employees once a year,
- Fully and timely pay all types of insurance according to regulations, purchase accident insurance for employees working at high risks, Annually conduct health check-ups for all employees,
- Organize the 2024 Labor Conference according to State regulations,

c) Employee training activities

- Average number of training hours per year, by employee and by employee classification.
  - \* Average training hours per year for sales staff: 16 hours
  - \* Average training hours per year for production workers: 24 hours
  - \* Average training hours per year for office staff: 20 hours
- Skills development and continuous learning programs to support employees in securing employment and career development: Regularly pay attention to training to improve employees' professional qualifications to better serve management and business operations.

6.7. Reports relating to responsibility towards local communities.

Community investment activities and other community development activities, including financial support to serve the community:

- The company has implemented the program of Medical Examination - Medicine Distribution - Gift Giving in Za Hung Commune, Dong Giang District, Quang Nam Province with a total cost of 158 million VND.

- The company visited and gave gifts to households that suffered heavy losses due to storms and floods in Ngoc Chien commune, Muong La district, Son La province and in Yen Bai with a total cost of 150 million VND.

6.7. Reports related to green capital market activities according to the guidance of the State Securities Commission: None.

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

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

Business activities in 2024 continue to face many difficulties and challenges with increasing geopolitical instability, food security, natural disasters, climate change, etc. However, in the past year, with efforts and determination to adhere to the set goals, the Company's Board of Directors has had effective solutions demonstrated by impressive business results compared to the set plan and growth compared to 2023.

The company has ensured that 100% of employees have stable jobs and increased income for employees, ensuring dividends according to plan; Paying the state budget for employee benefits such as social insurance, health insurance, etc. in full and on time; Providing timely and adequate medicines and medical supplies for medical examination and treatment needs in Da Nang City and the Central region; Ensuring the quality of supplied medicines; Organizing the distribution of proprietary and exclusive products well.

- *The progress the company has made:*

- + There have been positive results from the operations of the ETC and OTC channels, expanding the OTC channel to the northern market.
- + Maintain and develop as a reputable import-export partner in Vietnam.



- + Launched and received market acceptance of natural essential oil products under the Ecotherapy brand.
- + Successfully registered the list of functional food products under the Megamda brand to be ready to launch on the market in 2025.
- + Completed investment and put into operation 02 NeoVita vaccination - medical service centers in Binh Tan District and Go Vap District - Ho Chi Minh City.
- + Maintain, edit and operate ISO 9001-2015 and ISO 9001-13485 well throughout the Company system.
- + The company continues to be voted as Top 10 prestigious medical equipment & healthcare companies in Vietnam 2024 and for 9 consecutive years from 2016 to 2024, it has been in the top 10 prestigious pharmaceutical - medical equipment companies in Vietnam.
- + The company's brand is increasingly known by many domestic and foreign partners and consumers; Many partners have strengthened their links in purchasing and selling, and agency; Timely and fully supplying medicines and medical supplies for medical examination and treatment needs in Da Nang City and the Central Highlands; Ensuring the quality of supplied medicines; Well implementing the organization of distribution of proprietary and exclusive products.

## **2. Financial situation**

### **a) Asset situation:**

**Total assets at the beginning of the period : 727,180,177,063 VND**

*In which :*

Short term : 641,075,714,301 VND

Long-term assets : 86,104,462,762 VND

**Total assets at the end of the period : 1,172,762,265,057 VND**

*In which :*

Short term : 1,080,165,522,864 VND

Long-term assets : 92,596,742,193 VND

### **- Analysis of asset situation, asset situation fluctuations:**

Total assets increased by 445,582,087,994 VND, of which: Short-term assets increased by + 439,089,808,563 VND, long-term assets increased by: +6,492,279,431 VND.

**+ Short-term assets increased compared to the beginning of the year: 439.089.808.563**

**VND Mainly due to:**

\* Short-term receivables increased: +347,160,866,526 VND

\* Inventory increase: + 54,803,025,743 VND

In 2024, with good growth in import consignment activities, customer receivables and imported consignment inventories increased in proportion to sales and payables to foreign suppliers.

### **b) Debt payable situation:**

**- Current debt situation, large fluctuations in debt.**

Short-term payables account for 99.7% of total payables, mainly short-term payables to suppliers, short-term advances from buyers, payables to employees and short-term bank loans. Short-term payables to suppliers account for 63% of total capital (approximately equivalent to the short-term receivables ratio of ~58%), this is a characteristic of the purchase and sale debts of the pharmaceutical and medical equipment import and export business, however, short-term debts rotate continuously on time.

***Short-term debt increased by VND 438,393,760,617 compared to the beginning of the year, mainly due to:***

- \* Short-term payables to suppliers increased by +325,255,840,070 VND;
- \* Short-term prepayment buyers increased by +21,057,931,208 VND;
- \* Short-term Bank loans increased by +81,348,675,889 VND.

The increase in payables is mainly due to debts payable to foreign suppliers of import and trade consignment activities corresponding to the growth rate of customer receivables.

Taking advantage of the Government and Bank's policies in regulating interest rates to support businesses during difficult times, the Company has proactively increased short-term loans to optimize business and financial performance while still ensuring a safe balance of payments when 100% of loans are paid on time.

**- Analyze bad debt, the impact of exchange rate differences on the company's business performance, and the impact of interest rate differences.**

- + During the year, no bad debts arose. All debts were paid on time, according to agreement.
- + During the year, foreign exchange rate fluctuations did not significantly affect the company's performance because the company took measures to overcome them with appropriate selling price structures.
- + Loan interest rates in 2024 will gradually decrease, so the company has proactively borrowed short-term to take advantage of low interest rates to serve business activities and financial investment activities, improving the Company's efficiency.

### ***3. Improvements in organizational structure, policies, and management:***

- Continue to restructure business segments, ensure unified management, increase operational efficiency;
- Supplement and amend some management regulations, strengthen the Company's internal management work,

### ***4. Development plan for the next year:***

#### ***4.1. Digital transformation:***

- Continue to invest in phase 2 of the ERP management system including DMS system, ordering app, Human Resources Administration module, Management reporting system and API integration with NeoVita Vaccination System and Medical Services software.
- Continue to develop e-commerce website system.

#### ***4.2. Improve customer experience:***

- Invest in human resources, processes and infrastructure improvements to improve the service quality of the NeoVita System and BLU+ Pharmacy Chain.
- Build Loyalty system and CRM system to manage services and increase customer experience.

#### ***4.3. Investing in people:***



- Cooperate with quality training units to train and improve the professional capacity of the institute's staff.
- Develop reward policies based on contributions, improve benefits for employees.

#### *4.4. Launching new products to the market*

- Proceed to bring Megamda European standard health protection food products registered by Dapharco to the market.
- Promote and develop new products in the group of essential oils of natural origin under the brand name Ecotherapy.
- Strengthen the registration of registration numbers for high-quality pharmaceutical products and medical supplies as well as cooperate with product owners to shorten the process of bringing products to market.

#### *4.5. Optimizing operations:*

- Apply AI, invest in digital office systems, serve electronic administration to minimize the use of paperwork.
- Apply technology to optimize logistics services in the Central Highlands region.
- Adjust and remove unnecessary procedures to reduce product costs.

***Board of Directors' explanation of audit opinion:*** None

#### ***5. Assessment report related to the company's environmental and social responsibility:***

The company has made good on its commitments to environmental and social responsibility.

a. Assessment related to environmental indicators (water consumption, energy, emissions...):

The company has many regulations and measures to use water and energy for the right purposes and economically. At the same time, it always pays attention to handling emissions in accordance with the law.

b. Assessment related to labor issues; The company has implemented good policies towards laborers.

c. Assessment related to corporate responsibility towards the local community: The company always supports local policies; Fully contributes to mandatory obligations and always voluntarily contributes many other amounts to local activities.

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

#### **1. Board of Directors' assessment of the Company's operations**

Business activities in 2024 continue to face many difficulties and challenges with increasing geopolitical instability, food security, natural disasters, climate change, etc. However, in the past year, with efforts and determination to adhere to the set goals, the Board of Directors and the Executive Board of the Company have had effective solutions to implement the Resolution of the 2024 Shareholders' Meeting, demonstrated by quite impressive results.

#### **2. Board of Directors' assessment of the performance of the company's Executive Board:**

According to the assessment of the Board of Directors, the General Director and the Executive Board have made efforts and performed well the assigned tasks in 2024, strictly complying with current legal regulations and the Company's operating regulations. The Company's organization, control, and management system is maintained and improved.

Information and reports on the Company's operations are sent to the Board of Directors in a timely manner and in accordance with regulations.

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

#### **Key tasks in 2025:**

- The Board of Directors, based on its functions and duties, completes and issues necessary regulations to strengthen the Company's governance and operations.
- Flexibly adjust the Company's business strategy to suit the situation.
- Improve the management system in an advanced direction, continue to enhance financial management capacity, ensure the Company's entire finances are safe and effective to meet the capacity for corporate governance within the scope of authority and duties of the Board of Directors as stipulated in the Company's Charter of Organization and Operation.
- Ensure strict implementation of all functions according to the decentralization framework, key processes and issued regulations. All activities must adhere to plans, regulations, and rules, above all, compliance and discipline.
- Focus resources on the Company's self-employed products.
- Maximize application of information technology in production and business activities and digitalization in corporate governance.
- Enhance integrity and thoroughly apply benefit sharing throughout the system.
- Strengthen training, promote human resources from within, taking people as the center of development.

### **V. Corporate governance**

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

##### ***a) Members and structure of the Board of Directors:***

<b>Full name</b>	<b>Voting rights ratio (%)</b>	<b>Executive/Non-executive member</b>	<b>Number of positions held in other organizations</b>	<b>Note</b>
Nguyen Luong Tam	0.31	Executive	- Deputy General Director of Megram Joint Stock Company; - Member of Board of Directors of Lam Dong Foodstuffs Joint Stock Company.	Chairman of the Board of Directors
Do Thanh Trung	3.5	Non-executive	- Chairman of the Board of Directors, General Director of Megram Joint Stock Company; - Member of Board of Directors, General Director of Lam Dong	Member of the Board of Directors



			Foodstuffs Joint Stock Company (Ladofood);	
Dinh Thi Mong Van	00	Non-executive	- Deputy General Director of Megram Joint Stock Company - Chairman of Board of Directors of Lam Dong Foodstuffs Joint Stock Company	Member of the Board of Directors
Nguyen Trung	0.1	Executive	0	Member of Board of Directors, Deputy General Director
Hoang Trung Dung	00	Independence	0	Member of the Board of Directors

**b) Subcommittees under the Board of Directors:** Finance Subcommittee; Internal Affairs and Legal Personnel Subcommittee; Internal Audit Subcommittee.

**c) Activities of the Board of Directors:**

*The Board of Directors has approved the following main contents:*

- + Approved the content of the General Meeting of Shareholders and successfully held the 2024 Annual General Meeting of Shareholders.
- + Adjusted the organizational chart, changed the company management personnel.
- + Approved the investment in the Project and budget: 02 NeoVita Vaccination and Medical Service Centers in Ho Chi Minh City;
- + Unified policies, adjusted the Decentralization Framework to improve the efficiency of the apparatus' operations...

*The Board of Directors has directed:*

- Direct the management of the enterprise and production and business tasks, ensuring the Company's operations are safe, effective, and in compliance with state laws, the Resolutions of the General Meeting of Shareholders and the Resolutions of the Board of Directors.
- Continue to direct and supervise the implementation of restructuring the organizational model of the entire Company; Implement restructuring of business segments; Implement the revised decentralization framework and key processes; Evaluate and adjust the operations of the company system to suit the socio-economic situation.
- Evaluate and adjust the system of processes and working regulations, and direct standardization to strengthen supervision of the implementation of these processes and regulations in all aspects of the Company's operations.

No.	Resolution/Decision Number	Date	Content	Passage rate
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1	02/2024/QD-HDQT	3/4/2024	Board of Directors' decision on appointing Ms. Nguyen Thi My Dung - Production Workshop Director	100%
2	05/2024/NQ-HDQT	3/5/2024	Resolution of the Board of Directors on organizing the 2024 Annual General Meeting of Shareholders	100%
3	09/2024/NQ-HDQT	3/28/2024	Resolution of the Board of Directors on Adjusting the Company's Organizational Chart	100%
4	10/2024/QD-HDQT	3/28/2024	Board of Directors' decision on dismissal of Head of Finance Department - ICT	100%
5	22/2024/NQ-HDQT	10/5/2024	Resolution on Supplementing the Company's legal representative	100%
6	23/2024/QD-HDQT	10/5/2024	Decision on termination of branch operations	100%
7	24/2024/QD-HDQT	12/6/2024	Decision on liquidation of company assets	100%
8	25/2024/NQ-HDQT	12/8/2024	Selecting an auditor for 2024 financial statements	100%
9	26/2024/NQ-HDQT	12/8/2024	Approval of policies to implement Contracts/Transactions with Related Persons	100%
10	27/2024/NQ-HDQT	6/9/2024	Approval of investment in Danavac Vaccination Center Go Vap HCM project	100%
11	28/2024/NQ-HDQT	9/9/2024	Approval of new supplementary plans and detailed amendments to business lines	100%
12	29/2024/NQ-HDQT	9/9/2024	Organizing to collect shareholders' opinions in writing	100%
13	31/2024/QD-HDQT	30/9/2024	Appointment of Director of NeoVita Vaccination and Medical Services Center in Go Vap District, Ho Chi Minh City	100%
14	32/2024/QD-HDQT	11/10/2024	Appointment of Deputy General Director and Director of Ho Chi Minh branch	100%
15	34/2024/NQ-HDQT	24/10/2024	Approval of investment in NeoVita Binh Tan HCM Vaccination Center project	100%
16	36/2024/NQ-HDQT	5/12/2024	Approving the adjustment of the contents of the Investment Registration Certificate, project code: 6573248756, certified for the first change on February 28, 2020	100%



**d) Activities of non-executive members of the Board of Directors:** The Company has 02 non-executive members of the Board of Directors who fully participate in and grasp the contents of the Board of Directors' meetings as well as the entire operation and management situation of the Company, and carry out written reporting regimes as prescribed.

**e) Activities of subcommittees in the Board of Directors:**

The Board of Directors' subcommittees operate in accordance with the Company's charter, rules and regulations. The subcommittees have contacted and worked with the Executive Board and relevant departments to collect information and evaluate the implementation of the Board of Directors' and Shareholders' Meeting's resolutions as well as the Company's compliance and risk management.

- The Finance Subcommittee conducts appraisal, monitoring and evaluation of the Company's budget and financial plans;

- The Human Resources and Internal Affairs - Legal Subcommittee conducts the evaluation of the Company's human resources management and internal affairs objectives;

- The Internal Audit Subcommittee has contacted and worked with relevant parties such as the Independent Auditing Company that reviewed and audited the financial statements, the Executive Board and functional departments to monitor implementation plans and discuss solutions to arising issues.

**f) List of Board of Directors members with corporate governance training certificates: None.**

**2. Board of Supervisors:**

**a) Members and structure of the Board of Supervisors:**

No.	Member of the Board of Supervisors	Position	Date of commencement as a member of the Board of Supervisors	Professional qualifications
1	Ms. Nguyen Thi Yen	Head of Board of Supervisors	December 27, 2022	Bachelor of Accounting
2	Ms. Pham Thi Minh Ngoc	Member	June 29, 2021	Master of Business Administration
3	Ms. Nguyen Thi Thanh Thuy	Member	June 29, 2021	Master of Accounting

**b) Meeting of the Board of Supervisors**

No.	Member of the Board of Supervisors	Number of meetings attended	Meeting attendance rate	Voting ratio	Reason for not attending the meeting
1	Ms. Nguyen Thi Yen	2/2	100%	100%	-
2	Ms. Pham Thi Minh Ngoc	2/2	100%	100%	-
3	Ms. Nguyen Thi Thanh Thuy	2/2	100%	100%	-

**3. Supervisory activities of the Board of Supervisors over the Board of Directors, Executive Board and shareholders:**

- Monitor compliance with the company charter and the resolutions of the General Meeting of Shareholders when the Board of Directors, the Executive Board and management members implement. Inspect and supervise the management and production and business activities at branches and units.
- Check quarterly, semi-annual and annual financial reports to assess the reasonableness and accuracy of financial data.
- Review the Executive Board's reports on the management situation and implementation of the monthly, quarterly and annual production and business plans and investment plans of the Executive Board.
- Check and control compliance with the Company's procedures and regulations.

**4. Coordination of activities between the Board of Supervisors and the Board of Directors, Executive Board and other management staff:**

- During the inspection process, the Board of Supervisors participates in regular meetings, strategic meetings, and company plans, works with the Executive Board to grasp the business situation, actual management, and discuss solutions to improve the effectiveness of inspection, control, and risk prevention.

**5. Other activities of the Board of Supervisors (if any): None**

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

**a) Salary, bonus, remuneration, benefits:**

- Salary, bonus, remuneration of Board of Directors, Board of Supervisors, Executive Board:

No.	Full name	Position	Time to take charge	Remuneration
<b>A</b>	<b>BOARD OF DIRECTORS</b>			<b>420,000,000</b>
1	Nguyen Luong Tam	Chairman of the Board of Directors	From 01/01-31/12/2024	100,000,000
2	Do Thanh Trung	Member of the Board of Directors	From 01/01-31/12/2024	100,000,000
3	Dinh Thi Mong Van	Member of the Board of Directors	From 01/01-31/12/2024	70,000,000
4	Nguyen Trung	Member of the Board of Directors	From 26/04-31/12/2024	50,000,000
5	Hoang Trung Dung	Independent Member of the Board of Directors	From 01/01-31/12/2024	100,000,000
<b>B</b>	<b>BOARD OF SUPERVISORS</b>			<b>50,000,000</b>
1	Nguyen Thi Yen	Head	From 01/01-31/12/2024	20,000,000
2	Pham Thi Minh Ngoc	Member	From 01/01-31/12/2024	15,000,000
3	Nguyen Thi Thanh Thuy	Member	From 01/01-31/12/2024	15,000,000



No.	Full name	Position	Time to take charge	Remuneration
	<b>TOTAL</b>			<b>470,000,000</b>

**\* Board of Directors' income:**

No.	Full name	Position	Time to take charge	Income
<b>A</b>	<b>BOARD OF DIRECTORS</b>			<b>745,327,410</b>
1	Nguyen Trung	Deputy General Director	From 01/01-31/12/2024	615,362,471
2	Nguyen Ba Hai	Deputy General Director	From 15/10-31/12/2024	129,964,939

**b) Stock transactions of insiders and related persons:**

No.	The person making the transaction	Insider relations	Number of shares owned at the beginning of the period		Number of shares owned at the end of the period		Reason for increase, decrease (buy, sell, convert, reward...)
			Number of shares	Proportion	Number of shares	Proportion	
1	Nguyen Luong Tam	Chairman of the Board of Directors	0	0%	47,735	0.31%	Buy

**c) Contracts or transactions with internal shareholders:**

No.	Name of organization/individual	Relationship with the company	Owner's Certificate Number, date of issue, place of issue	Head office address/Contact address	Resolution/Decision No. approved by the General Meeting of Shareholders/Board of Directors... (if any, specify the date of issue)	Content, quantity, total transaction value	Note
1	Megram Joint Stock Company	Parent company	0105284398, first issued on April 27, 2011, Hanoi Department of Planning and Investment	17th floor, 319 Corporation Building, No. 63 Le Van Luong Street, Trung Hoa Ward, Cau Giay District, Hanoi City	Resolution No. 26/2024/NQ-HĐQT dated August 13, 2024 (content authorizing the Chairman of the Board of Directors to approve/delegate the Board of General Directors to sign and execute contracts for the purchase and sale of goods and services with related parties with a value not exceeding 5% of the total value of the	2 transactions sharing training service fees, total value (excluding VAT) 31,796,674 VND	+ The value must not exceed 5% of the total value of the company's assets on the most recent financial report under the authority of the Chairman of the Board of Directors or the authorization

					Company's assets on the most recent Financial Statement).		of the Board of General Directors.
2	Elmich Joint Stock Company	Subsidiary of Megram Joint Stock Company	0700525789 first issued by the Department of Planning and Investment of Ha Nam Province on March 18, 2011	An My - Don Xa Industrial Park, Binh My Town, Binh Luc District, Ha Nam Province	<p>+ Resolution No. 26/2024/NQ-HĐQT dated August 13, 2024 (content authorizing the Chairman of the Board of Directors to approve/delegate the Board of General Directors to sign and execute Contracts/Transactions to borrow and lend with related parties with each transaction not exceeding 10% of the total asset value on the most recent financial statements and the total of transactions not exceeding 15% of the total asset value of the Company on the most recent financial statements).</p> <p>Resolution No. 26/2024/NQ-HĐQT dated August 13, 2024 (content authorizing the Chairman of the Board of Directors to approve/delegate the Board of General Directors to sign and execute Contracts to purchase and sell goods and services with related parties with a value not</p>	<p>+ Loan transaction: total loan value is 91.9 billion VND. The principal value of loans recovered during the period was 37.8 billion VND. Corresponding financial revenue from loans: 1,398,543,836 VND.</p> <p>+ Purchase value (excluding VAT): 49,090,909 VND + Cost of upgrading management software 24,870,466 VND</p>	<p>+ Each transaction must not exceed 10% of the total asset value on the most recent financial statements and the total of transactions must not exceed 15% of the total asset value of the Company on the most recent financial statements.</p> <p>+ The value must not exceed 5% of the total asset value of the Company on the most recent financial statements according to the authority of the Chairman of the Board of Directors to</p>



					exceeding 5% of the total asset value of the Company on the most recent financial statements).		approve or delegate authority of the Board of General Directors.
3	Danapha Joint Stock Company	Major shareh older	Business registration certificate number: 0400102091 first issued on December 20, 2006	253 Dung Si Thanh Khe, Thanh Khe Tay Ward, Thanh Khe District, Da Nang City, Vietnam	Resolution No. 26/2024/NQ-HĐQT dated August 13, 2024 (content authorizing the Chairman of the Board of Directors to approve/delegate the Board of General Directors to sign and execute contracts for the purchase and sale of goods and services with related parties with a value not exceeding 5% of the total value of the Company's assets on the most recent financial report).	Sales transactions, total revenue 2,639,343 VND	+ Value not exceeding 5% of the total value of the Company's assets on the most recent financial report under the authority of the Chairman of the Board of Directors to approve or delegate the authority of the Board of General Directors.

**d) Implementation of corporate governance regulations:** In general, the current governance model and management structure are reasonable, meeting the governance needs of the Board of Directors, the operations of the Executive Board, and the organization of production and business activities at the Company's affiliated units.

## **VI. Financial statements**

### **1. Audit opinion**

The Company's 2024 financial statements were audited by AASC Auditing Company Limited with the following audit opinion:

**In our opinion, the Financial Statements give a true and fair view, in all material respects, of the financial position of Danang Pharmaceutical - Medical Equipment Joint Stock Company as at December 31, 2024, as well as the results of its operations and its cash flows for the fiscal year then ended, in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting Regime and legal regulations relating to the preparation and presentation of financial statements.**

### **2. Audited financial statements:**

Audited annual financial statements include: Balance sheet; Business performance report; Cash flow report; Notes to the financial statements in accordance with the provisions of the Law on accounting and auditing.

Address for publishing audited financial statements for 2024: <https://dapharco.com.vn/bao-cao-tai-chinh>

## **DA NANG PHARMACEUTICAL - MEDICAL EQUIPMENT JOINT STOCK COMPANY**



**Chairman of the Board**

**NGUYEN LUONG TAM**