

**MINUTES OF THE 2025 ANNUAL GENERAL MEETING OF SHAREHOLDERS  
PHARMEDIC HERBAL PHARMACEUTICAL JOINT STOCK COMPANY  
33rd Meeting – April 19, 2025**

At 08:00 AM on April 19, 2025, at the Conference Hall of the 272 Conference Center, located at 272 Vo Thi Sau Street, Vo Thi Sau Ward, District 3, Ho Chi Minh City, PHARMEDIC PHARMACEUTICAL MEDICINAL JOINT STOCK COMPANY (Head Office: 367 Nguyen Trai Street, Nguyen Cu Trinh Ward, District 1, Ho Chi Minh City; Enterprise Registration Certificate No. 0300483037 issued by the Ho Chi Minh City Department of Planning and Investment) held its 2025 Annual General Meeting of Shareholders with the following agenda:

**1. Attendees**

- Labor Hero Pharmacist Tran Van Nhieu – Former Chairman of the Board of Directors of PHARMEDIC PHARMACEUTICAL MEDICINAL JOINT STOCK COMPANY, and former Board Member for the 2014–2019 term.
- Mr. Le Thanh Dien – Full-time Member of the Members' Council, Saigon Pharmaceutical One Member Limited Liability Company (Sapharco).
- Members of the Board of Directors, Supervisory Board, and Executive Board.
- Shareholders and shareholder representatives owning shares of PHARMEDIC PHARMACEUTICAL MEDICINAL JOINT STOCK COMPANY, as per the list finalized on March 24, 2025, provided by the Vietnam Securities Depository and Clearing Corporation – Ho Chi Minh City Branch.

**2. Agenda of the Meeting**

- Report on the activities of the Board of Directors in 2024.
- Report on the summary of production and business activities in 2024 and the plan for 2025.
- Report on the activities of the Supervisory Board in 2024 and a proposal for the selection of an auditing firm for the 2025 financial year.
- Audited financial statements for 2024. Profit distribution for 2024 and the plan for 2025.
- Proposal to change the profit distribution plan and adjust the dividend payout ratio for 2024.
- Proposal to reward the Executive Board for exceeding the annual plan.
- Proposal to approve the policy for signing, implementing contracts, agreements, and transactions with related parties.

**3. Proceedings of the Meeting**

**3.1 Shareholder Eligibility Verification**

Mr. Tran Manh Hung – Head of the Shareholder Eligibility Verification Committee, reported on the shareholders eligible to attend the meeting:

The total number of shareholders invited to the meeting: 1,694 shareholders, representing 9,332,573 voting shares of the Company, according to the shareholder list as of March 24, 2025.

The total number of shareholders attending and authorizing proxies: 440 shareholders, with a total of 7,845,847 shares owned and represented, accounting for 84.07% of the total voting shares of the Company.

In accordance with the provisions of the 2020 Enterprise Law, the Company's Charter, and the internal regulations on corporate governance, the number of shareholders and their representatives present at the 2025 Annual General Meeting of Shareholders, holding 84.07% of the total voting shares of the Company, is legal, valid, and sufficient to proceed in accordance with regulations.

### **3.2 Introduction of the Presidium and Secretary of the Meeting**

The organizing committee carried out the procedures to approve the number and list of the Presidium (3 members) and the Secretary (2 members).

- Presidium of the Meeting

1. Mr Le Van Thinh - Chairman of the Board of Directors
2. Mr Nguyen Chi Thanh - Vice Chairman of the Board of Directors
3. Le Viet Hung - Board Member and CEO

- Secretary of the Meeting

1. Ms Bui Thuy Phuong Uyen - Head of Administration and Secretary of the Board of Directors
2. Ms Nguyen Thi Truc Linh - Secretary of the Executive Board

*(100% of the shareholders and their representatives present at the meeting agreed and approved).*

### **3.3 Agenda of the Meeting**

Mr. Le Van Thinh – Chairman of the Board of Directors, presented the agenda of the meeting.

### **3.4 Approval of the Ballot Counting Committee**

Mr. Le Van Thinh – Chairman of the Board of Directors, presented the list of the Ballot Counting Committee for the meeting.

*(100% of the shareholders and their representatives present at the meeting agreed and approved).*

### **3.5 Report of the Board of Directors**

Mr. Le Van Thinh – Chairman of the Board of Directors, presented the Report on the activities of the Board of Directors in 2024, the remuneration of the Board of Directors and Supervisory Board, and the development direction for 2025.

*(Report No. 01/PMC-BOD dated March 28, 2025 – AGM Document)*

### **3.6 Report on the Company's Summary of Operations**

Mr. Le Viet Hung – Board Member and CEO of the Company, presented the report summarizing the production and business activities in 2024 and the plan for 2025.

*(Report No. 02/PMC-CEO dated March 28, 2025 – AGM Documents)*

### 3.7 Report of the Supervisory Board

Mr. Nguyen Tien Sy – Head of the Supervisory Board, presented the report on the activities of the Supervisory Board in 2024 and the proposal for selecting the auditing company for the 2025 financial year.

*(Report No. 03/PMC-SB dated March 28, 2025, and Proposal No. 04/PMC-SB – AGM Documents)*

### 3.8 Financial Statements and Profit Distribution

Ms. Nguyen Dieu Le – Head of the Finance and Accounting Department and Chief Accountant, presented the audited financial statements for 2024, profit distribution for 2024, and the plan for 2025. The proposal to change the profit distribution plan and adjust the dividend payout ratio for 2024. The proposal to reward the Executive Board for exceeding the annual plan.

*(Report No. 2140/25/BCKT/AUD-VVALUES dated March 18, 2025, Report No. 05/PMC-BOD, Proposal No. 06/PMC-BOD, and Proposal No. 07/PMC-BOD dated March 28, 2025 – AGM Documents).*

### 3.9 Proposal on Transactions with Related Parties

Mr. Nguyen Chi Thanh – Vice Chairman of the Board of Directors, presented the proposal for the approval of the policy for signing, implementing contracts, agreements, and transactions with related parties.

*(Proposal No. 08/PMC-BOD dated March 28, 2025 – AGM Documents).*

### 3.10 Shareholders' Contributions

#### 1. Shareholder Nguyen Ke Hue – Number of shares: 574 shares

The organization of the Company's Annual General Meeting was very good, the Company is developing well, and the value of PMC shares in the stock market has increased. The Company has shown great attention to its shareholders by increasing the dividend payout to nearly 63% compared to the initial plan of 24% this year.

#### Response:

- The Company acknowledges the shareholder's opinion. In 2023, the Company paid a dividend of 65%, and for this meeting, the Board of Directors is seeking approval from shareholders for a dividend rate of 62.68% for 2024, an increase of 38.68% compared to the initial plan, not for 2025. Additionally, the Company has merged the Development Fund and paid a dividend of 126% for 2023 and 109% for 2024.

#### 2. Shareholder Nguyen Ba Hoang Oanh – Number of shares: 300 shares

The Company's business plan shows increased revenue for 2024, but why did the profit decrease compared to 2024.

#### Response:

- The Company's business plan for 2025 forecasts total revenue of 539 billion VND and pre-tax profit of 97 billion VND, a decrease of 3.3% compared to the actual results in 2024. The decrease in profit is due to the Company having merged the Development Fund and paid dividends in both 2023 and 2024, so there will be no financial revenue in 2025.



The Company acknowledges the contributions from shareholders and will strive to achieve the targets approved by the Annual General Meeting of Shareholders.

### 3.11 Voting to Approve Reports and Proposals for Shareholders' Opinion via "Voting Cards" with the following results:

Content	Agree		Disagree		No opinion	
	Number of Shares	Proportion (%)	Number of Shares	Proportion (%)	Number of Shares	Proportion (%)
1. Report on the activities of the Board of Directors in 2024, remuneration of the Board of Directors and Supervisory Board, and development orientation for 2025.	7.845.847	100%	0	0%	0	0%
2. Report on the summary of production and business activities for 2024 and the plan for 2025.	7.845.847	100%	0	0%	0	0%
3. Approval of the report on the activities of the Supervisory Board in 2024 and the proposal to select Vietnam Audit and Consulting Company Limited - VIETVALUES to audit for the fiscal year 2025.	7.845.847	100%	0	0%	0	0%
4. Proposal to approve the policy for signing, implementing contracts, agreements, and transactions with related parties.	7.845.847	100%	0	0%	0	0%
5. Approval of the audited financial statements for 2024. Profit distribution for 2024 and the plan for 2025.	7.845.847	100%	0	0%	0	0%
6. Proposal to reward the Executive Board for exceeding the annual plan.	7.845.847	100%	0	0%	0	0%
7. Proposal to change the profit distribution plan and adjust the dividend payout ratio for 2024.	7.845.847	100%	0	0%	0	0%

Thus, the issues for shareholders' approval have been passed as the voting results for each issue met the minimum required approval percentage as specified in Article 21 of the Company's Charter.

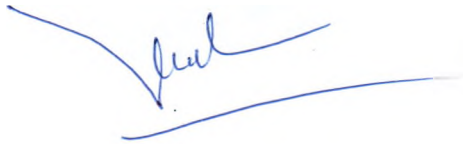
The Annual General Meeting of Shareholders for 2025 concluded at 11:05 AM on April 19, 2025, and was unanimously approved by the shareholders and their representatives in attendance with a 100% approval rate.



The minutes of the Annual General Meeting of Shareholders held on April 19, 2025, of Pharmedic Pharmaceutical Medicinal JSC serve as the legal basis for the resolutions of the General Meeting of Shareholders of Pharmedic Pharmaceutical Medicinal JSC.

**ON BEHALF OF THE ANNUAL GENERAL MEETING  
OF SHAREHOLDERS 2025  
PHARMEDIC PHARMACEUTICAL MEDICINAL JSC**

**SECRETARY OF THE MEETING    CHAIRMAN OF THE MEETING**



**Bui Thuy Phuong Uyen**



**Nguyen Thi Truc Linh**



**Le Van Thinh**



## RESOLUTION

### 2025 ANNUAL GENERAL MEETING OF SHAREHOLDERS PHARMEDIC PHARMACEUTICAL MEDICINAL JOINT STOCK COMPANY

Pursuant to:

- Law on Enterprises No. 59/2020/QH14, passed on June 17, 2020;
- The Securities Law No. 54/2019/QH14 dated November 26, 2019, and its amendments, supplements, and guiding documents
- Charter on the organization and operation of Pharmedic Pharmaceutical Medicinal Joint Stock Company, dated April 28, 2023;
- Minutes of the 2025 Annual General Meeting of Shareholders of Pharmedic Pharmaceutical Medicinal Joint Stock Company dated April 19, 2025

## RESOLUTION

The 2025 Annual General Meeting of Shareholders of Pharmedic Pharmaceutical Medicinal Joint Stock Company unanimously voted to approve the following matters:

**Article 1:** Approval of the Report on the Activities of the Board of Directors, the Summary Report on Business Performance for 2024, and the Business Plan for 2025, with the following key indicators::

*Unit: Billion VND*

Content	Actual 2024	Plan 2025
Total Revenue	508,074	539,000
Pre-Tax Profit	100,313	97,000
After-Tax Profit	80,133	77,600

**Article 2:** Approval of the Report on the Activities of the Supervisory Board for 2024 and Proposal No. 04/PMC-BKS of the Supervisory Board regarding the selection of Vietvalues Auditing and Consulting Co., Ltd. as the auditor for the 2025 financial year.

**Article 3:** Approval of the audited Financial Statements for 2024 (Report No. 2140/25/BCKT/AUD-VVALUES dated March 18, 2025, by Vietvalues Auditing and Consulting Co., Ltd.).

**Article 4:** Approval of Proposal No. 05/PMC-HĐQT of the Board of Directors regarding profit distribution for 2024 and the profit distribution plan for 2025, with the following details:

*Unit: Billion VND*

Content	Actual 2024	Plan 2025
After-Tax Profit	80,133	77,600
Remuneration Fund for the Board of Directors and Supervisory Board (5%)	4,007	3,880
Reward and Welfare Fund (22%)	17,629	17,072
Dividend Payout Ratio (per year/nominal value)	24%	24%
Dividends Paid to Shareholders	22,398	22,398
Remaining Profit Allocated to Development Investment Fund	36,099	34,250

**Article 5:** Approval of Proposal No. 06/PMC-HĐQT of the Board of Directors regarding the adjustment of the profit distribution plan and the increase in the dividend payout ratio for 2024 from 24% to 62.68% of charter capital.

**Article 6:** Approval of Proposal No. 07/PMC-HĐQT of the Board of Directors rewarding the Executive Board for exceeding the annual plan.

**Article 7:** Approval of Proposal No. 08/PMC-HĐQT of the Board of Directors on the policy of signing and executing contracts, agreements, and transactions with related parties.

**Article 8:** This Resolution takes effect from April 19, 2025. The General Meeting of Shareholders assigns the Board of Directors to direct and organize the implementation of the approved contents in accordance with the Company's Charter and applicable laws.

**Recipients:**

- Members of the Board of Directors and Supervisory Board;
- Shareholders of PMC;
- SSC; HNX; VSDC - HCM
- TTLKCKVN CN. TP.HCM;
- Website PMC;
- Archives.

**On behalf of the General Meeting of Shareholders**

**Chairman**  
  
**Mr. Le Van Thinh**

No: **01** /PMC-HĐQT

*Ho Chi Minh City, date 28 month 03 năm 2025*

## **BOARD OF DIRECTORS' OPERATIONAL REPORT 2024**

In 2024, Vietnam's socio-economic landscape continued to recover strongly post-pandemic, achieving significant milestones across various sectors, attracting investment, expanding trade, and improving the population's living standards. With the support of flexible policy management, Vietnam maintained a positive growth trajectory, contributing to enhanced competitiveness and macroeconomic stability. The country's GDP is estimated to have grown by 7.09% compared to the previous year, signaling a strong recovery after years of economic challenges.

Vietnam's pharmaceutical industry experienced robust growth in 2024, driven by increasing healthcare demand, government support policies, and expanding investments from both domestic and foreign enterprises. The pharmaceutical market recorded stable growth, with improvements in domestic production, raw material imports, and the application of modern technology to enhance product quality. However, the industry also faced challenges, including intense competition, rising raw material costs, and stricter production standards.

Overall, in 2024, Vietnamese pharmaceutical companies reported mixed business results, reflecting market fluctuations and the competitive capacity of each enterprise. Pharmedic strived to maintain stable growth amidst fierce market competition, rising demand for safe and high-quality pharmaceuticals, and fluctuations in raw material prices due to global economic conditions, all of which impacted profit margins. The company adapted its sales and business strategies flexibly in a challenging market environment, optimized procurement and production processes, and maximized efficiency on existing production lines to generate profits. At the same time, continuous efforts were made to improve product quality, significantly enhancing profitability with the goal of sustaining high dividend returns for shareholders.

### **I. Board of Directors' activities in 2024**

- In 2024, the Board of Directors (BoD) implemented resolutions passed by the General Meeting of Shareholders (GMS) and proactively proposed appropriate solutions to achieve the set targets.
- The BoD held nine meetings, issued 31 Resolutions and 22 Decisions. All minutes, decisions, and resolutions were agreed upon by all members, archived in accordance with regulations, and fully distributed to BoD members and the Board of Supervisors (BOS). All BoD meetings were attended by the BOS and the Executive Board to facilitate discussions,



ensure consensus on business strategies and directives, and enhance coordination between the BoD and management.

- BoD members fully participated in meetings and actively contributed their insights on matters within the BoD's jurisdiction, demonstrating a high sense of responsibility and leadership in safeguarding shareholders' interests and the company's sustainable development. Along with fulfilling general responsibilities, each BoD member effectively completed their assigned tasks.
- The BoD executed key business targets in alignment with the 2024 Annual GMS plan while flexibly adjusting strategies to navigate current market challenges, ensuring the company's business stability while protecting employees' interests and shareholders' legitimate rights.
- The BoD sought shareholders' approval through written consultation to reverse a portion of the Development Investment Fund into Retained Earnings and distribute dividends at 109% of retained earnings.
- The BoD appointed key management personnel, ensuring appropriate human resource policies were implemented to optimize workforce efficiency and cost savings.
- The BoD and BOS agreed to appoint VietValues Auditing & Consulting Co., Ltd. as the company's auditor for 2024, with the audit contract signed on June 18, 2024.
- The BoD ensured strict compliance with financial reporting requirements, including audited annual financial statements, reviewed semi-annual financial statements, quarterly financial reports, corporate governance reports, and the 2024 annual report.
- Successfully organized the 2024 Annual General Meeting of Shareholders on April 20, 2024, marking Pharmedic's 43rd anniversary (June 30, 1981 – June 30, 2024).
- Implemented dividend payments as follows: Second dividend payment for 2023 at 14% (April 1, 2024), Final dividend for 2023 at 41% (June 17, 2024), First interim dividend for 2024 at 10% (September 25, 2024), Dividend distribution from retained earnings (fund reversal) at 109%, equivalent to VND 101.725 billion, paid in two installments: 55% on December 25, 2024 and 54% on February 28, 2025, Annual dividend payments were consistently timely and in full compliance with disclosures.
- Corporate governance adhered strictly to the company's Charter, regulations, and prevailing laws. Relevant departments actively contributed to revising and improving corporate policies in compliance with state regulations.
- Management oversight was regularly conducted, with timely strategic directives provided to resolve operational challenges and support the company's business performance.
- The BoD approved strategic investment projects, including: Implementation of the SAP S/4HANA enterprise management software, Expansion of production lines and finished goods warehouse at the manufacturing plant, Establishment of Pharmedic Herbal Pharmaceutical JSC's branch in Hanoi.
- The Internal Audit Committee, under the BoD, conducted audits on compliance with company policies and internal regulations. The committee reviewed financial and

operational performance, ensured compliance with financial and accounting regulations, evaluated financial data accuracy, adherence to accounting standards, and assessed corporate risk management.

- Information disclosure was conducted in full compliance with legal requirements, covering both periodic and ad-hoc disclosures, including financial statements, annual reports, corporate governance reports, related party transactions, and other required disclosures.
- Employee training and development remained a strategic priority. The company maintained a continuous training policy throughout the term to enhance workforce capabilities, foster innovation, and align human resources with each stage of the company's growth.
- The company has consistently been recognized as a "High-Quality Vietnamese Product" by consumers from 2003 to 2024. In 2024, the company received the "Vietnam Pharmaceutical Star" award for the second time for its Povidine 10% and Rectiofar products, organized by the Ministry of Health. Additionally, the company was ranked among Vietnam's Top 10 Famous Brands in the pharmaceutical sector, awarded by the Vietnam Intellectual Property Association.

#### **1. Board of Directors' Assessment of the Executive Board's Performance in 2024**

- Công ty đã thực hiện đúng các chủ trương, chính sách pháp luật của Nhà nước, tích cực bảo vệ môi trường, thực hiện tốt các trách nhiệm xã hội đối với cộng đồng địa phương. Tập thể lãnh đạo và người lao động đã có nhiều cố gắng khắc phục khó khăn thực hiện tốt các giải pháp theo chỉ đạo của HĐQT và những biện pháp của Ban điều hành trong tổ chức triển khai sản xuất và phân phối sản phẩm cho thị trường góp phần mang lại hiệu quả trong sản xuất kinh doanh.
- The company has complied with the State's policies and legal regulations, actively engaged in environmental protection, and fulfilled its corporate social responsibilities within the local community. The leadership team and employees have made significant efforts to overcome challenges, successfully implementing Board directives and executive measures in production and distribution, thereby enhancing business efficiency.
- The company has been actively involved in community initiatives, volunteer activities, environmental protection campaigns, and raising public awareness on health-related issues.
- The Executive Board has achieved the 2024 business targets, with total revenue reaching VND 508.074 billion, exceeding the plan by 3.16% and increasing 0.48% compared to 2023. Pre-tax profit reached VND 100.313 billion, surpassing the target by 10.23% but decreasing 4.1% compared to 2023, primarily due to a 51.89% decline in financial income from the previous year.
- The Board of Directors closely monitored the Executive Board's activities and acknowledged its efforts in managing and leading business operations. The Executive Board effectively implemented business strategies aligned with the Board's direction, ensuring the interests of the company, shareholders, employees, and investors. Additionally, the Executive Board demonstrated a strong understanding of the company's resources and flexibly adjusted plans to adapt to market fluctuations.

- The Executive Board members coordinated effectively, working closely with various departments to manage operations efficiently. They also provided timely support to employees, prioritizing both their material and emotional well-being, and maintaining a stable, healthy, and friendly working environment.
- The Board of Directors recognizes the Executive Board's efforts in strengthening internal governance, particularly in organizational structure, human resources, and production management. For 2025, the Board urges the Executive Board to take a proactive approach in handling tasks assigned to each Deputy CEO and to continue refining operational regulations and procedural frameworks for each department.

## **2. Remuneration of the Board of Directors and Board of Supervisors**

In accordance with the resolution approved by the 2024 General Meeting of Shareholders, the remuneration fund for the Board of Directors (BOD) and Board of Supervisors (BOS) in 2024 is allocated as follows (monthly average before personal income tax deduction):

- Chairman of the Board of Directors: VND 38.10 million/month
- Vice Chairman of the Board of Directors: VND 36.90 million/month
- Member of the Board of Directors: VND 26.77 million/month
- Head of the Board of Supervisors: VND 20.85 million/month
- Member of the Board of Supervisors: VND 18.14 million/month

## **II. Development Strategy for 2025**

Continuing to implement the strategic objectives of PHARMEDIC for the 2024–2029 term, the company aims to.

- Tiếp tục giữ vững và phát triển vị thế PMC trên thị trường, phát triển ổn định doanh thu và lợi nhuận.
- Maintain and strengthen PMC's market position while ensuring stable revenue and profit growth.
- Expand the business of consumer healthcare products, reinforcing the brand's presence under the mission "PHARMEDIC – Health and Trust".
- Ensure the maintenance of quality certifications and compliance with manufacturing standards.
- Enhance marketing efforts and diversify distribution channels.
- Strive to achieve an annual dividend payout of 24%.
- Invest in upgrading the current manufacturing facility to meet international standards.
- Focus on research and development (R&D) of new and high-potential products to meet market demands.
- Apply advanced technology in R&D, production, information management, and corporate governance.



- Develop and improve the quality of human resources.
- Strengthen relationships and build long-term trust with shareholders, ensuring transparent information disclosure as required by regulations.
- Promote sustainable development while protecting the environment, fulfilling corporate social responsibilities, ensuring employee welfare, making stable contributions to the city's budget, and engaging in social welfare initiatives.

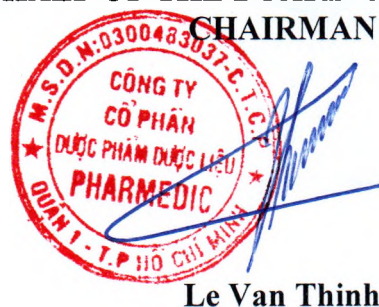
### III. Conclusion

In 2024, Pharmedic faced both opportunities and challenges amid the economic recovery and increasing competition in the pharmaceutical industry. Despite these uncertainties, the Board of Directors (HĐQT), Executive Board, and all employees have worked diligently to overcome obstacles and achieve the company's strategic goals.

Looking ahead to 2025, the pharmaceutical industry is expected to sustain steady growth, presenting new opportunities for businesses and investors. However, challenges will persist. Pharmedic remains optimistic about achieving positive results and is committed to overcoming difficulties to successfully execute its development plans. The Board of Directors, Executive Board, and employees will continue their dedicated efforts to ensure Pharmedic's sustainable growth and success.

We respectfully submit this report for approval by the General Meeting of Shareholders.

**ON BEHALF OF THE BOARD OF DIRECTORS  
CHAIRMAN**



**Le Van Thinh**



## REPORT

### ANNUAL GENERAL MEETING OF SHAREHOLDERS 2024 ORIENTATION AND TASKS FOR 2025

#### I. CONTEXT

**Production and Import Situation:** In 2024, Vietnam's pharmaceutical industry continued to face many challenges but still maintained growth and affirmed its development potential in the region. Vietnam currently has 238 pharmaceutical factories meeting WHO-GMP standards, ensuring the supply of high-quality medicines for medical needs. In 2024, the Ministry of Health processed more than 1,300 drug import licensing applications, with a total import value exceeding USD 3,8 billion. Conversely, the export value of pharmaceuticals was only about USD 280 million, highlighting a significant dependence on foreign supply.

**Market Growth:** Vietnam's pharmaceutical market has maintained its growth trajectory, with total market value rising from approximately USD 2,7 billion in 2015 to USD 7 billion in 2022, and is projected to exceed USD 10 billion by 2026. The pharmaceutical industry's estimated value in 2024 reached USD 7,89 billion, an increase of 9,1% compared to the previous year. The prescription drug (ETC) segment saw stronger growth than the over-the-counter (OTC) segment, thanks to national health insurance coverage reaching 93% of the population.

**Corporate Profitability:** In 2024, pharmaceutical companies experienced divergent profit growth. While some companies reported increased profitability, others faced difficulties, resulting in an overall business landscape that remained relatively flat compared to the previous year.

**Development Strategy:** On October 9, 2023, the Prime Minister approved the National Strategy for the Development of Vietnam's Pharmaceutical Industry for the period up to 2030, with a vision toward 2045. This strategy aims to develop Vietnam's pharmaceutical industry to be on par with advanced countries in the region, positioning Vietnam as a center for pharmaceutical manufacturing, outsourcing, and technology transfer of proprietary drugs within ASEAN.

**Opportunities and Challenges:** Vietnam is recognized by international organizations as an emerging pharmaceutical market with high growth potential. However, the industry also faces challenges, such as the profit divergence among companies and the need to enhance product quality to remain competitive in the global market.

In 2024, under the close guidance of the Board of Directors and the flexible management of the Executive Board, the company successfully implemented comprehensive solutions to achieve its annual targets. Despite various challenges posed by economic conditions and market fluctuations, the leadership promptly adjusted strategies, optimized production and business activities, and improved management efficiency. As a result, the company maintained stability, ensured sustainable growth, and continued to strengthen its position in the pharmaceutical market. This solid foundation will allow the company to grow even further in the coming years.

## PERFORMANCE OF BUSINESS

### 1. Business Performance Results in 2024 (*Audited Data*)

*Unit: Billion VND*

Indicators	Actual 2023	Plan 2024	Actual 2024	Comparison	
				% Completi on vs. 2024 Plan	% Comparis on with 2023
(1)	(2)	(3)	(4)	(4)/(3)	(4)/(2)
Total Revenue and Income	505,657	492,500	508,074	103,16%	100,48%
Total Expenses	401,055	401,500	407,761	101,56%	101,67%
Profit Before Tax	104,602	91,000	100,313	110,23%	95,90%
Profit After Tax	83,564	72,800	80,133	110,07%	95,89%
Corporate Income Tax	21,038	18,200	20,180	110,88%	95,92%
Pre-Tax Profit Margin on Total Revenue	20,69%	18,48%	19,74%		
Dividend Payout Ratio	24%	24%	24%		

- Total revenue in 2024 increased by 3,16% (+15,574 billion VND) compared to the 2024 plan and grew by 0,48% (+2,417 billion VND) compared to 2023;
- Total expenses in 2024 rose by 1,56% (+6,261 billion VND) compared to the 2024 plan and by 1,67% (+6,706 billion VND) compared to 2023
- Profit before tax in 2024 increased by 10,23% (+9,313 billion VND) compared to the 2024 plan but decreased by 4,1% (-4,289 billion VND) compared to 2023.
- Despite a 0,48% increase in total revenue (+2,417 billion VND) in 2024 compared to 2023, total profit declined by 4,1% (-4,289 billion VND) due to a reduction in financial income (bank deposit interest income). In 2023, bank deposit interest income was 19,8 billion VND, whereas in 2024, it decreased to 9,5 billion VND

- Pre-tax profit margin on total revenue was 20,69% in 2023, 18,48% in the 2024 plan, and 19,74% in actual 2024 performance.
- Dividend payout ratio in 2023 was 24%. Additionally, in 2023, dividends were distributed from the Reinvestment Fund reversal to retained earnings at a ratio of 126%.
- In 2024, the planned dividend payout ratio was 24%. The actual dividend distribution from the Reinvestment Fund reversal to retained earnings was 109%.

## **2. Business Operations**

- Compliance with GPs across the company: GMP-WHO (including GLP, GSP), GDP (finished products, raw materials), CGMP re-evaluation (cosmetics).
- Developing flexible sales and business strategies to ensure the company meets and exceeds the 2024 targets.
- Advising on product pricing strategies to maintain both safety and profitability.
- Cost reduction initiatives in challenging business conditions, including expanding Northern and Central region deliveries via trunk transport companies (railway) and planning future expansion in the Western region.
- Developing a new business strategy that aligns with market conditions, streamlining purchasing and sales procedures, and offering reasonable discounts for different customer segments.
- Strict adherence to SOPs to ensure that finished products consistently meet quality standards. Departments closely coordinate to prevent production disruptions.
- Reviewing, updating, and adjusting standard labor hour norms after implementing approved improvement initiatives.
- Establishing a well-structured business and production plan with contingency measures to handle unforeseen circumstances.
- Creativity and flexibility in production, quality control, and quality assurance to achieve business goals.
- Proactive leadership and timely directives from company management in business operations, with timely rewards to motivate employees. Departments collaborate closely to enhance production capacity and meet market demands.
- Challenges in sourcing new raw materials for product research and development.
- Frequent changes in raw materials, including manufacturers, production locations, and product specifications, significantly impacting the registration, production transfer, and process validation.
- Extended testing and validation processes for new research samples and analytical methods, delaying production and new product development.
- Increasing costs of paper and plastic packaging materials, coupled with supply chain disruptions caused by global conflicts.

## **3. Research and Development Activities**

- The R&D Department and Marketing Department collaborated on research, product improvements, and design to create new products with diverse packaging that align



with current market trends. New products were introduced at competitive prices within their respective segments.

- The Sales and Marketing Departments worked together to develop and implement the 2025 sales policy.
- Continuous research into new product formulations (liquid and solid preparations). In 2024, new products were introduced to the market with promotional programs to enhance consumer awareness.
- The Executive Board provided timely guidance to monitor and respond to regulatory changes in drug registration.
- Expedited the registration process for new products, renewal of expired registrations (extensions, modifications, re-registration, and protection), and validation processes.
- In 2024: 7 new products received registration numbers, 53 products had their registration numbers extended for five years, 28 products had their registration numbers extended for three years, 6 products continued to use their registration numbers under Circular 55/2024/TT-BYT, 30 products were submitted for registration, 52 products were in the research phase.
- Actively monitored, reviewed, and contributed feedback on new decrees and circulars to ensure compliance with legal regulations following the amendments to the Pharmaceutical Law No. 44/2024/QH15.
- Continuously updated standards per new circulars, strengthened registration file monitoring on online platforms, and tracked regulatory changes, particularly those affecting the pharmaceutical industry.
- Updated product information leaflets based on reputable sources such as EMC, FDA, EMA, and Martindale. Kept up to date with regulations on cosmetic and food supplement registration to diversify the product portfolio.
- Established a research group focusing on macro-level healthcare regulations, providing timely and relevant feedback on draft laws and regulations from the Ministry of Health.
- Implemented year-round promotional campaigns to boost sales, achieve revenue and profit targets, and expand market share.
- Maintained regular customer interactions to assess business conditions and identify growth opportunities.
- Actively promoted Pharmedic's CGMP certification to enhance brand credibility and differentiate its products in the market.

**\* Drug Registration Process:**

**Advantages:**

- The issuance of new Circulars and Decrees—such as Circular 08/2022/TT-BYT, Circular 23/2023/TT-BYT, and Decree 88/2023/ND-CP—has streamlined administrative procedures. The implementation of fully online public services has facilitated the submission and tracking of registration dossiers.
- The Drug Administration of Vietnam (DAV) has accelerated the evaluation process, significantly shortening the time required for dossier approval. Notably, the renewal



of drug registration numbers (SDK) has improved considerably, ensuring timely approval to support pharmaceutical production.

- The storage and management of drug registration dossiers have become more convenient, allowing for easy retrieval and monitoring.

#### **Challenges:**

- The new Circular on Drug Registration (TT08/2022) replaced the previous one, causing delays for dossiers prepared under the old regulations, as they require additional supplementary documents during evaluation.
- Drug formulation origin (reference products): Some traditional pharmaceutical products face registration renewal issues due to a lack of documented formulation origin, leading to temporary or delayed registration renewals.
- New Circulars and Decrees have introduced stricter requirements for legal documentation, manufacturing standards, and compliance for active ingredients, excipients, capsules, and semi-finished products. As a result, new registrations and changes in active ingredient sources have faced difficulties due to increased documentary requirements from the DAV. Additionally, administrative hurdles such as changing manufacturer names, production sites, or quality standards, and waiting for supplier-provided documents (e.g., GMP certificates) that require consular legalization, have led to delays in dossier submission.
- For existing marketed drugs, some excipients do not yet meet updated regulatory standards. The DAV now requires Certificates of Analysis (COA) for excipients according to new standards, creating challenges, particularly for excipients such as colorants, flavors, and fragrances, which do not conform to standard pharmacopoeias.
- Most updated finished product standards now require microbiological testing, but the lack of clear guidelines has prolonged the time needed to complete dossier submissions.
- Active pharmaceutical ingredient (API) dossiers, such as Drug Master Files (DMF) and residual solvent stability studies, have not fully met DAV requirements due to missing elements like protocols and accelerated stability testing data.
- Circular 07/2022/TT-BYT mandates bioequivalence (BE) studies for specific drugs. The company is currently addressing BE testing requirements for products like Diclofenac (enteric-coated tablets), Irbesartan 150 mg, and Irbesartan 300 mg, following the prescribed regulatory roadmap.

#### **4. Quality Assurance and Quality Control Activities**

- Implement quality management of pharmaceuticals and pharmaceutical ingredients in compliance with Decree 54/2017/ND-CP, Circular 35/2018/TT-BYT, and ensure adherence to GPs regulations.
- Inspect the proper application of regulations, policies, and current SOPs in accordance with good practice principles (GPs) across departments and production workshops.

- In 2024, the company successfully passed the CGMP inspection and was granted a certificate of compliance with the "Good Manufacturing Practice for Cosmetics" standards, as per Decision No. 88/QĐ-QLĐ issued by the Ministry of Health.
- Monitor the entire process, from the receipt of raw materials and packaging to production orders, dispensing, formulation, packaging, and warehouse entry, covering a total of 4,658 product batches.
- Regularly validate production processes, HVAC systems, factory sanitation, equipment validation, cleaning procedures, laundry procedures, temperature and humidity uniformity in raw material and finished product warehouses, and media fill validation.
- Ensure production and warehouse operations strictly adhere to established procedures and comply with GPs.
- Operate technical systems correctly to ensure water treatment meets quality and quantity requirements for production while also ensuring wastewater treatment meets current environmental standards.
- Regularly inspect, maintain, clean, and upgrade water treatment systems as needed. At the end of 2024 and early 2025, the company will carry out an upgrade of the recirculating water system.
- Continuously implement the company's Quality Policy: "Ensuring quality and continuous improvement in the production process and distribution services; Strict compliance with all legal regulations."
- Prepare necessary documentation for the GMP reassessment scheduled for early 2025.
- Maintain compliance with Good Laboratory Practice (GLP) through measurement standardization, validation procedures, quality standards, and testing services to support production. Ensure that sample testing results are accurate and timely for production needs.
- Apply Good Laboratory Practice (GLP) in quality control, ensuring that laboratory equipment meets requirements for chemical and microbiological testing and aligns with standard testing methods.
- Measuring instruments are verified and calibrated before being put into use.
- Sample testing results are accurate and timely, supporting production processes.
- Ensure full stability monitoring for all product lines.

## **5. Financial and Accounting Activities**

- Completed monthly, quarterly, and annual financial reports for 2024 on time as required. Ensured all tax payments were made promptly and in full.
- Effectively managed, safeguarded, and developed company capital; efficiently coordinated cash flow to optimize payments and savings, enhancing liquidity for company operations.
- Implemented the Payment Process and Advance Payment Process through the electronic office system during the year.
- Ensured compliance with receivables management policies, promptly collected due payments to accelerate capital turnover.

- Proactively purchased raw materials when foreign exchange rates were low and when suppliers offered discounts, effectively saving costs before market prices increased. Maintained a well-balanced production schedule for the upcoming year, keeping raw material prices relatively stable.
- Digitalized the payment planning process, improving the scientific and efficient use of financial resources.

## **6. Human Resource Development and Commendation Activities**

### **❖ Human Resource Development:**

- As of December 31, 2024, the total number of employees was 535, an increase of one person compared to December 31, 2023.
- In 2024, the total income of employees increased by 7% compared to 2023, with an average salary of 18,710,000 VND per person per month.
- Strictly complied with labor policies and collective labor agreements in accordance with legal regulations. Conducted annual health check-ups for all employees.
- Strengthened senior personnel, restructured organizational departments, and delegated management authority to enhance operational efficiency.
- Implemented localization policies for unskilled labor, maintained special support policies for key personnel and highly skilled workers to encourage long-term commitment and job stability.

### **❖ Commendation and Award Activities:**

- Employees actively participated in cultural, artistic, and sports activities, supporting charity, social welfare, and community aid programs...
- The innovation and improvement movement was widely embraced, resulting in multiple commendations in 2024:
  - City-level Emulation Flag for outstanding performance leading the industry (Decision No. 828/QĐ-UBND, dated February 28, 2025).
  - 07 recognized innovations from 12 employees (06 at the pharmaceutical company system level, 01 at the company level).
  - 09 individuals awarded Grassroots-Level Emulation Soldier 2023 (Decision No. 216/QĐ-SGP-HĐTV, dated January 30, 2024).
  - 01 individual awarded City-Level Emulation Soldier (2020–2022) (Decision No. 4799/QĐ-UBND, dated October 28, 2024).
  - 03 individuals received the City People's Committee Certificate of Merit for 2023 (Decision No. 982/QĐ-UBND, dated March 29, 2024).
  - 468 individuals recognized with the "Advanced Worker" title.

## **7. Other Activities**

- Established a branch of Pharmedic Pharmaceutical and Herbal Joint Stock Company in Hanoi.
- The Board of Directors approved the "Investment in SAP S/4HANA Enterprise Management System" project and the "Expansion of Production Lines and Finished Goods Warehouse" project at the factory.
- Regularly updated and supplemented legal knowledge to ensure safe operations and risk reduction. Conducted internal audits to improve company processes.
- Practiced cost-saving and anti-waste measures, fostering a collaborative work culture.
- Implemented workplace safety, fire prevention, cost efficiency, and waste reduction practices.
- Accelerated digital transformation, improving efficiency, accuracy, and accessibility of company operations. Tasks can now be managed online and printed as needed.
- Changed drug transportation methods by using central route trucks for the Central and Northern regions, reducing costs and enhancing operational efficiency.
- Ensured proper storage and timely distribution of goods, supporting the company's production and business plans.
- Annually reported certain chemicals and precursor substances as required by Decrees 113/CP and 57/CP of the Government.
- Strictly adhered to fire prevention and safety regulations, ensuring order and security across the company while promoting a professional workplace culture.
- Enhanced internal security, installing CCTV systems at key locations, including the company headquarters, parking areas, production zones, and central warehouse.

## II. ORIENTATIONS AND TASKS FOR 2025

### 1. Financial Plan Targets

Based on the production and business plan approved by the Board of Directors and market forecasts, the 2025 plan is outlined as follows:

*Unit: Billion VND*

Indicators	Actual 2024	Plan 2025	Growth Rate (Plan/Actual)
Total Revenue	508,074	539,000	106,09%
Profit Before Tax	100,313	97,000	96,70
Profit After Tax	80,133	77,600	96,84
Average Monthly Income per Employee	18,7	19,0	101,60
Dividend Payout Ratio	24%	24%	100%

### 2. Orientation and Tasks



- Maintain and expand supply chain partnerships, especially with potential clients, while implementing suitable sales policies to drive revenue growth.
- Continuously adjust sales policies to align with market conditions.
- Establish a Corporate Development Orientation Committee and Task Forces to assess the current situation and propose timely strategic solutions.
- Develop a marketing strategy aligned with market trends, focusing on increasing the ETC/OTC sales ratio and allocating resources to drive new product revenue growth.
- The Marketing Department will collaborate with the Sales Department to: Develop KPIs and organize training sessions for TDV/CTV on new business policies, Execute contract signings with key customers for 2025.
- Transfer sales operations in Ho Chi Minh City from the Marketing Department to the Sales Department and adjust the functions of the Marketing Department to focus on core activities in 2025.
- Reorganize the Marketing Department to focus on brand development, product strategy, digital marketing, and customer care.
- Research new pharmaceutical formulas with limited competition, leveraging the company's strengths in topical medicines, oral powder medicines, and eye drops.
- Renew registrations for products expiring in 2025 and continue registering new products to replace those with non-standard formulations.
- Conduct bioequivalence studies for drugs in compliance with Circular 07/2022/TT-BYT.
- Protect and extend trademark rights; register cosmetic and functional food products.
- Expand sales coverage to more districts, communes, and provinces nationwide.
- Commence production of newly registered products and contract-manufactured goods.
- Prepare for GMP re-evaluation in 2025.
- Develop a corporate growth report based on industry trends and analyze Ho Chi Minh City's Pharmaceutical Industry Development Plan (Vision 2030-2045) to propose Pharmedic's strategic direction.
- Obtain WHO-GMP certification (including GLP and GSP) and maintain compliance with Good Practices (GPs) standards to ensure product quality.
- Research new products to meet market demand and boost revenue, while adapting to business performance dynamics.
- Keep up with new regulations and circulars, ensuring timely registration approvals and price adjustments from the Ministry of Health.
- Explore new business segments aligned with market needs.
- Improve existing products and ensure compliance with authentic formulations and production regulations.
- Analyze external and internal factors to develop short-term and long-term strategies that enhance operational efficiency. Implement pricing policies tailored to each product.
- Strengthen corporate governance and enhance internal capabilities, applying effective measures to achieve key performance targets as directed by the Board of Directors.


- Invest in machinery, equipment, and software to boost productivity, reduce costs, and enhance competitiveness.
- Develop and invest in warehouse and production facilities, expand storage capacity, and implement ERP systems to improve efficiency.
- Implement a job-based salary structure and improve employee welfare, ensuring a balance between shareholder, employee, and customer interests.
- Operate in full compliance with government regulations, corporate law, enterprise charters, and resolutions of the General Meeting of Shareholders and Board of Directors' decisions.
- Maintain annual dividend payouts as per the resolutions of the General Meeting of Shareholders.
- The company's business strategy will be built upon: Diversifying markets and product offerings while avoiding excessive expansion, Maintaining a strong commitment to product development philosophy, Safeguarding the company's brand reputation and corporate integrity.

### III. CONCLUSION:

Vietnam's pharmaceutical industry continued its growth trajectory in 2024 but faced multiple challenges. Leveraging opportunities from technological innovation, green transformation, and sustainable development will be key for pharmaceutical companies to enhance their competitiveness and long-term growth.

In 2024, Pharmedic Pharmaceutical Joint Stock Company (PMC) achieved positive results, successfully meeting its business targets and maintaining an attractive dividend policy for shareholders. Under the leadership of the Board of Directors and the Executive Management Team, the company effectively implemented its strategic initiatives, further strengthening its position in Vietnam's pharmaceutical market./.

**GENERAL DIRECTOR**



Le Viet Hung

No: **03/PMC/BKS**

*Ho Chi Minh City, date 28 month 03 year 2025*

## **REPORT OF THE SUPERVISORY BOARD FOR THE FISCAL YEAR 2024**

**To: THE ANNUAL GENERAL MEETING OF SHAREHOLDERS 2025**

The Board of Supervisors (BOS) hereby presents its report to the Annual General Meeting of Shareholders for the fiscal year 2024, highlighting the following key points:

### **SECTION A: ACTIVITIES OF THE BOARD OF SUPERVISORS IN 2024**

#### **I. Activities of the Board of Supervisors in 2024**

##### **1. Members of the BOS.**

In 2024, there were changes in the personnel of the BOS, specifically:

- Mr Le Hữu Hung                      - Head of the BOS (Dismissed on April 20, 2024)
- Mr Nguyen Tien Sy                - Head of the BOS (Appointed on April 20, 2024)
- Mr Nguyen Thế Phong           - Member of the BOS (Dismissed on April 20, 2024)
- Ms Tran Thị Van                  - Member of the BOS (Appointed on April 20, 2024)
- Ms Nguyen Thị Thuy My       - Member of the BOS

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

In 2024, the BOS held four meetings as per regulations and two additional meetings to prepare for the review of financial statements, accounting records, and to participate in regular meetings of the Board of Directors (BOD).

Key Responsibilities of the BOS:

- Supervised the activities of the BOD and the Board of Management (BOM) in implementing resolutions of the General Meeting of Shareholders, the Company's Charter, and other relevant regulations.
- Monitored and inspected the implementation of the Business Plan, Profit Distribution Plan, and Annual Dividend Payment Plan.
- Conducted periodic audits of financial records and accounting books every six months and at the end of the fiscal year.
- Reviewed and approved the 2024 financial statements.
- Verified the remuneration settlement for the BOD and the BOS every six months and at the end of the year.

- Examined reports conducted by the independent auditing organization.
- Reviewed reports issued by the Internal Audit Committee.
- Participated in regular and extraordinary meetings with the BOD.

## II. Supervision Results of the Board of Supervisors

### 1. Monitoring the Implementation of Business and Financial Plans

Independent Audit Firm: The audit quality of Vietvalues Co., Ltd. (Vietnam Audit and Consulting Co., Ltd.) was assessed as objective, independent, and appropriate within the scope of the audit.

Business Performance in 2024 and Key Financial Indicators (as of December 31, 2024), including accounts receivable, accounts payable, and inventory levels, are summarized as follows:

#### 1.1. Business Performance in 2024:

*Unit: Billion VND*

Indicators	Actual 2023	Planned 2024	Actual 2024	% of Plan Achieved (2024)	% Change (2024 vs. 2023)
Total Revenue and Income	505,6	492,5	508,0	103.16%	100.48%
Total Expenses	401,0	401,5	407,7	101.56%	101.67%
Profit Before Tax	104,6	91,0	100,3	110.23%	95.90%
Current Corporate Income Tax	21,0	-	20,2		95.92%
Net Profit After Tax	83,6	72,8	80,1	110.07%	95.89%
Earnings Per Share (EPS) (*)	6,536		6,268		
Dividend Payout Ratio	191%		133%		

In 2024, revenue reached VND 508 billion, achieving 103,16% of the target and increasing 0,48% compared to 2023. Net profit after tax was VND 80,1 billion, fulfilling 110,07% of the plan. However, net profit after tax in 2024 decreased by 4,11% compared to 2023. The decline in net profit was primarily due to the company's business expansion, specifically the establishment of a branch in Hanoi, which led to an initial increase in operating costs. As a result, corporate administrative expenses in 2024 rose by 22,26% compared to 2023.

#### 1.2. Receivables and Payables in 2024:

- Total short-term receivables as of December 31, 2024, amounted to VND 62.795 million, an increase of 27,8% compared to 2023. In which, The majority of this amount comes from customer receivables, which stood at VND 42.266 million, up 4,8% from 2023. Short-term prepayments to suppliers reached VND 18.531



million, an increase of 198,5%, due to the company's investment in factory renovations and equipment replacement.

- Total short-term payables as of December 31, 2024, amounted to VND 86.227 million, increasing by 3,66% from 2023. The largest components were employee payables (VND 34.953 million) and trade payables (VND 16.250 million). The company does not have any long-term debt.

**1.3. Inventory:** Inventory increased from VND 67.243 million in 2023 to VND 71.119 million in 2024, marking a 5,76% increase. The rise in inventory was due to the company's strategic stockpiling to support business expansion.

## 2. Compliance Monitoring

The BOS has conducted oversight to ensure compliance with legal regulations, the Company's Charter, and internal policies. In 2024, the company did not commit any serious violations of laws or internal regulations.

## 3. Oversight of Accounting and Financial Reporting

The BOS has audited the 2024 financial statements and confirms that the financial statements accurately and fairly reflect the company's financial position as of December 31, 2024.

## 4. Oversight of Information Disclosure and Related-Party Transactions

The BOS has monitored the company's information disclosure to ensure compliance with legal regulations.

Regarding related-party transactions, in 2024, the company engaged in the following transactions with related parties:

Details: Unit: Million VND

### ➤ *Saigon Pharmaceutical One Member Limited Liability*

- Purchasing raw materials (*)	-
- Payment for raw materials	-
- Advance payments for raw material purchases	20.000
- Receiving refunds for advance payments on raw	20.000
- Revenue from selling finished products (*)	65.951
- Receiving payments for sold finished products	63.419
- Dividend distribution	48.651

(\*)The selling prices of products and the purchasing prices of raw materials include Value-Added Tax.

### ➤ *Saigon – Hanoi Securities JSC*

- Dividend distribution: VND 14.439 million

- Ms. Tran Thị Thu Trang, daughter of Mr. Tran Viet Trung – Member of the Board of Directors/General Director, held the position of Deputy Head of

Finance and Accounting Department (no longer a related party as of June 1, 2024). Dividend distribution: VND 173 million.

#### **5. Activities of the Board of Directors:**

The BOD consists of seven members, elected by the General Meeting of Shareholders for the 2024 – 2029 term.

In 2024, the BOD held quarterly meetings (both regular and extraordinary). The agenda of these meetings focused on: Evaluating the implementation of resolutions issued in previous meetings; Assessing monthly, quarterly, and annual business performance; Reviewing the company's restructuring process, digital transformation, development of electronic office systems, and revision of salary and internal expenditure regulations; Prioritizing investments in equipment to enhance production capacity.

The BOD issued multiple resolutions and decisions related to the company's business activities within its authority and responsibility. These resolutions and decisions followed the proper procedures, authority, and compliance with the General Meeting of Shareholders' resolutions, the company's charter, the Enterprise Law, and other relevant legal regulations.

The BOD also supervised the BOM's activities, ensuring the implementation of the General Meeting of Shareholders' resolutions.

Additionally, the BOD provided timely guidance to the BOM, enabling the company to exceed its business targets for 2024.

#### **6. Activities of the Board of Management:**

The BOM has strictly followed the resolutions of the General Meeting of Shareholders and the decisions of the BOD, effectively managing the company's business operations.

The BOM has directed various departments to implement proactive measures, including: Restructuring the company in alignment with the BOD's digital transformation strategy, Developing an electronic office system, Revising customer policies and internal expenditure regulations, Investing in equipment upgrades to enhance production capacity. As a result, the company successfully met its key revenue and profit growth targets in 2024, fulfilled its financial obligations to the state, improved employee welfare, and enhanced operational efficiency

In 2024, the BOM also established a new branch in Hanoi under Pharmedic Pharmaceutical and Herbal Joint Stock Company. This expansion aims to broaden the market and improve customer accessibility to the company's products in Northern Vietnam.

#### **7. Evaluation of Coordination Between the Board of Supervisors, Board of Directors, and Board of Management**

The BOS closely coordinated with the BOD and the BOM in carrying out its oversight duties. The BOS's opinions and recommendations were duly considered and

promptly implemented by the BOD and BOM. This coordination was reflected in the following activities:

- The BOS was provided with all necessary documents and data in accordance with regulations.
- The BOS actively participated in all regular meetings of the BOD.
- The BOS regularly engaged with BOD members and the BOM on matters related to corporate governance and business operations.

In 2024, the BOS did not receive any formal shareholder requests regarding the review of accounting records, documents, or any inspection related to the company's business activities and corporate governance.

### **8. Remuneration and Operating Expenses of the Board of Directors and Board of Supervisors**

In accordance with the resolution approved by the General Meeting of Shareholders in 2024, the remuneration fund for the BOD and the BOS in 2024 (monthly average before personal income tax deduction) was allocated as follows:

- |                            |                           |
|----------------------------|---------------------------|
| - Chairman of the BOD      | : 38,10 million VND/month |
| - Vice Chairman of the BOD | : 36,90 million VND/month |
| - Members of the BOD       | : 26,77 million VND/month |
| - Head of the BOS          | : 20,85 million VND/month |
| - Members of the BOS       | : 18,14 million VND/month |

### **III. RECOMMENDATIONS OF THE BOARD OF SUPERVISORS**

1. Enhancing Risk Management: The Company should continue to closely monitor market fluctuations and strictly manage accounts receivable and inventory to ensure financial security.
2. Adapting to Market Challenges: Given the ongoing difficulties in the macroeconomic environment and market conditions, the Company must implement appropriate policies and strategic plans to navigate market volatility and intense competition in its business sector.
3. Investing in New Production Technologies: The Company should invest in modern production technologies to increase productivity and business efficiency.
4. Organizational Restructuring: Continue streamlining the organizational structure and recruiting high-quality personnel to support sustainable growth.

### **IV. OPERATIONAL PLAN OF THE BOARD OF SUPERVISORS FOR 2025**

1. Continue monitoring the execution of duties and responsibilities by the BOD and BOM, ensuring compliance with legal regulations and the Company's Charter.
2. Oversee the implementation of resolutions passed by the General Meeting of Shareholders and the BOD for the year 2025.

3. Review and evaluate the Company's quarterly and annual financial statements for 2025 to ensure accuracy, transparency, and compliance with accounting standards.
4. Strengthen compliance monitoring regarding legal regulations and internal corporate policies.
5. Propose measures to enhance operational efficiency and improve risk management.

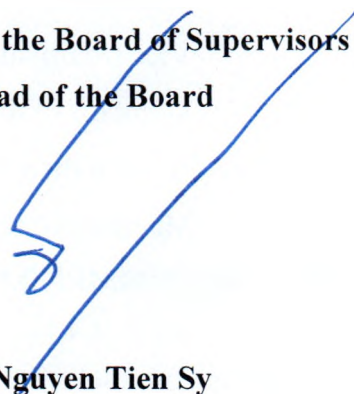
This report presents the 2024 activities of the BOS and the 2025 operational plan. We submit this to the General Meeting of Shareholders and welcome any feedback to further improve our role in the next fiscal year.

The BOS extends its sincere gratitude to the shareholders, the BOD, the BOM, and all Company departments for their support and cooperation, enabling the Board to fulfill its responsibilities effectively in 2024.

Respectfully submitted.

**On behalf of the Board of Supervisors**

**Head of the Board**

A handwritten signature in blue ink, consisting of a stylized 'N' followed by a series of loops and a long horizontal stroke extending to the right.

**Nguyen Tien Sy**



No: 04/PMC-BOS

*Ho Chi Minh City, month 03 day 28 year 2025*

## **PROPOSAL**

*(Re: Selection of an independent audit firm for 2025)*

**To: General meeting of shareholders of Pharmedic Pharmaceutical Medicinal Joint Stock Company**

Pursuant to:

- *Law on Enterprises No. 59/2020/QH14, passed on June 17, 2020;*
- *Charter on the organization and operation of Pharmedic Pharmaceutical Medicinal Joint Stock Company, dated April 28, 2023;*
- *Regulations on the operation of the Supervisory Board.*

The Supervisory Board submits to the General Meeting of Shareholders the selection criteria and proposes the approval of the audit firm to conduct the semi-annual and annual financial statement audits for 2025 at Pharmedic Pharmaceutical Medicinal Joint Stock Company as follows:

1. Criteria for selecting an independent audit firm:

- A legally operating audit firm in Vietnam, listed among the eligible audit firms approved by the State Audit Committee for auditing listed companies;
- Experienced in auditing public companies in Vietnam;
- Reputable for audit quality, with a team of highly experienced auditors;
- Offers audit fees that are appropriate for the quality and scope of the audit;
- Has no conflicts of interest in auditing the company's financial statements.

2. Proposed audit firm:

Among the audit firms that submitted proposals, the Supervisory Board has selected and proposes that Vietvalues Audit and Consulting Co., Ltd. (Vietvalues) continue as the audit firm to conduct the semi-annual review and the annual financial statement audit for 2025 of Pharmedic Pharmaceutical Medicinal Joint Stock Company.

We respectfully submit this to the General Meeting of Shareholders for consideration and approval.

**On behalf of the Supervisory Board  
Head of Supervisory Board**

*Mr. Nguyen Tien Sy*

## PROPOSAL

(Re: Audited financial statements for 2024, profit distribution for 2024, and plan for 2025)

### **To: General meeting of shareholders of Pharmedic Pharmaceutical Medicinal Joint Stock Company**

Pursuant to:

- Law on Enterprises No. 59/2020/QH14, passed on June 17, 2020;
- Charter on the organization and operation of Pharmedic Pharmaceutical Medicinal Joint Stock Company, dated April 28, 2023;
- Audited financial statements for 2024 of Pharmedic Pharmaceutical Medicinal Joint Stock Company

The Board of Directors of Pharmedic Pharmaceutical Medicinal Joint Stock Company respectfully submits to the General Meeting of Shareholders for approval the profit distribution, allocation to funds, and dividend payment for 2024, as well as the plan for 2025, as follows:

#### **I. Audited financial statements for 2024**

Independent audit report No. 2140/25/BCKT/AUD-VVALUES by Vietvalues Audit and Consulting Co., Ltd., dated March 18, 2025. (Attached).

#### **II. Profit distribution for 2024:**

##### **1. Profit distribution report for 2024:**

Unit: Billion VND

No	Item	Total Amount	Percentage
	<b>Profit after tax for distribution</b>	<b>80,133</b>	<b>100%</b>
1	Remuneration fund for the Board of Directors and Supervisory Board	4,007	5%
2	Bonus fund	12,020	15%
3	Welfare fund	5,609	7%
4	Dividend payment to shareholders:: [(4.1) x (4.2) x 24%]	22,398	27,95%
4.1	Outstanding shares: 9.332.573 CP		
	- State-owned shares: 4.054.309 CP		
	- Private shares: 5.278.264 CP		

No	Item	Total Amount	Percentage
4.2	Par value per share: 10.000 đồng/ CP		
	Annual dividend payout ratio (per par value): 24%		
5	Remaining profit allocated to the development investment fund: $5 = I - (1+2+3+4)$	36,099	45,05%

- Dividend Payment for 2024:

- Implementation rate: 24% per share (each share receives 2,400 VND).
- + **First installment (September 25, 2024):** 10% per share (each share receives 1,000 VND).
- + **Second installment (April 8, 2025):** 14% per share (each share receives 1,400 VND).
- It is expected that no allocation will be made to the Development Investment Fund, and the dividend payout ratio will be adjusted up to **38.68%** (each share receives **3,868 VND**).

*(Attached: Proposal No. 06/PMC-HĐQT of the Board of Directors on changes in profit distribution and adjustment of the 2024 dividend payout ratio).*

- Additional Dividend Payment in 2024:
- + Dividends were paid from the reversal of the Development Investment Fund into undistributed after-tax profit, with a payout ratio of **109% per share** (10,900 VND per share).
- + **Total amount paid:** 101.725 billion VND.
- + **Payment schedule:**
  - ✓ **First installment (December 25, 2024):** 55%
  - ✓ **Second installment (February 28, 2025):** 54%

## 2. Profit Distribution Plan for 2025:

*Unit: Billion VND*

No	Item	Total Amount	Percentage
	After-tax profit	77,600	100%
1	Remuneration fund for the Board of Directors and Supervisory Board	3,880	5%
2	Bonus fund	11,640	15%
3	Welfare fund	5,432	7%

No	Item	Total Amount	Percentage
4	Dividend payment to shareholders (Dividend payout ratio: 24% per year per par value)	22,398	28,86%
5	Remaining profit allocated to the Development Investment Fund	34,250	44,14%

**Notes:**

The dividend payout ratio will be proposed by the Board of Directors and approved by the General Meeting of Shareholders annually.

Submission to the General Meeting of Shareholders for Approval:

- The audited financial statements for 2024, the profit distribution report for 2024, and the profit distribution plan for 2025;
- Authorization to the Board of Directors to adjust figures in the audited financial statements for 2024 as required by regulatory authorities (if applicable).

**On behalf of the Board of Directors**

**Chairman**



**Mr. Le Van Thinh**





No.: 2140 /25/BCKT/AUD-VVALUES

## INDEPENDENT AUDITOR'S REPORT

**To: SHAREHOLDERS, THE BOARD OF MANAGEMENT  
AND THE BOARD OF DIRECTORS**

**PHARMEDIC PHARMACEUTICAL MEDICINAL JSC**

We have audited the accompanying aggregated financial statements of Pharmedic Pharmaceutical Medicinal Joint Stock Company (hereafter referred to as "the Company") prepared on ..... March 2025, from page 08 to page 36, which comprise the aggregated Balance Sheet as at 31<sup>st</sup> December 2024, the aggregated Income Statement, the aggregated Statement of Cash Flows and the Notes to the aggregated Financial Statements for the fiscal year then ended.

### *The Board of Directors' responsibility*

The Board of Directors of the Company is responsible for the preparation and fair presentation of these aggregated financial statements in accordance with the accounting standards, Vietnamese enterprises' accounting regime as well as other related regulations and for such internal control as the Board of Directors determines is necessary to enable the preparation and presentation of aggregated financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's responsibility*

Our responsibility is to express an opinion on these aggregated financial statements based on our audit. We conducted our audit in accordance with the Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the aggregated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the aggregated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the aggregated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the aggregated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's opinion

In our opinion, the aggregated financial statements referred to above give a true and fair view, in all material respects, of the financial position of Pharmedic Pharmaceutical Medicinal Joint Stock Company as at 31<sup>st</sup> December 2024, the business results and the cash flows for the fiscal year then ended in conformity with the accounting standards, the prevailing Vietnamese enterprises' accounting regime as well as legal regulations related to the preparation and presentation of the aggregated financial statements.

Ho Chi Minh city, 18 March 2025.  
**VIETVALUES** Audit and Consulting Co., Ltd.



**Tran Van Hiep – Deputy General Director**  
Certificate of registration for  
practicing audit No. 2141-2023-071-1  
Authorized signature

A blue ink signature of Nguyen Thi Tuyet Van.

**Nguyen Thi Tuyet Van - Auditor**  
Certificate of registration for  
practicing audit No. 2839-2025-071-1

- File:**
- As above.
  - **VIETVALUES**.

## PROPOSAL

*(Re: Regarding the change in the profit distribution plan and adjustment of the 2024 dividend payout ratio)*

**To: General meeting of shareholders of Pharmedic Pharmaceutical Medicinal Joint Stock Company**

Pursuant to:

- Law on Enterprises No. 59/2020/QH14, passed on June 17, 2020;
- Charter on the organization and operation of Pharmedic Pharmaceutical Medicinal Joint Stock Company, dated April 28, 2023;
- Based on Resolution No. 25/NQ-HĐQT dated March 13, 2025, regarding the change in the profit distribution plan and adjustment of the 2024 dividend payout ratio submitted to the 2025 Annual General Meeting of Shareholders;
- Based on the audited financial statements for 2024 of Pharmedic Pharmaceutical Medicinal Joint Stock Company, dated March 18, 2025.

According to Article 4 of Resolution No. 24/NQ-ĐHĐCĐ-PMC dated April 20, 2024, of the 2024 Annual General Meeting of Shareholders of Pharmedic Pharmaceutical Medicinal Joint Stock Company regarding the 2024 profit distribution plan, the details are as follows:

1. Changes in the profit distribution plan and fund allocations for 2024:

- + **Item "Remaining profit allocated to the Development Investment Fund":**  
No allocation will be made to the Development Investment Fund, and the remaining profit will be reallocated to the **"Dividend payment to shareholders"** category.
- + **Item "Dividend payout ratio":** Adjusted to increase from **24% to 62.68%** of charter capital.

2. Authorization to the Board of Directors:

The Board of Directors of Pharmedic Pharmaceutical Medicinal Joint Stock Company is authorized to carry out the necessary procedures to adjust the 2024 dividend payout ratio in compliance with the Company's Charter and relevant legal regulations

Respectfully submitted to the General Meeting of Shareholders for review and approval..

**On behalf of the Board of Directors**

**Chairman**



The stamp is a red circular seal. The outer ring contains the text 'M.S.D.N: 0380483037-C.T.Đ.L.' at the top and 'QUẬN 1 - T. PH. HCM' at the bottom. The center of the stamp contains the text 'CÔNG TY CỔ PHẦN' at the top, 'DƯỢC PHẨM ĐỨC LIÊN' in the middle, and 'PHARMEDIC' at the bottom. A blue ink signature is written across the stamp.

**Mr. Le Van Thinh**



No: 07/PMC-BOD

Ho Chi Minh City, month 04 day 15 year 2025

## PROPOSAL

*(Re: Rewarding the Executive Board for exceeding the annual plan)*

**To: General meeting of shareholders of Pharmedic Pharmaceutical Medicinal Joint Stock Company**

Pursuant to:

- Law on Enterprises No. 59/2020/QH14, passed on June 17, 2020;
- Charter on the organization and operation of Pharmedic Pharmaceutical Medicinal Joint Stock Company, dated April 28, 2023;
- Based on Resolution No. 34/NQ-HĐQT dated April 14, 2025, regarding the Executive Board for exceeding the annual plan;

To recognize and encourage the contributions of the Executive Board in exceeding the annual plan assigned by the General Meeting of Shareholders, the Board of Directors respectfully submits to the General Meeting of Shareholders for approval of the policy of rewarding the Executive Board when exceeding the pre-tax profit plan as follows:

+ Bonus level:

- Level 1: 10% bonus on excess from 5% - < 10%.
- Level 2: 20% bonus on excess amount  $\geq$  10%.

+ Bonus source: from after-tax profit.

Based on annual business results, assign the Board of Directors to implement in accordance with regulations.

Respectfully submitted to the General Meeting of Shareholders for review and approval..

**On behalf of the Board of Directors**



Mr. Le Van Thinh

## PROPOSAL

*(Re: Approval of the policy on signing and executing contracts, agreements, and transactions with related parties)*

### **To: General meeting of shareholders of Pharmedic Pharmaceutical Medicinal Joint Stock Company**

Pursuant to:

- Law on Enterprises No. 59/2020/QH14, passed on June 17, 2020;
- The Securities Law No. 54/2019/QH14 dated November 26, 2019, and its amendments, supplements, and guiding documents
- Charter on the organization and operation of Pharmedic Pharmaceutical Medicinal Joint Stock Company, dated April 28, 2023;

To comply with legal regulations and the guidance of state management agencies in ensuring transparency and enhancing corporate governance, the Board of Directors respectfully submits the following matters for the General Meeting of Shareholders' review and approval::

1. Approval of the policy allowing the Company to sign and execute contracts, agreements, and transactions with related parties, specifically:

- + **Parties involved:** Individuals and organizations classified as "**Related Parties**" or "**Persons with Related Interests**" as defined by the Accounting Law, Accounting Standards, Vietnamese Accounting System, Securities Law, Enterprise Law, and other applicable legal documents in effect at the time of signing and executing contracts, agreements, and transactions.
- + **Scope of execution:** Transactions, agreements, and contracts that fall under the approval, ratification, and decision-making authority of the General Meeting of Shareholders, as stipulated by laws, the Company's Charter, and internal regulations. These include activities such as **purchasing, selling, borrowing, lending, guaranteeing, cooperating, and investing.**

2. Authorization to the Board of Directors.

The General Meeting of Shareholders authorizes the Board of Directors to, based on the interests of the Company and its shareholders, **review and approve related contracts, agreements, and transactions** on behalf of the General Meeting of Shareholders, ensuring compliance with the Company's Charter, internal regulations, and applicable laws

Respectfully submitted to the General Meeting of Shareholders for review and approval..

**On behalf of the Board of Directors**

**Chairman**



**Mr. Le Van Thinh**