



VIDIPHA CENTRAL PHARMACEUTICAL  
JOINT STOCK COMPANY

*Sharing benefits - Spreading values*



ANNUAL REPORT

2024



“VIDIPHA, proudly stands as one of the first pharmaceutical enterprises in Vietnam to achieve GMP-ASEAN standards. Innovation and commitment to quality have driven VIDIPHA to continue investing heavily in building a modern factory in Binh Duong province, meeting GMP-WHO standards. This factory is not only a production site but also a research and development center, where VIDIPHA continuously focuses on researching and applying the latest technologies to create the most advanced and effective pharmaceutical products. In the past time, the Company has invested in building a modern factory that meets GMP-WHO standards in Binh Duong province with 10 drug production lines, which not only increases production capacity but also opens up new opportunities in diversifying VIDIPHA’s product portfolio.

With over 300 products licensed for production, VIDIPHA is making a significant contribution to providing diverse and high-quality pharmaceutical products to the Vietnamese people. VIDIPHA believes that the Company’s development not only brings economic benefits but also makes an important contribution to the mission of improving the quality of life and community health.

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## CHAPTER

# 01

## GENERAL INFORMATION

Overview

Business lines and business locations

Formation and development process

Information on governance model, business organization and management apparatus

Development orientation

Risk Management







# GENERAL INFORMATION

## VIDIPHA CENTRAL PHARMACEUTICAL JOINT STOCK COMPANY

Trading name	Vidipha Central Pharmaceutical Joint Stock Company
Business registration certificate number	0300470246 dated 24/03/2003 issued by the Department of Planning and Investment of Ho Chi Minh City, 22nd change dated 25/07/2024
Charter capital	220.833.920.000 VND
Owner's investment capital	220.833.920.000 VND
Address	184/2 Le Van Sy, Ward 10, Phu Nhuan District, Ho Chi Minh City, Vietnam
Phone number	(028) 38440448 - 38440106 - 38443869
Fax number	(028) 38 440 446
Website	<a href="http://vidipha.com.vn/">http://vidipha.com.vn/</a>
Stock code	VDP
Company Logo	





FORMATION AND DEVELOPMENT PROCESS

1976 - 1980

In 1976, the company was established under the name Institute of Pharmaceutical Formulation No.7. Main mission was production and trade of pharmaceuticals, serving the needs of disease prevention and treatment for the people.

In 1980, the Institute of Pharmaceutical Formulation was renamed the Institute of Pharmaceutical Industry. This is a leading research institute, specializing in research on antibiotic fermentation from domestic materials and studies on pharmaceutical chemistry, medicinal plants, and providing raw materials for domestic pharmaceutical production.

2006 - 2008

In 04/2006, VIDIPHA increased the company's total charter capital to 29.85 billion VND.

In 08/2006, the Company continued to increase its total charter capital to 50 billion VND by issuing an additional 2,015,000 shares.

In 07/2007, the Company increased its charter capital from 50 to 60 billion VND through the issuance of bonus shares at a ratio of 5:1.

In 10/2008, VIDIPHA was honored to meet the GMP-WHO, GLP-WHO, and GSP-WHO standards for quality.

2015 - 2016

In 10/2015, the Company issued 474,904 shares to existing shareholders and strategic partners, with charter capital reaching 121.75 billion VND.

In 07/2016, issued shares under the ESOP program with a quantity of 608,000 shares, increasing charter capital from 121.75 billion VND to 127.83 billion VND.



2018

With the goal of expanding the Company's scope of operations to provinces and cities. On 20/06/2018, VIDIPHA established a representative office in Can Tho. Continuing to the Central region, on 24/10/2018, the representative office of VIDIPHA Central Pharmaceutical Joint Stock Company was established in Da Nang.



2021

With the goal of expanding, with the consensus of all employees, on Date 18/08/2021, VIDIPHA approved the issuance of shares to employees (ESOP). In 2021, VIDIPHA completed the infrastructure for the Southeast branch, building a warehouse at the GMP – WHO Binh Duong factory.

2023

On Date 15/09/2023, VIDIPHA officially put into use the new headquarters of the Central Branch at 410-412 Kinh Duong Vuong, Hoa Minh Ward, Lien Chieu District, Da Nang City. With a total investment of up to VND 18 billion, this branch includes sections such as office buildings, warehouse systems, product introduction stores, and many other amenities. This is one of VIDIPHA's most modern facilities.

In December 2023, the Company increased its total charter capital to VND 184.03 billion by offering private placement shares to VIDIPHA's strategic partners.

FUTURE

**1993 - 2003**

In 1993, the Institute of Pharmaceutical Sciences was transformed into the Central Pharmaceutical Engineering Development Company. After completing its research projects, the company continued to carry out the mission of producing and trading pharmaceuticals, meeting the needs of disease prevention and treatment for the people.

The company equitized and transformed into the VIDIPHA Central Pharmaceutical JSC., according to Decision No. 468/2003/QĐ – BYT by the Minister of Health, with an initial charter capital of 19.9 billion VND, in which the state held 45%.

**2011 - 2013**

In 04/2011, in order to expand production and invest in a high-rise building project at 17-19-21 Nguyen Van Troi, the Company conducted a public offering of shares and issued bonus shares at a ratio of 5:1, continuing the roadmap to increase charter capital from 60 billion to 82.87 billion VND.

In 08/2013, the Company issued shares to key employees of the company with a quantity of 413,012 shares, increasing charter capital from 82.87 billion to 87 billion VND.



**2017**

In 2017, VIDIPHA officially listed 12,782,904 shares on the Ho Chi Minh City Stock Exchange with the stock code VDP. The event demonstrates the correctness in the vision of the Company's Leadership Board, opening up prospects for opportunities for investors and shareholders, expecting to make VIDIPHA one of the leading pharmaceutical enterprises in Vietnam.

**2019 - 2020**

On Date 01/10/2019, VIDIPHA was granted a certificate of registration of operation at the Southwestern branch in Can Tho.

On Date 17/03/2020, VIDIPHA was granted a certificate of registration of operation at the Central branch.

On Date 27/10/2020, VIDIPHA was granted a certificate of registration of operation at the Southeast branch. Also during this time, the Company issued an additional 3,300,000 shares to strategic shareholders.

**2022**

In 2022, VIDIPHA sold all treasury shares and completed the ESOP program, increasing the total charter capital to VND 168.32 billion, serving investment activities at the factory and branches. Also during this time, the Company invested in the headquarters of the Central branch, increasing logistics capacity in the South Central and Central Highlands.

**2024**

In June 2024, the company completed an additional issuance of 3,680,488 shares, increasing capital from owners' equity, raising charter capital to VND 220.83 billion.

Awarded the title “ Vietnam Pharmaceutical Star” in 2024 by the Ministry of Health for the product Augxicine 1g.



# BUSINESS LINES AND BUSINESS LOCATIONS

## Main business lines

- ◇ Production, trading, import and export of pharmaceuticals, medicinal materials, raw materials, chemicals (excluding highly toxic chemicals), cosmetics, food (excluding the production of fresh food in concentrated residential areas in Ho Chi Minh City), medical equipment, machinery and supplies;
- ◇ Consulting on technology transfer;
- ◇ Hotel business (meeting star standards and not operating at the headquarters);
- ◇ Real estate business;
- ◇ Drug preservation and testing services.

## Types of drugs

- 1) Tablets (compressed, capsules).
- 2) Powdered granules.
- 3) Injections (powder, liquid).
- 4) Syrups, oral solutions.
- 5) Eye and nose drops.
- 6) Topical creams, ointments.

The company's products are divided into 04 main groups: tablet drugs, liquid drugs, powder drugs and ointment drugs. Regarding the therapeutic properties, the drugs produced by the Company are mainly antibiotics, anti-inflammatory drugs, vitamins and minerals, pain relievers, antipyretics, anti-allergy drugs and other special treatments such as dewormers, treatments for respiratory diseases, digestive tract diseases, and skin diseases.

## Business locations

The Company's products are mainly consumed through the distribution system of central and local pharmaceutical companies, hospitals and pharmacies nationwide. Currently, VIDIPHA is not only stopping at the Vietnamese market, in order to bring the Vietnamese drug brand further, the Company has been striving to expand the export of VIDIPHA's products to the Southeast Asian region.

No.	Area of operation	Revenue 2024 (VND)	Proportion (%)
<b>I Domestic</b>			
1	Ho Chi Minh	344,959,502,938	33.44%
2	Ha Noi	354,591,617,413	34.38%
3	Other provinces	325,505,783,506	31.56%
<b>II Foreign</b>			
1	Southeast Asian countries	6,399,811,382	0.62%
2	Other countries	-	0.00%
<b>Total</b>		<b>1,031,456,715,239</b>	<b>100%</b>





BUSINESS LINES AND BUSINESS LOCATIONS

Business locations

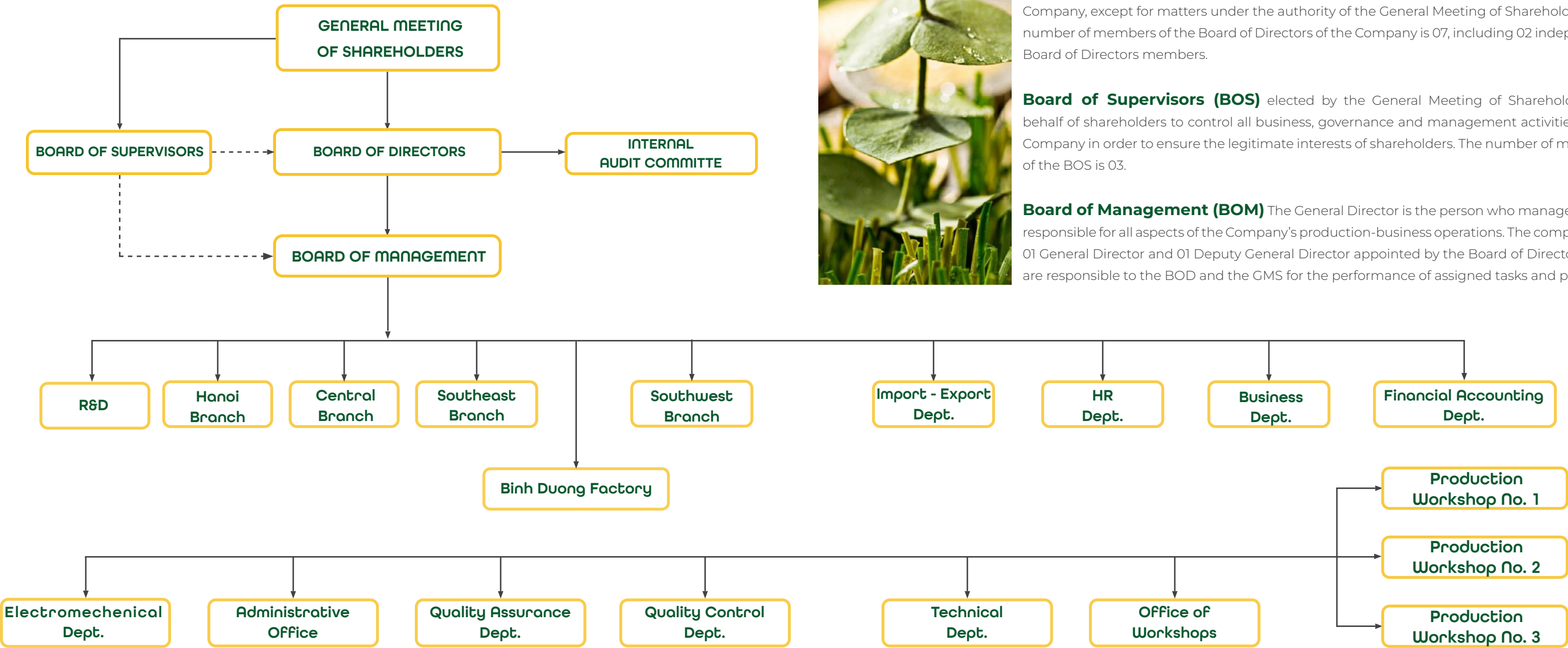
VIDIPHA's operating areas

SOUTHERN REGION	
	<b>Head office – Southeast Branch – VIDIPHA Office</b> Address: 184/2 Le Van Sy, Ward 10, Phu Nhuan District, HCMC
Ho Chi Minh City	<b>Store No. 1</b> Address: Booth J16 - J17, 134/1 To Hien Thanh - Ward 15, District 10, HCMC
	<b>Store No. 3</b> Address: 68/118 Dong Nai, Ward 15, District 10, HCMC
Binh Duong	<b>Branch of Central Pharmaceutical Joint Stock Company VIDIPHA in Binh Duong</b> Address: Tan Binh Quarter, Tan Hiep Ward, Tan Uyen Town, Binh Duong Province
Can Tho	<b>Southwestern Branch</b> Central Pharmaceutical Joint Stock Company VIDIPHA in Can Tho Address: 41-43 D24 Street, Hong Loan Residential Area, Quarter 5, Hung Thanh Ward, Cai Rang District, Can Tho City
CENTRAL REGION	
Da Nang	<b>Central Branch</b> Address: 410-412 Kinh Duong Vuong, Hoa Minh Ward, Lien Chieu District, Da Nang City
NORTHERN REGION	
Hanoi	<b>Hanoi Branch</b> Address: No. BT6-3, Van Khe New Urban Area, La Khe Ward, Ha Dong District, Hanoi
	<b>Store No. 1</b> Address: Kiosk 309 HAPU Shopping Center - No.1 Nguyen Huy Tuong, Thanh Xuan District
	<b>VIDIPHA Pharmacy No. 2</b> Address: Group 4, Thuong Thanh Ward, Long Bien District, Hanoi
Hai Duong	<b>VIDIPHA Pharmacy No. 1</b> Address: No. 19 Cuu Khe - Quang Trung Ward - Hai Duong City - Hai Duong Province



# GOVERNANCE MODEL, BUSINESS ORGANIZATION AND MANAGEMENT APPARATUS

## MANAGEMENT APPARATUS STRUCTURE



## GOVERNANCE MODEL

Central Pharmaceutical Joint Stock Company VIDIPHA operates under a governance model built and organized according to point a, clause 1, article 137 of the Enterprise Law 2020, including the General Meeting of Shareholders, the Board of Directors, the Member of the Board of Supervisors and the Board of Management.

**General Meeting of Shareholders (GMS)** Includes all shareholders with voting rights, is the highest decision-making body of the Company.

**Board of Directors (BOD)** is the management body of the Company, has the right to decide on all matters related to the Company's objectives and interests on behalf of the Company, except for matters under the authority of the General Meeting of Shareholders. The number of members of the Board of Directors of the Company is 07, including 02 independent Board of Directors members.

**Board of Supervisors (BOS)** elected by the General Meeting of Shareholders, on behalf of shareholders to control all business, governance and management activities of the Company in order to ensure the legitimate interests of shareholders. The number of members of the BOS is 03.

**Board of Management (BOM)** The General Director is the person who manages and is responsible for all aspects of the Company's production-business operations. The company has 01 General Director and 01 Deputy General Director appointed by the Board of Directors, who are responsible to the BOD and the GMS for the performance of assigned tasks and powers.

## SUBSIDIARIES, AFFILIATE COMPANIES

None





# DEVELOPMENT ORIENTATION

## THE COMPANY’S MAIN OBJECTIVES

With the goal of becoming one of the leading pharmaceutical enterprises in Vietnam with a reputation for brand and quality drug products to protect consumer health. In recent years, the Company has been focusing on improving production lines, investing in equipment and machinery, expanding production plants, aiming to further develop the domestic market as well as expand its scope to the international market. For the development strategy in 2024, VIDIPHA has set the following main objectives:



- ◊ Sales revenue and profits increase by an average of about 2% per year.
- ◊ Consolidate the management apparatus at the Company and some affiliated units such as the Southeast Branch, the Southwest Branch and the Central Branch to better meet the actual requirements of production-business.
- ◊ Maintain and stabilize production-business, preserve and develop the Company’s capital throughout the term
- ◊ Implement measures to maintain and expand business market share, strongly develop traditional items and quickly research new items to market.
- ◊ Invest in and develop the health food market.
- ◊ Invest in technological innovation to reduce costs in production-business operations, improve the quality of finished products and productivity.
- ◊ Strengthen advertising, research market access, and deploy e-commerce applications in business operations.
- ◊ Seek loan sources with preferential interest rates.
- ◊ Strengthen production-business activities in parallel with diversifying other business activities to improve efficiency.
- ◊ Continue to increase spending on product and brand upgrades while reducing production costs/increasing productivity, capacity/increasing income for employees, with a focus on standardization and technology development.

## MEDIUM AND LONG-TERM DEVELOPMENT STRATEGY

To realize the set goals, VIDIPHA proactively identifies medium and long-term development strategies, specifically:

- ◊ Promote the sales network in other provinces and cities by moving towards establishing more sales units in the provinces with operating models suitable to the actual situation, further improve and unify the sales policy. Always consolidate and improve market work construction.
- ◊ Promote investment and upgrade warehouses and specialized transport vehicles to meet technical requirements and business scale, meeting market goals. Expand operations, consolidate organization, invest in the market, increase scale and improve policies at the Branches.
- ◊ With the goal of increasing the results of the ETC sales channel through bidding, always maintain the spirit of maintaining expansion to increase capacity. Choose the best strategy to gradually consolidate and develop VIDIPHA’s market share.
- ◊ Invest selectively and with focus, with breakthrough changes in scale but without wasteful and ineffective investment, avoiding formality and superficiality for the brand, transforming investment value to enhance the brand, turning the brand into material wealth.
- ◊ Pricing strategy: The Company determines a unified selling price to users nationwide. The Company’s products have more competitive selling prices than products with the same medicinal properties compared to other products manufactured domestically.

## SUSTAINABLE DEVELOPMENT GOALS

For VIDIPHA, sustainable development is not only related to profit growth but also includes the company’s positive contribution to the environment, society, and community. As a pharmaceutical company, VIDIPHA understands that its mission is not only to prevent and treat diseases but also to reduce the causes of diseases. In addition, VIDIPHA is striving to reduce emissions into the environment, minimizing risks related to respiratory diseases, especially after society has experienced a pandemic that weakens the respiratory system (COVID-19). Specifically, the company always strictly complies with the regulations in the Law on Environmental Protection No. 72/2020/QH14, aiming to use energy and water economically, paying attention to maintenance and repair to avoid waste, and investing in machinery and equipment in the “green production” group. In addition, VIDIPHA also focuses on the rights of employees by complying with the provisions of the Labor Law and the Law on Social Insurance. The company aims to take care of the material and spiritual life of employees through a reasonable salary policy, periodic health check-up plans, listening to employees’ opinions, and improving the salary regime when necessary. At the same time, VIDIPHA also promotes the spirit of mutual affection by actively participating in charitable activities, supporting difficult households, and prioritizing the recruitment of local workers, to contribute to the development of the community in the areas where VIDIPHA operates.





# RISK MANAGEMENT

## Economic risk

In 2024, the global economy grew by 3.2% according to the OECD, showing improvement compared to 2023 but still below the average of the previous decade. Slow economic growth in major economies such as the United States and China may affect consumer demand and exports, including pharmaceutical products from Vietnam. Although global inflation fell to 5.8%, tight monetary policies from major central banks, especially the US Federal Reserve (FED), remain high. Although the FED has begun to slightly reduce interest rates, the current interest rate still fluctuates in the range of 5%-5.25%, putting pressure on capital flows and exchange rates, affecting the borrowing and investment costs of businesses globally.

Global geopolitical tensions, including the prolonged Russia-Ukraine conflict, continue to affect supply chains and raw material prices, especially pharmaceuticals. In addition, the trend of trade protectionism in developed countries such as the United States and the EU is increasing, creating additional export barriers for Vietnamese businesses.

In Vietnam, GDP grew by 7.09% in 2024, exceeding the set target, however, domestic inflation pressure continued to increase with CPI increasing by 3.63% compared to the previous year, partly affecting consumption and production costs.

The global and domestic economic situation in 2024 requires businesses, especially in the pharmaceutical industry, to have a strict risk management strategy. Closely monitoring macroeconomic fluctuations, diversifying supply sources, and optimizing production costs are important factors that help VDP minimize negative impacts and ensure sustainable business operations.



## Exchange rate risk

In 2024, the global financial market continued to experience fluctuations, especially the monetary policy of the US Federal Reserve (FED). After maintaining interest rates at a high level of 5.25% - 5.5% from 2023, the FED began to implement three interest rate cuts in September, November and December 2024, bringing interest rates to 4.25% - 4.5%. This directly affected the USD/VND exchange rate. On Date 31/12/2024, the State Bank listed the central exchange rate at 24,335 VND/USD, the ceiling exchange rate to 25,551 VND/USD, the highest since the beginning of the year.

At the same time, the Chinese Yuan (CNY) also continued to depreciate against the USD, decreasing by about 3.1% in 2024, reflecting the weakening

of the Chinese economy and the loose monetary policy to stimulate growth. The weakening of the CNY against the USD affects the cost of importing raw materials from China, while putting pressure on businesses with payments in foreign currencies. VIDIPHA, with its regular import of raw materials and payments mainly in USD and CNY, faces risks from exchange rate fluctuations, which can directly affect the cost of goods sold and gross profit margin. In order to cope with this risk, VIDIPHA has implemented financial risk management strategies, and the company also closely monitors developments in the foreign exchange market to have flexible adjustment measures in the sales price strategy.

## Legal risk

The pharmaceutical industry in Vietnam continues to face legal risks, especially in the enforcement of regulations on intellectual property, pharmaceutical copyrights and consumer protection. According to the World Intellectual Property Organization (WIPO), Vietnam still faces many challenges in controlling acts of infringement of pharmaceutical copyrights and preventing unauthorized copies. The enforcement of intellectual property rights is not synchronized, creating risks for businesses in the industry, affecting the capacity for research, development and investment in new products. In addition, the Law amending and supplementing a number of articles of the Law on Pharmacy

2024, which was passed by the National Assembly in 11/2024, has added stricter regulations on the management of the quality of imported drugs and the licensing process for pharmaceutical circulation, setting higher compliance requirements for pharmaceutical manufacturing and distribution enterprises.

In order to minimize legal risks, VIDIPHA continues to strengthen cooperation with state management agencies, businesses in the industry and international organizations to ensure strict compliance with current regulations. The company also proactively updates changes in the legal system to adjust business operations accordingly, and participates in programs to raise awareness of legal compliance in the pharmaceutical field. These efforts not only help VIDIPHA ensure sustainable development but also contribute to creating a transparent and healthy business environment in Vietnam.





## RISK MANAGEMENT



### Risk of counterfeit goods

Vietnam's pharmaceutical industry continues to face increasingly sophisticated counterfeit goods, especially through e-commerce channels. According to the amended Law on Pharmacy in 2024, drugs are still classified as special goods and are only allowed to be retailed through licensed forms such as pharmacies, drugstores, medicine cabinets of commune/ward health stations and establishments specializing in retailing medicinal materials. However, the explosion of e-commerce platforms and social networks has created conditions for many unlicensed online pharmacies to operate, increasing the risk of distributing fake and poor quality drugs, especially antibiotics, vaccines and drugs treating underlying diseases.

The risk of counterfeit drugs in the pharmaceutical industry not only causes economic damage but also seriously affects public health. Consumers may buy fake or substandard drugs without being able to verify their origin, leading to

serious medical consequences. For VIDIPHA, this issue also affects brand reputation, requiring the company to have stricter management measures in the supply chain and product distribution.

In order to minimize risks, VIDIPHA has implemented strict control measures, including changing product packaging frequently, embossing the VIDIPHA Company Logo on the box, and announcing updates to new packaging on the company's website to increase product recognition, helping customers choose genuine products. At the same time, it strengthens the quality supervision system and cooperates with market management agencies to inspect and handle violations. In the context of increasingly tightened regulations on e-commerce in the pharmaceutical industry under the 2024 Pharmaceutical Law, VIDIPHA continues to update and comply with new regulations, and actively cooperates with functional agencies to protect the interests of consumers and ensure transparency in the distribution system.

### Competition risk

Vietnam's pharmaceutical industry continues to expand rapidly, with the total market value estimated to reach over USD 10 billion by 2026. This means that the level of competition is increasingly fierce between domestic enterprises and foreign pharmaceutical companies. In that context, VIDIPHA faces many major challenges in terms of market share, technology, product innovation and price pressure.

The trend of preferring imported pharmaceuticals continues to increase due to consumers' belief in the quality and advanced pharmaceutical technology of international brands. Foreign pharmaceutical enterprises not only have advantages in terms of strong capital, modern production technology, and widespread distribution systems, but also have the ability to monopolize patents. This makes it difficult for VIDIPHA to penetrate the high-end and specialty drug segments, which are being dominated by foreign companies.

Although the domestic pharmaceutical industry is developing, the R&D system still has many limitations. Vietnam does not have a modern clinical trial research center, lacks leading experts, and most enterprises still depend on foreign technology. This makes it difficult for domestic companies, including VIDIPHA, to innovate drug formulas, improve product quality and develop specialty drugs. In addition, the shift in trend towards biological drugs and biosimilars is changing the market structure, posing a major challenge for domestic pharmaceutical enterprises.

The domestic pharmaceutical market has a very high level of price competition due to the participation of many enterprises of different sizes. VIDIPHA not only has to compete with large companies with optimized production chains, but also with small businesses willing to cut prices sharply to gain market share. In addition, production costs are also affected by increasingly high standard requirements such as GMP-WHO, EU-GMP, requiring enterprises to invest heavily in machinery, factories, and quality management systems. Maintaining competitive prices while ensuring profits is a difficult problem for VIDIPHA.

Faced with increasing competitive pressure, VIDIPHA focuses on improving production capacity, improving product quality and optimizing costs to maintain a competitive advantage. At the same time, the company focuses on technological innovation, expanding its product portfolio and improving the efficiency of the distribution system to better meet market needs and ensure its position in the pharmaceutical industry.

### Raw material price risk

In 2024, VIDIPHA continues to face risks related to raw materials, especially due to its dependence on import sources. Currently, the company imports 85-90% of its raw materials for manufacturing modern medicines from China and India. This makes VIDIPHA vulnerable to external factors such as exchange rate fluctuations, imported raw material prices, and supply shortages due to global supply chain issues.

In addition, VIDIPHA also faces the risk of raw material shortages due to objective factors such as extreme weather, climate change, and supply disruptions from foreign suppliers. These factors can disrupt the production process, leading to delays in supplying products to the market and increased production costs.

To mitigate these risks, VIDIPHA focuses on strengthening the diversification of raw material supply sources, seeking new partners from countries other than China and India to limit dependence on a few large markets. At the same time, the company also promotes the application of technology in the production process to optimize costs and improve production efficiency. The development and use of available domestic medicinal materials is also an important strategic direction to help reduce dependence on imported raw materials.





# RISK MANAGEMENT

## Environmental risk

VIDIPHA faces environmental risks that can directly affect its production and business operations. Climate change, natural disasters, air and water pollution are increasing in frequency and severity, impacting the supply chain of medicinal materials and the production process. Droughts or floods can degrade the quality and output of medicinal material sources, disrupting supply and increasing the cost of importing raw materials. Fluctuations in ambient temperature and humidity can also affect the preservation of raw materials, reduce production efficiency, and require higher quality control standards.

Faced with these risks, VIDIPHA focuses on closely monitoring environmental changes and assessing their impact on the raw material supply chain. The company also proactively adjusts its import strategy, optimizes production processes, and strengthens quality control to minimize the impact of environmental factors on business operations, ensuring stability in production and supply of products to the market.

## Other risks

In addition to the challenges from the market and the environment, VIDIPHA also faces unforeseen risks such as fires, explosions, epidemics, occupational safety incidents, and supply chain disruptions. The pharmaceutical industry uses many chemicals and strict production processes, therefore, any incident related to production safety, quality control or violation of operating standards can cause significant financial damage, disrupt business operations and affect the company's reputation.

In this context, VIDIPHA continuously improves its production safety management system, strengthens risk prevention measures, and ensures strict compliance with standards on occupational safety, quality control and employee health protection. At the same time, the company also develops flexible response plans, including plans to maintain production in the event of supply chain disruptions or unexpected incidents.





## CHAPTER

# 02

## OPERATING SITUATION IN THE YEAR

Production and business activities

Organization and personnel

Investment situation, project implementation situation

Financial situation

Shareholder structure, changes in owner's investment capital

Report on the Company's environmental and social impacts





# PRODUCTION AND BUSINESS OPERATIONS

Unit: Million VND

No.	Target	Year 2023	Year 2024	%Increase/ Decrease
1	Net revenue	1,019,317	934,487	-8.32%
2	Cost of goods sold	748,737	704,748	-5.88%
3	Financial revenue	19,582	20,266	3.49%
4	Financial expenses	27,562	17,895	-35.07%
5	Selling expenses	120,307	81,515	-32.24%
6	Enterprise management expenses	51,114	66,358	29.82%
7	Profit from business activities	91,180	84,237	-7.61%
8	Other profit	9,389	6,116	-34.86%
9	Profit before tax	100,569	90,353	-10.16%
10	Profit after tax	80,219	71,823	-10.47%
11	EPS (VND)	3,886	3,252	-16.31%

Vietnam’s pharmaceutical industry in 2024 had growth momentum thanks to increasing healthcare demand and support policies from the Government. However, the industry still faces major challenges from dependence on imported raw materials, increasingly stringent standards, and fierce competition from foreign-invested enterprises. At the end of 2024, VIDIPHA recorded net revenue of 934,487 million VND, down 8.32% compared to 2023. The main reason comes from the relatively high revenue base of the previous year, when demand spiked for medicines and pharmaceuticals serving post-epidemic health care. This is also a common trend for many businesses in the pharmaceutical industry, as the market gradually returns to a stable state, no longer experiencing the sudden growth as in the post-COVID-19 period. Along with the decrease in revenue, the cost of goods sold also decreased by 5.88%, contributing to maintaining a stable profit margin for the business. Exchange rate fluctuations during the year helped revenue from financial activities increase by 3.49%, while financial expenses also decreased significantly by 35.07% thanks to a 46.12% decrease in loan interest compared to the same period. 2024 recorded a significant improvement in optimizing business operations, reflected in a decrease in sales costs of 32.24%. Along with that, although corporate management expenses increased by 29.82%, this mainly came from an increase in management employee costs, reflecting VDP’s strong investment in improving management capacity and completing the operating system to serve sustainable development in the future. Due to the decrease in revenue along with increased costs due to investment in the management apparatus, VDP’s profit after tax decreased by approximately 10.47%, to 71,823 million VND.

# IMPLEMENTATION COMPARED TO PLAN

STT	Target	Unit	Plan 2024	Implemented 2024	% Implemented 2024/ Plan 2024
1	Total revenue	Billion VND	1,136	1,031	90.80%
2	Production revenue	Billion VND	1,052	934	88.83%
3	Profit before tax	Billion VND	100	90	90.35%
5	Dividend rate (expected)	%	25%	25%	100.00%
6	Average income	Million VND	14.5	13	89.66%

After a period of continuous expansion, capitalizing on the post-COVID healthcare trend and increasing revenue scale, VIDIPHA shifted its focus to stabilizing its management and sales systems, maintaining the profit margin as a foundation for sustainable development. The macro market returned to normalcy after the health crisis, causing revenue to fall short of expectations. However, with the efforts of the entire leadership team and staff, in 2024, VIDIPHA still achieved revenue of over 1,000 billion VND. Specifically, total revenue reached 1,031 billion VND, which was 93.77% of the plan, and pre-tax profit reached 90 billion VND, or 90.35% of the plan.





## ORGANIZATION AND PERSONNEL

## LIST OF BOARD OF MANAGEMENT

As of date 31/12/2024

No.	Member	Position	Number of shares held	Ownership Percentage/ Charter capital	Date of appointment
1	Hoang Van Hoa	General Director	249,900	1.13%	22/04/2017 (Reappointed date 24/04/2021)
2	Hoang The Bac	Deputy General Director	215,296	0.98%	01/10/2024
3	Nghiem Minh Tuan	Chief Accountant	40,486	0.18%	01/09/2024

## CHANGES IN THE BOARD OF MANAGEMENT IN 2024

On Date 26/08/2024, the Board of Directors dismissed Ms. Dinh Thi Hoang Oanh from the position of Deputy General Director at VIDIPHA Central Pharmaceutical Joint Stock Company;

On Date 01/09/2024, the Board of Directors dismissed Mr. Hoang The Bac from the position of Chief Accountant, and at the same time appointed Mr. Nghiem Minh Tuan to the position of Chief Accountant at VIDIPA Central Pharmaceutical Joint Stock Company;

On Date 01/10/2024, the Board of Directors appointed Mr. Hoang The Bac to the position of Deputy General Director of VIDIPHA Central Pharmaceutical Joint Stock Company.



## BIOGRAPHY OF BOARD OF MANAGEMENT

01

## GENERAL DIRECTOR

# HOANG VAN HOA

Qualification: Bachelor of Economics

## Work experience

1988 – 1996	Staff of Planning – Business Department – Hai Duong Pharmaceutical Medical Materials JSC
1996 – 1998	Marketing Team Leader - Planning – Business Dept. - Hai Duong Pharmaceutical Medical Materials JSC
1998 – 2003	Deputy Head of Planning – Business Dept. –Hai Duong Pharmaceutical Medical Materials JSC
2003 – 2005	Deputy Director of Wholesale Center; Head of Organization and Administration Dept.;
	Deputy Head, Acting Head of Planning – Supply Dept. – Vietnam Chemico-Pharmaceutical JSC
2005 – 2007	Head of Business Planning Department – Vietnam Chemico-Pharmaceutical JSC
2007 – 2009	Head of Business Planning Dept. cum Deputy Director – Vietnam Chemico-Pharmaceutical JSC
2009 – 2011	Deputy General Director – Vietnam Chemico-Pharmaceutical JSC
2011 – 2012	Director of Hanoi Branch – VIDIPHA Central Pharmaceutical JSC
2012 – 2014	Deputy General Director cum Director of Hanoi Branch – VIDIPHA Central Pharmaceutical JSC
2014 – present	General Director cum Director of Hanoi Branch – VIDIPHA Central Pharmaceutical JSC

### Position held at other organizations

None

02

**DEPUTY GENERAL DIRECTOR**

## HOANG THE BAC

Qualification: Bachelor of Economics

## Work experience

1999 – 2004	Accounting staff of National Phytopharma Joint Stock Company
2004 - 2009	Deputy Head of Accounting Department of VIDIPHA Central Pharmaceutical JSC
2010 - 04/2012	Human resources staff of VIDIPHA Central Pharmaceutical JSC
04/2012 - present	Board of Directors' members of VIDIPHA Central Pharmaceutical JSC
10/2024 - present	Deputy General Director cum Chief Financial Officer of VIDIPHA Central Pharmaceutical JSC

### Position held at other organizations

None

03

## CHIEF ACCOUNTANT

NGHIEM MINH TUAN

Qualification: Bachelor of Economics

## Work experience

1999 – 12/2018	Accounting staff of VIDIPHA Central Pharmaceutical JSC
01/2019 – 09/2024	Deputy Head of Accounting Department of VIDIPHA Central Pharmaceutical JSC
09/2024 – present	Chief Accountant of VIDIPHA Central Pharmaceutical JSC

### Position held at other organizations

None



# ORGANIZATION AND PERSONNEL

## NUMBER OF OFFICERS AND EMPLOYEES

As of date 31/12/2024

No.	Classification nature	Quantity (person)	Percentage
I	By labor qualification		
1	Master's Degree	2	0.39%
2	Bachelor's Degree	155	30.51%
	Of which: Pharmacy University	91	17.91%
3	College, intermediate professional level	174	34.25%
4	Workers and unskilled laborers	177	34.84%
II	By labor contract		
1	Short-term contract under 1 year	6	1.18%
2	Fixed-term contract of 1 to 3 years	150	29.53%
3	Indefinite-term contract	352	69.29%
III	By Gender		
1	Male	266	52.36%
2	Female	242	47.64%
TOTAL		508	100%



## SUMMARY OF PERSONNEL POLICIES AND CHANGES

At VIDIPHA, employees are always considered a valuable asset that the Company constantly focuses on developing. Over the past years, VIDIPHA has created job opportunities for hundreds of workers with competitive salary and benefit policies. Regarding labor policies, VIDIPHA is committed to implementing recruitment in a public, transparent and fair manner for all candidates. The Company always ensures full compliance with obligations to pay social insurance, health insurance, and unemployment insurance in accordance with the law. In addition, the Company focuses on labor safety by providing adequate protective equipment and ensuring a working environment that meets hygiene and safety standards. Regarding training and development, VIDIPHA always encourages employees to improve their management and professional skills, creating conditions for them to develop their careers. In addition, the Company organizes cultural and sports activities, taking care of the spiritual life of employees through gift-giving programs on holidays, visiting families in difficult circumstances, thereby strengthening cohesion and encouraging employee morale. At the end of 2024, VIDIPHA had a total of 508 employees, with an average salary of 13.0 million VND/person/month

The Board of Directors has developed a human resources development strategy, focusing on appointing capable personnel suitable for production, business, and management activities to effectively support the General Director and the Executive Board, meeting the Company's development requirements in the coming period.

- Improve and perfect the salary and bonus scale system, applying the piecework mechanism in income payment to create initiative for departments, while promoting the Company's development.
- Training, fostering, and recruiting personnel continues to be a central policy throughout term 04 and will be maintained in term 05, to ensure human resources meet the Company's development requirements through each stage.
- Ensure the quality of training, balance between basic and in-depth training, closely linking training and practical application to improve the efficiency of human resource utilization.



## AVERAGE INCOME

Indicator	Year 2020	Year 2021	Year 2022	Year 2023	Year 2024
Total number of employees (people)	510	520	575	572	508
Average income (VND/person/month)	11,180,000	12,000,000	14,000,000	15,000,000	13,000,000





## INVESTMENT SITUATION, PROJECT IMPLEMENTATION SITUATION

### MAJOR INVESTMENTS

#### Deploying infrastructure investment projects for Branches to expand business operations

Pursuant to the Resolution of the General Meeting of Shareholders No. 01-NQ/ĐHĐCĐ-VDP, dated 13/04/2024, in 2024, VIDIPHA Company invested in machinery and equipment to improve productivity and product quality and gradually replace outdated machines, and built an additional warehouse at the GMP-WHO Binh Duong factory with a total value equivalent to 9 billion VND out of a total investment of 35 billion VND approved by the General Meeting of Shareholders.

In implementing investment projects and signing economic contracts, the Board of Directors always ensures financial principles, bidding and auction principles to ensure prices, types of raw materials, supplies, etc., ensuring quality while bringing economic efficiency.

#### Upgrading Pharmsoft management software

Continuing to upgrade ERP software, accounting, planning, and business management will continue to be invested in upgrading to become increasingly complete in order to meet the goals of management, administration, support for business operations, financial accounting nghiệp vụ reporting, meet the actual requirements of the Company and the regulations on the implementation of electronic invoices and information disclosure for listed companies.

### SUBSIDIARIES, AFFILIATED COMPANIES

The Company has no Subsidiaries or Affiliated Companies





# FINANCIAL SITUATION

## FINANCIAL SITUATION INDICATORS

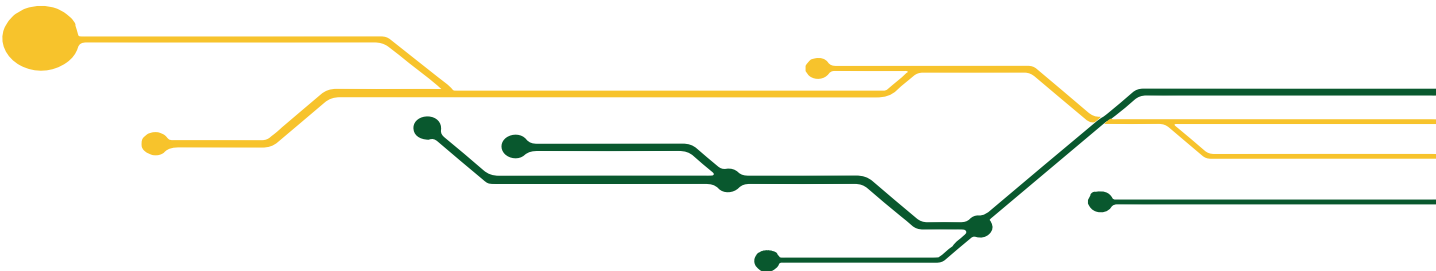
Unit: Million VND

No.	Indicator	Year 2023	Year 2024	% Increase/ Decrease
1	Total asset	1,093,445	1,125,829	2.96%
2	Net revenue	1,019,317	934,487	-8.32%
3	Profit from business activities	91,180	84,237	-7.61%
4	Other profit	9,389	6,116	-34.86%
5	Profit before tax	100,569	90,353	-10.16%
6	Profit after tax	80,219	71,823	-10.47%
7	Dividend payout ratio	25%	25%	-



## KEY FINANCIAL INDICATORS

Indicator	Unit	Year 2023	Year 2024
<b>Solvency indicators</b>			
Current ratio	Times	2.42	2.47
Quick ratio	Times	1.60	1.54
<b>Capital structure indicators</b>			
Debt/Total assets ratio	%	33.06	33.23
Debt/Equity ratio	%	49.38	49.76
<b>Efficiency indicators</b>			
Inventory turnover	Turns	2.35	2.19
Total asset turnover	Turns	0.93	0.84
<b>Profitability indicators</b>			
Profit after tax/Net revenue ratio	%	7.87	7.69
Profit after tax/Average equity ratio	%	11.81	9.68
Profit after tax/Average total assets ratio	%	7.31	6.47
Profit from production and business activities/Net revenue ratio	%	8.95	9.01





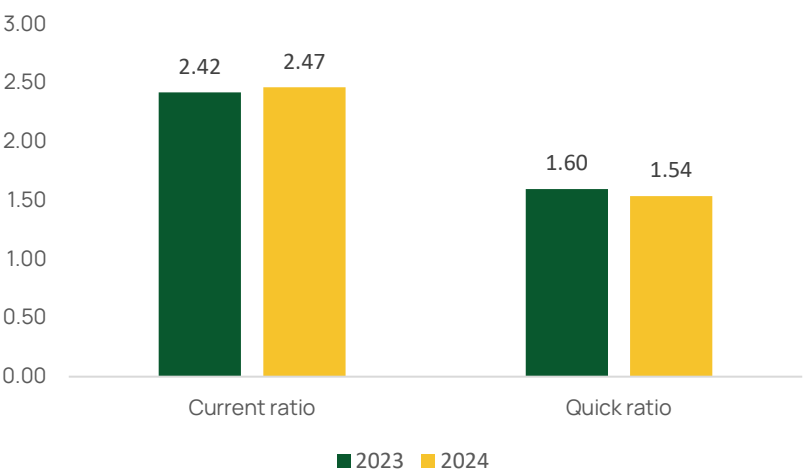
# FINANCIAL SITUATION

## KEY FINANCIAL INDICATORS

VIDIPHA's current ratio remains stable, from 2.42 times in 2023 to 2.47 times in 2024, in which both constituent items have a slight increase. Current assets increased by 5.39%, mainly due to an increase of 74 billion VND in short-term financial investments and 50 billion VND increase in inventory at the end of 2024. Meanwhile, short-term debt increased more slowly, at 3.48%, mainly due to an increase of 14 billion VND in short-term payables.

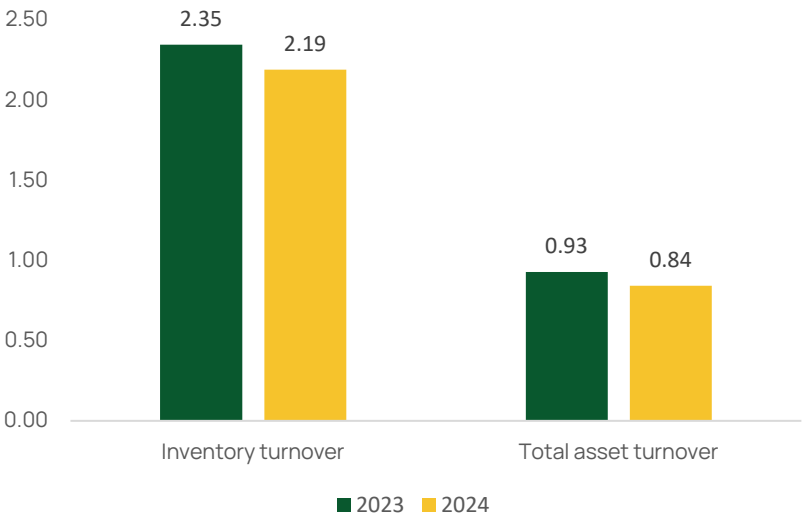
At the same time, the quick ratio decreased slightly from 1.60 times to 1.54 times, due to VIDIPHA's increased inventory activities to prepare for the goal of expanding business operations. The increase in inventory reduces the overall liquidity of current assets, but is insignificant compared to the level of short-term debt. The Company still maintains a quick payment capacity above 1, ensuring payment obligations arising during the year.

### SOLVENCY INDICATORS

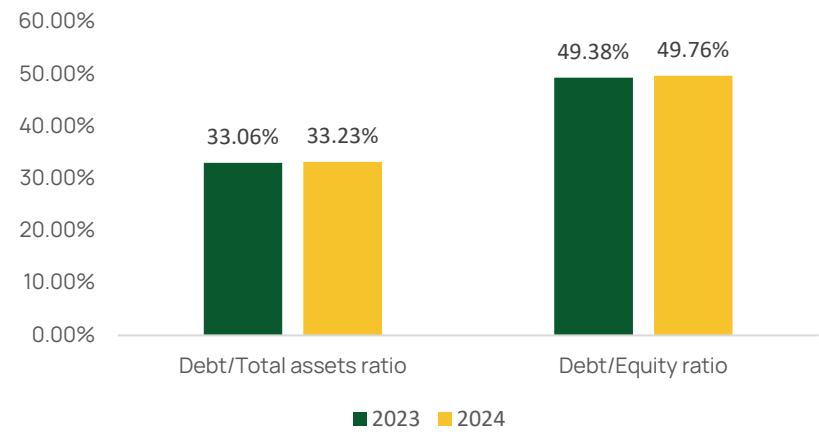


### EFFICIENCY INDICATORS

In 2024, the cost of goods sold decreased by 5.88%, corresponding to a 8.32% decrease in net revenue, reflecting stability in the enterprise's production cost structure. Along with the increase in inventory, mainly due to the increase in raw materials to serve the future business expansion strategy, the company's inventory turnover decreased to 2.19 compared to the turnover of 2.35 in 2023. Besides, although revenues slightly decreased, VDP's total assets are still growing by 2.96% compared to the same period, leading to a decrease in the enterprise's total asset turnover from 0.93 to 0.84 turns/year.



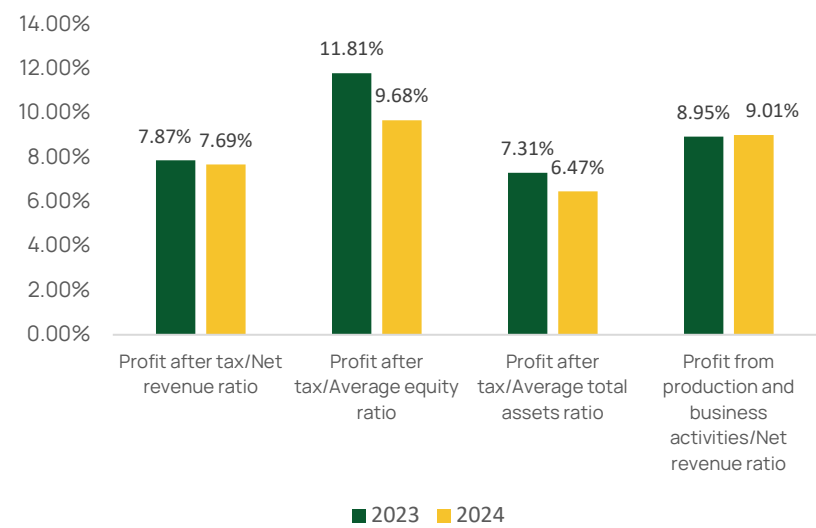
### CAPITAL STRUCTURE INDICATORS



Over the past year, VIDIPHA has recorded stability in its capital structure, reflected in the Debt/Total Assets ratio fluctuating at 33% and the Debt/Equity ratio remaining around 49%. Meanwhile, VDP's debt ratio has maintained stability with a slight increase of 3.48% in short-term debt, equivalent to an increase of 13 billion VND, and no long-term debt structure.

The company's total assets increased by 2.96%, approximately 32 billion VND, mainly due to a 5.39% increase in current assets; simultaneously, owner's equity also increased by 19.79 billion compared to the same period, reaching 751.77 billion VND at the end of 2024. This is because in 2024, VDP issued 3,680,580 number of shares to increase share capital from owner's equity; at the same time, thanks to stable business operations, the company increased the proportion of the development investment fund by more than 11.48%, equivalent to 27.79 billion VND.

### PROFITABILITY INDICATORS



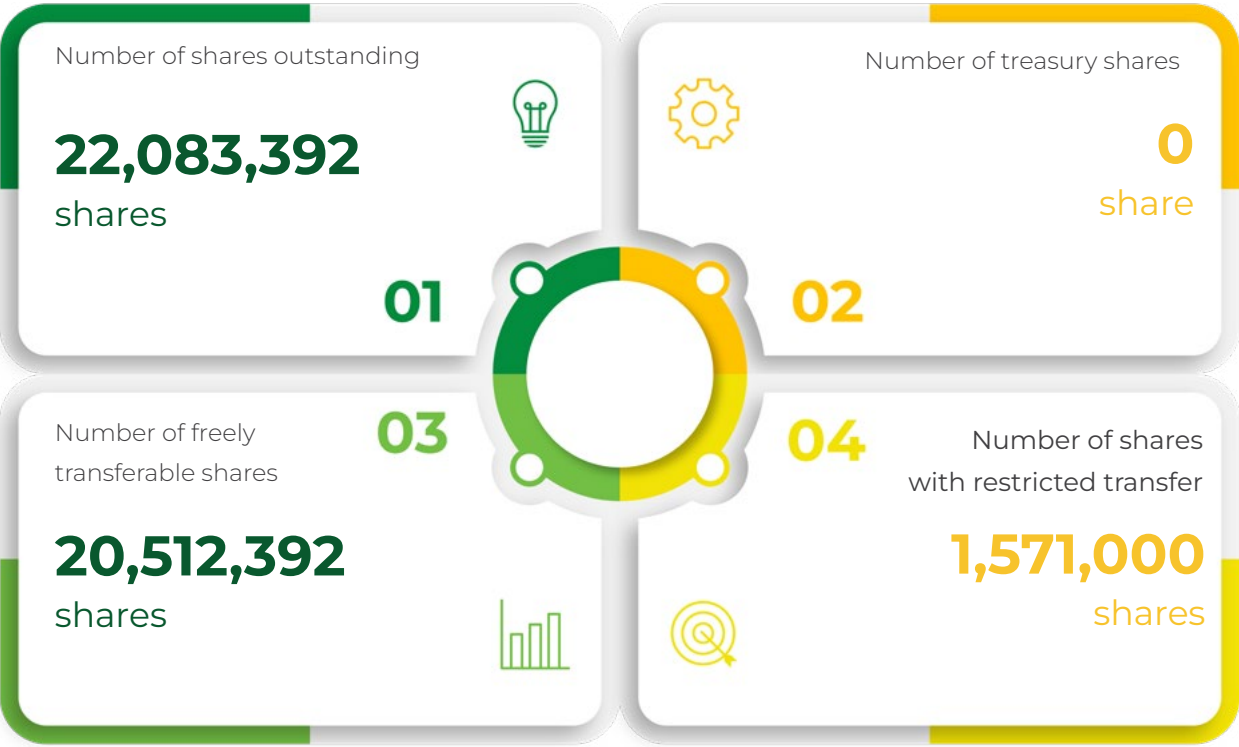
In 2024, VIDIPHA continued to maintain a stable financial foundation, ensuring efficiency in business operations. The after-tax profit margin on net revenue reached 7.69%, a slight improvement compared to the 7.87% of 2023. At the same time, the profit from business operations/net revenue ratio slightly improved from 8.95% of 2023 to 9.01% of 2024. Overall, in the context of declining revenue due to market impacts, VIDIPHA has strived to optimize costs and operational efficiency, maintaining a stable profit margin.

Meanwhile, considering the perspective of capital utilization efficiency, the return on equity (ROE) at the end of the year reached 9.68%, lower than the 11.81% of 2023. This decrease is mainly due to the increase in owner's equity after the additional share issuance, while business results have not increased correspondingly, creating pressure to adjust this profitability indicator. Similarly, the return on average assets (ROA) also decreased from 7.31% to 6.47%, partly due to the 2.96% increase in total assets compared to the same period.



# SHAREHOLDER STRUCTURE, CHANGES IN OWNER’S INVESTMENT CAPITAL

**SHARES**      **Number of shares registered for issuance:** 22,083,392 shares  
**Type of share:** Common share  
**Par value per share:** 10,000 VND/shares



**Maximum foreign ownership percentage:** 35% (\*)

Based on Document No. 7411/UBCK-PTTT dated 01/11/2024 of the State Securities Commission regarding the notification dossier for changes in the maximum foreign ownership ratio of VIDIPHA Central Pharmaceutical JSC.

## STATUS OF CHANGES IN OWNERS’ INVESTMENT CAPITAL IN 2024

Implementing the Resolution of the General Meeting of Shareholders No. 01-NQ/ĐHĐCĐ-VDP dated 13/04/2024, on 10/07/2024, the Company completed the procedures for issuing bonus shares to existing shareholders at a rate of 20%, equivalent to 3,680,488 shares from the share premium source, increasing charter capital from VND 184,029,040,000 to VND 220,833,920,000.



# SHAREHOLDER STRUCTURE

As of date 16/12/2024

No.	Type of shareholder	Number of shares	Value (VND)	Ownership Percentage (%)
<b>I Ownership Percentage structure</b>		<b>22,083,392</b>	<b>220,833,920,000</b>	<b>100.00%</b>
1	Major shareholders (owning 5% or more of voting shares)	7,986,988	79,869,880,000	36.17%
2	Shareholders holding less than 5% of voting shares	14,096,404	140,964,040,000	63.83%
<b>II State shareholders</b>		-	-	-
<b>III Domestic shareholders</b>		<b>22,039,589</b>	<b>220,395,890,000</b>	<b>99.80%</b>
1	Individual	14,697,800	146,978,000,000	66.56%
2	Organization	7,341,789	73,417,890,000	33.25%
<b>IV Foreign shareholders</b>		<b>43,803</b>	<b>438,030,000</b>	<b>0.20%</b>
1	Individual	33,423	334,230,000	0.15%
2	Organization	10,380	103,800,000	0.05%
<b>Total (III+IV)</b>		<b>22,083,392</b>	<b>220,833,920,000</b>	<b>100%</b>

# LIST OF MAJOR SHAREHOLDERS

As of date 16/12/2024

No.	Name	Address	Number of shares	Ownership Percentage/ Charter capital
1	Kieu Huu	16 Nguyen Thanh Y, Da Kao Ward, District 1, Ho Chi Minh City	1,652,917	7.48%
2	Kieu Thuy Mai	16 Nguyen Thanh Y, Da Kao Ward, District 1, Ho Chi Minh City	1,377,944	6.24%
3	Nutri - Pharma USA Limited Company	710, 712 Cach Mang Thang Tam, Ward 5, Tan Binh Dis-strict, Ho Chi Minh City	1,800,000	8.15%
4	Vietnam National Phar-maceutical Corporation - JSC	Vietnam National Pharmaceu-tical Corpora-tion - Joint Stock Company	3,156,127	14.29%

## TREASURY SHARE TRANSACTIONS

None

## OTHER SECURITIES

None





# REPORT ON COMPANY IMPACT OVER ENVIRONMENT AND SOCIETY

At VIDIPHA, sustainable development is not just a goal but also a commitment associated with all activities. The Board of Management is the unit with the highest responsibility in implementing and monitoring environmental policies, ensuring the company strictly complies with legal regulations, and proactively proposes green initiatives, optimizes resources, and minimizes environmental impacts. This commitment not only ensures VIDIPHA's sustainable development but also creates a balance between economic benefits and social responsibility, contributing to building an environmentally friendly and community-responsible pharmaceutical industry.

## IMPACT ON THE ENVIRONMENT

Vidipha's pharmaceutical production activities have certain impacts on the environment, mainly in aspects related to greenhouse gas emissions, consumption of raw materials, energy, and water. The pharmaceutical production process requires strict control of temperature, humidity, and hygiene, leading to a high demand for electricity for machinery systems, air conditioning, pharmaceutical preservation, and waste treatment. The amount of electricity consumed not only increases operating costs but also leads to a significant amount of CO<sub>2</sub> emissions, contributing to climate change. In addition, raw materials used in production, including chemicals, solvents, and packaging, if not optimized and recycled effectively, will increase the amount of industrial and plastic waste released into the environment, affecting ecosystems and human health. Besides, the production process consumes a significant amount of water, putting pressure on water resources, especially in the context of increasing drought and water scarcity.

### Greenhouse gas emissions

As a pharmaceutical enterprise, VIDIPHA understands that environmental responsibility is not just a commitment but also a mission associated with sustainable development. Faced with the increasing impacts of climate change and Vietnam's commitment to net-zero emissions by 2050, VIDIPHA has been proactively transforming its production model towards greening, minimizing impacts on ecosystems and community health.

Not stopping at complying with current environmental standards, VIDIPHA aims to lead the pharmaceutical industry in sustainable development by improving production processes, optimizing energy, and applying modern technology to minimize greenhouse gas emissions. The company invests heavily in energy-saving machinery and equipment, while innovating its production system to optimize input materials, reduce waste, and improve efficiency. One of VIDIPHA's key strategies is to closely control the supply chain, prioritize sustainable sources of raw materials, and minimize environmental impact right from the production stage. The Company also proactively

applies international standard waste and emission management systems, minimizing emissions into the environment, contributing to improving air quality and protecting human health, especially diseases related to the respiratory tract.

With a long history as one of the first pharmaceutical companies in Vietnam to achieve GMP-ASEAN standards, VIDIPHA has expanded and upgraded its production system to GMP-WHO standards, ensuring strict compliance with environmental, safety, and quality standards. In the future, the company will continue to invest in upgrading its factory according to the green production model, aiming to reduce carbon emissions, optimize renewable energy, and enhance sustainability in each operation stage.

VIDIPHA does not see sustainable development as a temporary trend, but as a core strategy in its long-term development journey. The company is committed to integrating green production solutions into its business strategy, not only to meet environmental standards but also to enhance brand value, affirming its pioneering position in the sustainable pharmaceutical industry.



### Management of raw materials

In the pharmaceutical industry, the source of raw materials not only determines product quality but also reflects the enterprise's responsibility towards the environment and community health. With over 40 years of development, VIDIPHA has always been committed to managing raw materials effectively and sustainably, ensuring the optimization of the production process while still meeting strict domestic and international standards.

VIDIPHA's raw material supply chain is tightly controlled from the input stage. The company applies a comprehensive assessment system for suppliers, not only ensuring the quality of raw materials but also requiring strict compliance with environmental standards, working conditions, and social responsibility. VIDIPHA aims to cooperate with suppliers that meet international standards, prioritizing the use of sustainable raw material sources, to reduce environmental impact and enhance proactivity in production.

After being inspected, raw materials are stored in GSP-standard warehouses, ensuring optimal storage conditions before being put into production. The entire process from material control, production, to export strictly adheres to the WHO-GMP quality management system and advanced testing technology, helping to ensure the stability and safety of products before they reach consumers.

In 2024, VIDIPHA continues to optimize the use of raw materials, not only to increase production efficiency but also to reduce waste and promote sustainable development. Currently, VIDIPHA not yet have recycle activities.





Energy consumption and water consumption

In the context of Vietnam moving towards industrialization and modernization associated with sustainable development, the efficient use of energy and resources has become a top priority for VIDIPHA. Responding to the national program on economical and efficient use of energy under Decision No. 280/QĐ-TTg of the Prime Minister, VIDIPHA continuously promotes initiatives to optimize energy and resource consumption, both reducing operating costs and improving production efficiency, contributing to reducing environmental impact.

To achieve this goal, VIDIPHA focuses on building a culture of energy and water conservation throughout the system, raising awareness of resource use among all employees. In 2024, VIDIPHA consumed 32,940 liters of DO oil for boiler operation and equipment cleaning purposes, and 648 kg of gas during the operation process. At the same time, the Company widely disseminates information about the negative impacts of wasting electricity and water, and implements practical measures such as turning off electrical equipment when not in use, optimizing air conditioning systems, using water-saving faucets, and closely monitoring water consumption in production.

In parallel, VIDIPHA invests in energy-saving technology, applying LED lights throughout the lighting system to reduce electricity consumption while ensuring efficiency, and equipping machinery with high performance, helping to reduce greenhouse gas emissions during production. The company also performs periodic maintenance and upgrades to machinery and air conditioning systems, ensuring optimization of operations and minimizing unnecessary waste of resources.

In 2024, the Company's total electricity consumption was 5,865,800 kW (at the factory).

Regard water supply, the Company uses water supplied from both the municipal water supply and well water. The total water consumption recorded is 45,626 m<sup>3</sup>, including 39,626 m<sup>3</sup> of well water and 6,000 m<sup>3</sup> of municipal water. Of this, 31,700 m<sup>3</sup> of water was used for production purposes and 13,925 m<sup>3</sup> for domestic purposes.



Waste and wastewater treatment system

Waste treatment:

The company has an internal waste management process and implements waste collection and sorting at source. All industrial solid waste is then contracted by Vidipha to a specialized unit for treatment. Specifically, Vidipha has signed a contract with Binh Duong Future Green JSC (a public industrial waste treatment unit in the locality) under contract No. 17-RCN/HD-KT/22 dated 03/01/2022. This cooperation aims to collect and treat all waste from the factory in accordance with regulations, fully meeting solid waste treatment standards. As a result, domestic and industrial waste, including hazardous waste from the pharmaceutical production process, are safely treated through a functional unit, without direct discharge into the environment.

Wastewater treatment:

VIDIPHA has a wastewater treatment system right at the factory to ensure that production wastewater is cleaned before being discharged into the environment. At the Binh Duong factory, the company operates a wastewater treatment plant using biological treatment methods to remove impurities and chemicals in wastewater, ensuring that wastewater is treated to meet standards before being discharged into the general drainage system or the surrounding environment, complying with technical regulations on industrial pharmaceutical wastewater. The amount of self-treated wastewater is equivalent to the amount of water used for production purposes in the year, which is 31,700 m<sup>3</sup>.

COMPLIANCE WITH ENVIRONMENTAL PROTECTION LAWS

VIDIPHA commits to strictly complying with the regulations in the Law on Environmental Protection 2020 No. 72/2020/QH14, ensuring that all production and business activities fully meet environmental standards. The company continuously improves its monitoring system, improves waste treatment processes, and applies green technology to minimize negative impacts on the environment, towards sustainable development and responsibility to the community.





# REPORT ON COMPANY IMPACT OVER ENVIRONMENT AND SOCIETY

## POLICIES RELATED TO EMPLOYEES

### Recruitment policy

At VIDIPHA, people are not only a resource but also a core element that determines success. The company continuously expands and improves its personnel strategy, aiming to build a team of highly qualified, dedicated professionals who will be with the company for the long term.

In order to attract the most suitable talents, VIDIPHA implements a transparent, modern recruitment system, optimizing the candidate experience and ensuring a professional and fair working environment. The company pays special attention to professional ethics, innovative thinking, and a spirit of solidarity, helping staff not only develop professionally but also have opportunities for sustainable advancement. At the same time, the policy of “localizing labor resources” continues to be promoted, creating conditions for local personnel to develop and contribute to the common prosperity of the region.

VIDIPHA always closely monitors labor market trends, proactively adjusting competitive salary and bonus policies, especially for management and high-level professional positions. The company is also a pioneer in applying technology in the recruitment process, optimizing AI and data analysis to ensure objectivity, fairness, and efficiency, while improving the quality of personnel selection.



### Labor regime

VIDIPHA considers human resources to be the most important foundation for sustainable development. Therefore, the company is committed to building a professional, safe working environment and ensuring maximum benefits for its staff. Not only complying with the Labor Law and the Law on Social Insurance, VIDIPHA also continuously improves welfare policies, helping employees feel secure in their work and stay with the company for a long time.

The company establishes a transparent and clear labor contract system, ensuring full social insurance, health insurance, and essential benefits. In particular, VIDIPHA is flexible in its remuneration policy, focusing on work-life balance, with specific support for female workers, including maternity benefits, maternity check-up leave, and flexible working hours adjustments.

Recognizing the importance of occupational safety, VIDIPHA continuously invests in modern protective equipment, ensuring the highest standards of safety, especially for personnel working in environments exposed to machinery and chemicals. A synchronous occupational safety monitoring system is implemented, helping to prevent risks and create a safe and effective working space for all employees.

Not only focusing on working conditions, VIDIPHA also aims to build a sustainable corporate culture, where each employee feels respected, recognized, and has the opportunity to develop. The company continuously improves hygiene standards and working conditions, ensuring a clean, airy, and healthy environment, creating motivation for employees to maximize their capabilities. With the motto “Human resources are the most valuable asset”, VIDIPHA not only provides a fair labor regime but also builds a close-knit family, where each individual can develop sustainably with the business.

### Salary, bonus, welfare, and benefit policies

VIDIPHA always focuses on building a transparent and fair salary policy, ensuring full compliance with State regulations, especially according to Decree 38/2022/ND-CP. At the same time, to enhance motivation and encourage promotion for employees, the Company has developed a roadmap for salary increases and improved salary policies based on job performance instead of overtime, in order to promote labor productivity. In 2024, average monthly income of employees reaching 13.0 million VND. In addition to a competitive salary and bonus regime, VIDIPHA focuses on the health and spirit of its employees. The company organizes annual periodic health check-ups, supporting employees in matters related to occupational diseases, helping them feel secure working in the best conditions. In addition, to create a cohesive working environment, the company organizes meetings between the Board of Directors and employees, encouraging teamwork and bonding between members. The welfare regime at VIDIPHA does not stop at insurance, lunch allowances, and travel support, but also extends to travel programs and team building, helping employees balance work and life. The company aims for a professional working environment with many opportunities for development, where each individual can stick with the company for a long time and maximize their capabilities.





# REPORT ON COMPANY IMPACT OVER ENVIRONMENT AND SOCIETY



## Training policy

VIDIPHA identifies people as the core element of the organization, in which employees are the most valuable asset, playing a central role in the operation and development of the business. Therefore, the company is committed to building a generation of highly qualified personnel with solid professional ethics, while fully equipped with the necessary skills to meet job requirements. In 2024, VIDIPHA continued to implement in-depth training programs, including specialized and professional training with courses on GMP, GLP, GSP to improve professional qualifications for employees; training on labor safety, fire prevention and fighting to control risks and protect the health and lives of workers; training in supporting skills such as accounting, salary, tax, quality

records and drug registration. In addition, the company encourages and supports employees to participate in skill improvement exams, creating motivation for career development and commitment to long-term association with VIDIPHA. In case it is not possible to organize offline, the company will proactively deploy online training to ensure that all employees enjoy the same training benefits. With a systematic and comprehensive training policy, VIDIPHA is committed to continuing to invest in human resource development, satisfying the increasing requirements of the pharmaceutical industry and the labor market.

## Report related to responsibility to the local community

From the very beginning of establishment, VIDIPHA has focused on developing business and production, meanwhile, placed great emphasis on creating sustainable values for the community. The fluctuations of the times, especially during the pandemic period, have made us realize that human kindness is an invaluable asset, something that connects society more strongly than anything else. For VIDIPHA, compassion is not just a philosophy, but also the driving force for the company to continue its journey of service, spreading positive values, and making a meaningful impact in people's lives. Not resting on past achievements, VIDIPHA always strives to reach further, using the benefits of the community as its guiding principle, so that every step not only creates success for the business but also contributes to the sustainable development of society.

## Report related to green capital market activities according to the instructions of the SSC

In the context of the increasing importance of sustainable finance trends, the green capital market has become one of the important drivers promoting the development of the economy. The State Securities Commission has been promoting the development of mechanisms to support businesses towards ESG (Environmental, Social and Corporate Governance) standards, which not only helps businesses improve their reputation but also creates opportunities to access capital from investors interested in sustainable development. The ESG report is not just a compliance document, but also a strategic tool to help businesses identify opportunities, assess risks and optimize business operations in an environmentally friendly, socially responsible and

transparent manner in governance. For ESG to truly deliver value, businesses need to apply effective measurement methods, improve oversight capabilities and build a corporate culture based on sustainable development principles.

Always aware of its role in this journey, VIDIPHA constantly updates and adjusts its policies to adapt to changes from the State Securities Commission and the Ho Chi Minh City Stock Exchange. The Company considers "green production" not only a goal, but also an operating philosophy, towards a sustainable future, where economic growth always goes hand in hand with community responsibility and environmental protection.





## CHAPTER

# 03

### REPORT AND ASSESSMENT OF THE BOARD OF MANAGEMENT

Assessment of production and business results

Financial situation

Improvements in organizational structure, policies,  
management

Future development plan

Explanation of the Board of Management  
regarding the audit opinion

Report evaluating the Company's environmental  
and social responsibilities





General situation

In 2024, although production and business faced many difficulties due to frequent market fluctuations with many unexpected factors due to policies, wars, inflation and economic recession, the Board of Directors, the Management Board and the collective of employees in the company tried to overcome difficulties and challenges, and made efforts to implement the planned tasks.

Favorable and difficult factors in 2024, specifically:

Difficulties

Objective

- ◇ Purchasing power has not recovered after the weakening process, and is highly concentrated in the group of consumers using essential medicines.
- ◇ The exchange rate remains high in conditions where there are many potential risks of further VND devaluation, inflation is increasing slowly but steadily and there are no signs that it will stop increasing.
- ◇ The selling price of goods through bidding is still congested, both from regulations and application, the difficulties from too low bid prices continue to persist, especially with group 4 and even group 3.
- ◇ The distribution policy of some pharmaceutical ingredients, especially the group with small volume and value, has many unfavorable changes in the Vietnamese market.
- ◇ Continuing to increase difficulties in meeting technical requirements for many items due to technical barriers arising from developed countries.
- ◇ The very rapid change, affecting many aspects and dimensions of the new regulations, including the declaration of drug prices.

Subjective

- ◇ The gap between practical applications and new regulations continues to develop, requiring time-consuming and costly handling, reducing output and not always successful.
- ◇ Science and technology have been invested more, but not enough, and have recently been temporarily suspended to suit the company's transformation roadmap.
- ◇ The organizational structure associated with transformation and upgrading of management and operational mechanisms is still in the process of implementation; policies and regulations are still heavily focused on mediocrity in all aspects, resulting in high-quality, dedicated human resources being scarce.
- ◇ Developed products have become more focused, in-depth, and comprehensive, but are still highly dispersed and fragmented.
- ◇ Sales technology and distribution policies may not keep up with the requirements of the business environment.
- ◇ Personnel, most notably those at the construction and organization level, have not improved the situation.

Advantages

Internal

- ◇ The organization and apparatus are stable and operating well.
- ◇ The company's finances and reputation continue to be solid.
- ◇ A few products manufactured by Vidipha have become target products in the market; in particular, some products have reached nearly 50% market share.
- ◇ Sales branches and system operations are reaching maturity in terms of scale, policies, and methods, thus ensuring good capacity to secure output for the production system.
- ◇ The supply and logistics assurance system has been maintained stably for a long time.

Objective

- ◇ Products belong to the essential consumer goods group and are prioritized for use.
- ◇ Public administrative reform and other social services have progressed very quickly, especially in the field of digitization between management agencies and businesses.
- ◇ Some major obstacles in bidding, drug registration, and import of drug ingredients have been basically resolved.
- ◇ Vietnam's economy and foreign affairs position have increased, creating favorable conditions for drug exports.
- ◇ Global economic policies and shifts are generally favorable for the economy and specifically favorable for the development of the pharmaceutical economy in Vietnam.



Performing some other important tasks

- ◇ Continue training and fostering with strong, high-speed, and wide-ranging changes through creative, diverse methods that are suitable to capabilities, closely meet requirements, are low-cost, and receive good response and participation.
- ◇ Upgrading and supplementing are inclined towards depth, with a scale suitable to the orientation of physical facilities/technical capabilities, especially in production and production management.
- ◇ Review, correct, and prevent errors in goods and issues related to goods to proactively and positively meet GMP requirements.

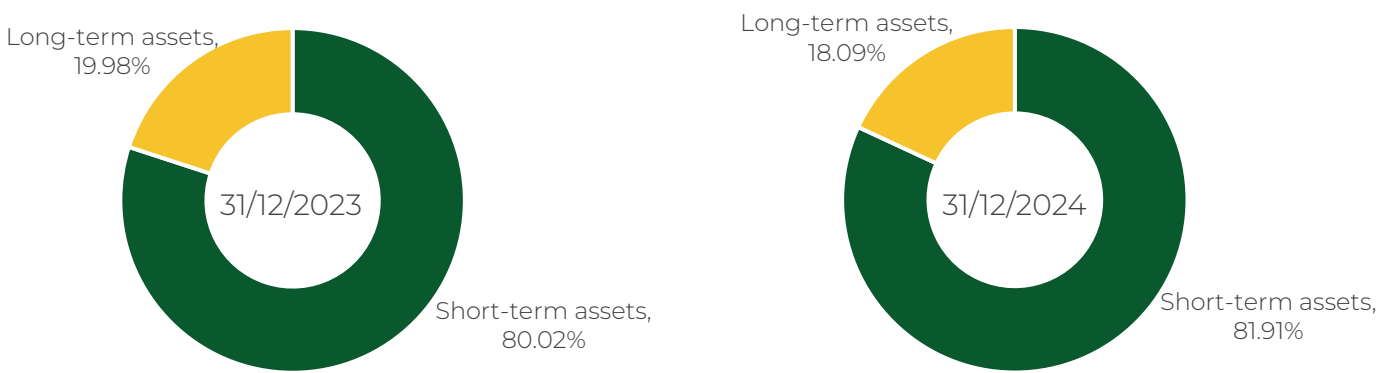


FINANCIAL SITUATION

Assets situation

Unit: Million VND

Indicator	31/12/2023	31/12/2024	%Increase/ Decrease	Proportion in 2023	Proportion in 2024
Short-term assets	875,016	922,220	5.39%	80.02%	81.91%
Long-term assets	218,429	203,609	-6.78%	19.98%	18.09%
<b>Total assets</b>	<b>1,093,445</b>	<b>1,125,829</b>	<b>2.96%</b>	<b>100%</b>	<b>100%</b>



In 2024, VIDIPHA continued to expand its operations with total assets reaching VND 1,125,829 billion, an increase of 2.96% compared to 2023. Short-term assets contributed the majority of the proportion, accounting for 81.91% of total assets, equivalent to the proportion of 80.02% in 2023.

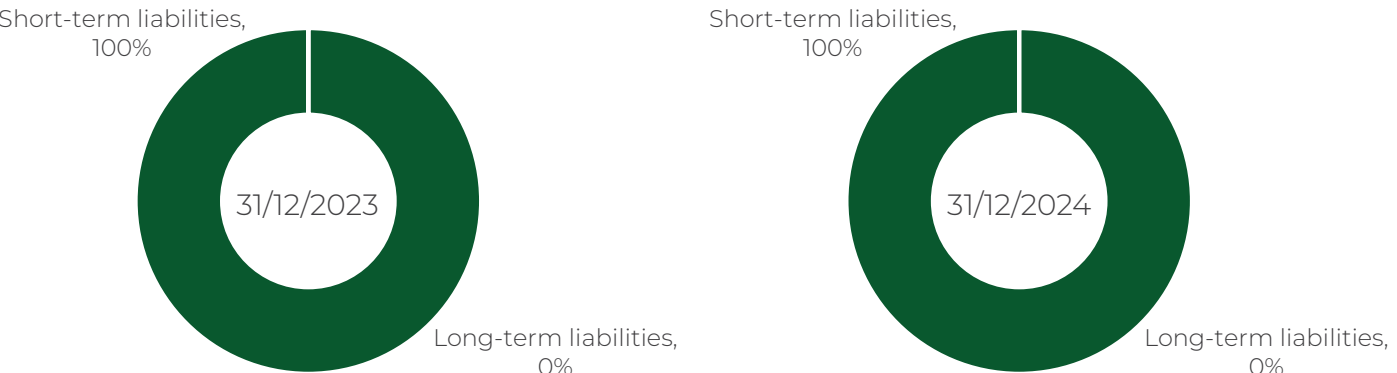
Short-term assets increased by 5.39%, reaching VND 922 billion, in which, the asset structure between sub-items changed. Cash and cash equivalents decreased by 42.13%; shifting to increase short-term financial investments by 62.01% to optimally utilize working capital. Inventory still maintains the largest proportion and increased by nearly VND 50 billion compared to the same period.

Long-term assets decreased by 6.78% to VND 203.6 billion, accounting for 18.09% of the proportion in total assets. The deductions in the fixed asset portfolio mainly come from depreciation of fixed assets, especially depreciation of machinery and equipment, accounting for 70% of total depreciation in the year.

Payables situation

Unit: Million VND

Indicator	31/12/2023	31/12/2024	%Increase/ Decrease	Proportion in 2023	Proportion in 2024
Short-term liabilities	361,463	374,058	3.48%	100%	100%
Long-term liabilities	0	0	0	0%	0%
<b>Total liabilities</b>	<b>361,463</b>	<b>374,058</b>	<b>3.48%</b>	<b>100%</b>	<b>100%</b>



As of 31/12/2024, VIDIPHA's total liabilities reached VND 374,058 billion, an increase of 3.48% compared to 2023. Of which, all liabilities are short-term liabilities, showing that VIDIPHA is maintaining a prudent financial strategy, limiting the use of long-term debt and focusing on balancing more flexible capital sources. In terms of short-term debt structure, accounts payable to sellers increased sharply by 81.52%, reaching VND 50.75 billion, indicating that the company is taking advantage of credit terms to optimize cash flow. A positive point is that short-term loans and financial lease liabilities decreased by 5.38% to VND 258.43 billion, showing that VIDIPHA has reduced its dependence on debt, helping to improve solvency and reduce financial pressure. In general, VIDIPHA is maintaining a reasonable debt structure, focusing on short-term debt and minimizing risks from long-term debt. The change in payables and loan liabilities reflects a flexible financial management strategy, ensuring stable cash flow, creating a solid foundation for sustainable development in the future.





## IMPROVEMENTS IN ORGANIZATIONAL STRUCTURE, MANAGEMENT POLICIES

- Training and development with strong, high-speed, wide-ranging changes through creative, diverse methods of implementation, suitable to capabilities, closely meeting requirements, low cost, good response and participation.
- Continue to upgrade management and administration technology, comprehensively in all fields.
- Continue to improve step by step while consolidating the apparatus and management mechanism;
- Significantly upgrade, supplement, and expand in scale, in accordance with the orientation of facilities/technical capacity in production, distribution, and management.

## FUTURE DEVELOPMENT PLAN

### Production and business plan for 2025

INDICATORS	UNIT	2024		2025 PLAN	COMPARED TO 2024	
		PLAN	IMPLEMENTATION		PLAN	IMPLEMENTATION
Revenue	Billion VND	1,136.00	1,031.68	1,050.00	92.43%	101.80%
Profit	Billion VND	100.00	90.35	92.00	92.00%	101.83%
Investment	Billion VND	35.00	8.99	20.00	57.14%	222.47%
Average Income per employee	VND/P/Y	14.50	13.00	14.00	96.55%	107.69%
Manufactured goods	Item	200	218	230	115.00%	105.50%

### Other important tasks

- Stabilize the system, do a good job of ideological work so that the majority of employees can feel secure in working during the ownership transfer phase.
- Continue to upgrade production tools and improve working conditions towards standardization and new updates of good practices.
- Apply sales through technology.
- Continue to decentralize, delegate authority, and increase responsibility/authority from the grassroots level.
- Consolidate quality, connect practice with the requirements of state management.

## EXPLANATION OF THE BOARD OF MANAGEMENT REGARDING THE AUDIT OPINION

None





# ASSESSMENT REPORT RELATED TO THE COMPANY'S ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES

## Assessment related to environmental indicators

Operating in the healthcare sector, the Board of Management of VIDIPHA always clearly recognizes the impact of the environment on human health, thereby constantly striving to achieve sustainable development goals. Specifically, VIDIPHA has implemented a “green production” model with many practical solutions such as: managing and using raw materials economically, optimizing the reuse of packaging; building a culture of saving electricity internally, considering it a part of responsibility to the national budget, and actively responding to events such as Earth Day to raise environmental protection awareness for employees; equipping energy-saving devices such as high-efficiency light bulbs while ensuring lighting capacity

and long life; focusing on maintaining machinery and equipment to improve asset utilization efficiency and optimize productivity with reasonable electricity consumption; applying the motto “Turn off when not in use” in saving water.

Throughout the years, VIDIPHA has consistently pursued the goal of minimizing environmental impact. Small actions with significant effects, along with systematically developed and implemented green initiatives, have helped VIDIPHA proudly contribute to preserving a green, clean, and beautiful Earth, aiming towards sustainable development in the future.

## Assessment related to the company's responsibility to the local community

Throughout the journey of developing and affirming its position in the pharmaceutical market, VIDIPHA realizes that love and sharing are the most sustainable values. Therefore, the company constantly contributes to the community, from providing quality pharmaceuticals to meaningful social activities. The Board of Management always sets the goal of sustainable development in parallel with business operations, towards a healthy and prosperous Vietnam. VIDIPHA is not just a business, but also a part of the journey to build a better society.

## Assessment related to labor issues

The Board of Management always values the role of employees in the company's success. At VIDIPHA, employees are at the heart of all business operations. Therefore, the company has been, is, and will continue to focus on policies for employees. Over the years, VIDIPHA has ensured stable employment for hundreds of employees with reasonable working conditions and competitive salary policies. The company is committed to implementing a transparent and professional recruitment process, while fully complying with the provisions of the Labor Law to protect the rights of employees.

Not only concerned with compensation policies, VIDIPHA also encourages employees to develop their expertise through academic exchanges, sharing industry experiences, and improving management skills to open up opportunities for future advancement. In addition to taking care of the material life, the company also pays attention to the spirit of employees by organizing cultural, artistic, and sports activities, and giving gifts on holidays to enhance cohesion within the collective. The Board of Management is proud to have built and developed a strong, united team, contributing to creating a professional and enthusiastic working environment.





## CHAPTER

# 04

### ASSESSMENT OF THE BOARD OF DIRECTORS

Assessment of the Board of Directors on the Company's operations, including assessments related to environmental and social responsibilities

Assessment of the Board of Directors on the performance of the Board of Management

Plans and orientations of the Board of Directors





# ASSESSMENT OF THE **BOARD OF DIRECTORS** ON THE COMPANY'S OPERATIONS

The year 2024 opens with many expectations as the Vietnamese economy continues to recover, creating positive momentum for the healthcare industry. However, the pharmaceutical sector still faces difficulties, especially pressure from economic fluctuations and market management policies. The OTC channel is forecast to continue to be affected due to not fully recovered purchasing power, while the ETC market is increasingly competitive, requiring businesses to have more flexible strategies. Faced with this context, the Board of Directors and the Board of Management of VIDIPHA have proactively developed adaptation plans, optimized production and business, and expanded the market. The company continues to promote research and development of new products, while expanding the distribution network and increasing cooperation to improve operational efficiency. With a flexible orientation and appropriate strategy, VIDIPHA expects to not only overcome challenges but also make good use of opportunities, continuing to affirm its position in the Vietnamese pharmaceutical market.

Under the responsible, honest, and decisive leadership of the Board of Directors, the Company has continuously strived to bring the highest benefits to Shareholders. As a result, VIDIPHA has exceeded all planned targets assigned by the General Meeting of Shareholders, affirming its strength and efficiency in its operating strategy.

## Advantages

The Company's selective development strategy for each item and each stage has been effective, generating high revenue and profit, and capturing a high market share.

The Company has financial resources and a comprehensive and clear business plan with specific goals.

The limitation of development due to failure to meet the regulations on business conditions in the pharmaceutical industry for many pharmaceutical enterprises has been, is, and will continue to occur on a larger scale and at a higher speed.

The development of technology applications has allowed for the exploitation of more utilities.

The workforce is trained, and the qualifications are gradually improved to adapt to the Company's development requirements in each period.

The company's products are distributed in the market at reasonable prices.

The company has access to loans with low interest rates, which helps reduce financial costs.

The company's products meet GMP-WHO standards, the title **"High-Quality Vietnamese Goods"** and **"Vietnamese Pharmaceutical Star"**, are distributed on the market at reasonable prices, VIDIPHA's reputation and brand are affirmed in the market based on the quality of products that are guaranteed and stable.

The trust of customers, the support of Vietnam Pharmaceutical Corporation – JSC, the State Securities Commission, the Vietnam Securities Depository Center, and management agencies, as well as the trust of shareholders, have created favorable conditions for VIDIPHA Company to develop.

## Difficulties

The global economy continues to decline in growth, inflation remains high, the Russia-Ukraine conflict shows no signs of ending, affecting the energy security crisis, food and disruption of the global supply chain, the slowdown in economic growth of China has had a very large and profound negative impact on all aspects of production-business activities from the supply of raw materials, production, sales activities, labor resources,... increasing costs and reducing the efficiency of production-business activities.

Declining purchasing power, reduced solvency, and liquidity of customers.

The main source of raw materials is imported from abroad (more than 90%), so the Company

always faces difficulties in increasing raw material prices from foreign suppliers, combined with increasing exchange rates, which increases input costs, causing difficulties in ensuring the achievement of annual profit targets, besides, the regulation that only raw materials can be purchased from registered suppliers also reduces the opportunity to choose cheap raw material sources.

Healthcare policies (Price/Price control, good practices, updated quality standards...) are increasingly strict, requiring domestic manufacturers to increase their capacity to ensure quality, thereby increasing production costs in the context of continued control/restraint of declared prices.

Pharmaceuticals are goods that are always subject to price control under the policy of curbing inflation and stabilizing drug prices of the Ministry of Health and the Government, while the prices of all kinds of input materials are increasing, directly affecting the Company's revenue and profit.

Prices of drugs sold through hospitals are decreasing while raw material prices are increasing, and slow payment times (over 90 days) cause a shortage of working capital for the company, reducing the efficiency of capital use.

Labor is increasingly scarce, requiring higher incomes and benefits.

The basic costs of society are continuously increasing electricity, water, environmental taxes, gasoline, oil, logistics, intellectual property, etc.

VIDIPHA's sales system, although performing its duties well in the past, has now revealed shortcomings that need to be improved to suit VIDIPHA's development goals.

Ensuring a high-quality workforce with stable employment is increasingly difficult with rising costs.

The capacity of the system, the number and quality of personnel have not kept up with the development requirements of the Company.

Continuous investment in the GMP-WHO factory and the sales system leads to high depreciation costs, while the prices of tendered drugs continuously decrease due to intense competition, resulting in winning bids at low prices and reduced profits.

Drug registration under the new regulations faces many difficulties, with long waiting times for approval and restrictions on granting multiple registration numbers for one item, significantly affecting the Company's production and business operations.

The room for development is decreasing, so it is mandatory to deploy new resources, which is slow but cannot be accelerated.





# ASSESSMENT OF THE BOARD OF DIRECTORS ON THE COMPANY'S OPERATIONS

## Activities related to the environment, society, and community

Recognizing the importance of environmental protection, the Board of Directors always directs and urges the Board of Management to come up with ideas and gradually implement a “green plan” with the goal of becoming one of the leading pharmaceutical companies in sustainable development. Over the past year, environmental, social, and community activities have been planned and strategically developed by the Board of Management. First, the Board of Directors is concerned with the sustainable management and use of resources, and we appreciate the Company's efforts in saving raw materials, reusing packaging, using energy-saving electrical equipment, and using water sparingly. At the same time, production equipment and machinery are periodically maintained to minimize waste generation and optimize productivity. In addition, the Board of Directors also emphasizes focusing on training and education programs, thereby helping employees to carry out savings activities effectively and consciously. The Board of Directors believes that, with the concern and efforts of the entire leadership and staff, the Company will achieve its goals of protecting the environment, minimizing negative impacts on the national budget, while improving production efficiency and enhancing the Company's reputation in the eyes of customers and business partners.

In addition to the environment, the Board of Directors appreciates the Company's policies for employees. From recruitment policies and working regimes to salary, bonus, welfare, and training policies, VIDIPHA ensures compliance with the spirit and regulations of the Labor Law with the motto “good employees make a good company”. As a result, VIDIPHA is proud to have a team of employees who are both ethical and professional.

For VIDIPHA, a sustainably developed company not only brings good profits but also contributes value to the community and society. In recent years, VIDIPHA has always shared values with families in difficult circumstances, with unfortunate lives, striving for a healthy and prosperous Vietnam.



# ASSESSMENT BY THE BOARD OF DIRECTORS ON THE BOARD OF MANAGEMENT'S PERFORMANCE

Over the past year, the BOD has closely followed the Resolution of the GMS to direct the activities of the General Director and the BOM, propose policies and orientations under the authority of the BOD, and create favorable conditions for the operation of the General Director and the BOM to implement targets for revenue, profit, dividends, and employee income. The General Director and the BOM have also strived to implement the proposed plan in the context of many unpredictable fluctuations in the domestic and international economy due to the impact of war, inflation, and economic recession.

The General Director and the BOM have also thoroughly grasped and closely followed the contents of the Resolutions of the BOD and the GMS of the company, proposing focused plans with clear objectives, specific solutions, synchronous and flexible measures to promote production and business activities, the market and market share are increasingly expanding, and the reputation and brand of VIDIPHA are increasingly consolidated.

In 2024, the General Director and the BOM will continue to improve and standardize internal regulations and processes to improve governance capacity and cost management efficiency, ensuring consistency, rationality, and strengthening the Company's compliance.

The above are the achieved aspects, the Board of Directors recognizes that there are still shortcomings as follows:

- ◇ Although the human resources have made many improvements in improving professional qualifications and working capacity, there is still a shortage, and the vision does not meet the requirements compared to the size and development of the company. The BOM needs to focus on recruiting and training a successor human resources to have enough leading and key personnel, with good moral qualities, young and healthy to command and operate the Company when officials with sufficient seniority have reached retirement age.
- ◇ The BOM needs to strengthen advertising and marketing activities to bring the Company's brand deeper into the awareness of consumers.
- ◇ Re-registration and new registration in the recent past have improved significantly but are still slow compared to requirements due to objective factors that need to be overcome in the near future.
- ◇ Research has produced many new products, but none have made a breakthrough in revenue to meet market demand, especially in cosmetics and functional foods.



# PLANS AND ORIENTATIONS OF THE BOARD OF DIRECTORS

Unit: Billion VND

Indicator	2024 Implemented	2025 Plan	%Plan 2025/ Implemented 2024
Total revenue	1,031	1,050	102%
Of which: Revenue from production	934	976	104%
Other revenue	77	74	96%
Profit before tax	90	92	102%
Expected dividend payout ratio (%)	25%	25%	-

## Key solutions to implement the task

### Human resources strategy

The BOD has a strategic plan for human resource development, appointing capable personnel suitable for production and business work, with management qualifications to better support the General Director and the Board of Management, meeting the development requirements of the Company in the coming time.

Focusing on training, fostering and recruiting staff for the development of the Company is one of the policies that has always been maintained throughout term 04 and will continue to be implemented throughout term 05 in order to meet the requirements for human resources in each stage of development.

Complete the work according to the requirements of GPs, meeting the GMP approval through the years of the new term to ensure the quality of the company's products.

Improve to perfect the salary and bonus scale system, apply the method of paying salaries and bonuses according to the contract mechanism to create initiative for departments and stimulate the company's development.

Ensure quality in training, ensure balance between basic and specific training, and link training with use/application.

### Market strategy

Expand the sales network towards establishing additional sales units in provinces with operating models suitable to the actual situation.

Promote OTC and promote bidding at the most reasonable rate.

Develop a product strategy that matches the Company's strengths and the actual market situation, and strengthen market forecasting to have a reasonable reserve plan.

Promote the development of key and highly effective products.

Understand market needs to have direction for new product development.

Organize advertising activities, exhibitions, fairs, seminars, and product introductions to bring VIDIPHA's image and brand to consumers and partners, investors at home and abroad.

Urgently complete a suitable sales policy, develop a professional sales system and distribution network.

Seek foreign and domestic partners to cooperate in producing and trading items manufactured and exported by VIDIPHA.

Position the VIDIPHA brand at a higher level and increase the position as well as the intangible value of some products in price comparisons on the market.

Complete the system and upgrade sales methods to achieve perfection in order to stabilize exploitation by 2025.

### Research and investment activities

Continue to invest in more machinery, equipment, build more warehouses, etc., to complete the GMP- WHO factory, to achieve the target sales. Cooperate with partners to export finished products, invest in building a factory that meets GMP-EU standards.

Research and invest in infrastructure, machinery, human resources, etc. to implement new product development projects, joint venture cooperation, especially in the field of health protection foods.

Continue to invest in equipment and machinery to improve productivity for the factory in Binh Duong in the direction of automation, improve production management processes to limit losses, reduce product costs, and increase profits.

Invest and arrange a reasonable infrastructure for the Binh Duong Factory to expand and arrange additional functional departments to meet production and development requirements in the future.

Invest in establishing pharmacies to meet the requirements of expanding the retail market, towards establishing a chain of pharmacies, meeting the development requirements of the Company, contributing to expanding the distribution system to bring VIDIPHA products increasing-ly deeper.

Find suitable partners that meet the requirements for production and business capacity to implement cooperation and joint ventures to enhance production and business efficiency and develop new products.

Strengthen research on new products and promote the registration of new products and re-registration to meet production and business requirements.

### Financial work

Plan to increase capital at the most appropriate time to meet the Company's development requirements.

Strengthen internal inspection of affiliated stores and branches

Periodically analyze costs and norms for consumption of raw materials to closely manage expenses, thereby developing appropriate and realistic financial plans.

Search for and propose effective financial investment options

Propose solutions to stabilize exchange rates.

Strictly manage assets and capital sources, and use capital effectively and transparently.





## CHAPTER

# 05

### CORPORATE GOVERNANCE

Board of Directors

Board of Supervisors

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





# BOARD OF DIRECTORS

## COMPOSITION AND STRUCTURE OF THE BOARD OF DIRECTORS

As of date 31/12/2024

No.	Member	Position	Number of shares	Ownership percentage
1	Kieu Huu	Chairman of the Board of Directors	1,652,917	7.48%
2	Hoang The Bac	Board of Directors' members	215,296	0.98%
3	Hoang Van Hoa	Board of Directors' members	249,900	1.13%
4	Pham Tuan Kiet	Board of Directors' members	0	0%
5	Tran Van Dat	Board of Directors' members	899,320	4.07%
6	Nguyen Tran Hieu	Independent members of the BOD	0	0%
7	Nguyen Ngoc Trang	Independent members of the BOD	1,440	0.01%

## CHANGES IN MEMBER OF THE BOARD OF DIRECTORS IN 2024

None

## ACTIVITIES OF MEMBER OF THE BOARD OF DIRECTORS AT OTHER COMPANIES

No.	Member	Board of Directors' members at other com-panies	Position at other com-panies
1	Kieu Huu	No	No
2	Hoang The Bac	No	No
3	Hoang Van Hoa	No	No
4	Pham Tuan Kiet	No	Deputy General Director - Nutri-Pharma USA Limited Company
5	Tran Van Dat	Chairman of Members' Council of Tram Bao Khoa Pharmaceutical Co., Ltd.	No
6	Nguyen Tran Hieu	Board of Directors' members - SAMETEL Corporation	Standing Deputy General Director - Sacom Wires and Cables Joint Stock Company.
7	Nguyen Ngoc Trang	No	Deputy Head of Pharmacy - Capella Group Joint Stock Company

## SUB-COMMITTEES UNDER THE BOARD OF DIRECTORS

None

## ACTIVITIES OF THE BOARD OF DIRECTORS

In 2024, the Board of Directors held 05 meetings, passing 13 Resolutions and Decisions. All members attended fully, ensuring a 100% attendance rate, thereby ensuring the Company's production and business management and operations in a timely, effective, and flexible manner.

No.	Board of Directors' members	Position	Number of meetings attended by BOD	Meeting attendance rate
1	Kieu Huu	Chairman of BOD	5/5	100%
2	Hoang Van Hoa	BOD' members	5/5	100%
3	Hoang The Bac	BOD' members	5/5	100%
4	Pham Tuan Kiet	BOD' members	5/5	100%
5	Tran Van Dat	BOD' members	5/5	100%
6	Nguyen Tran Hieu	Independent members of the BOD	5/5	100%
7	Nguyen Ngoc Trang	Independent members of the BOD	5/5	100%





BOARD OF DIRECTORS

RESOLUTIONS/DECISIONS OF THE BOARD OF DIRECTORS

No.	Resolution/ Decision Number	Date	Content	Approval Rate
1	30-NQ/HĐQT-VDP	12/01/2024	Report on the results of the 2023 production and business plan implementation. 2024 plan forecast. Approve the investment policy in HD Bank bonds. Approve the policy of expanding the room and increasing the maximum ownership ratio of foreign investors. Release the remaining 50% of shares issued to shareholders under ESOP. Approve the record date for the 2024 Annual General Meeting of Shareholders and approve the 2023 dividend rate and the second interim dividend payment for 2023. Report on the results of the inspection of branches in 2022 and 2023. Authorize the General Director and Chief Accountant to take measures to remove difficulties and obstacles in handling risky debts and reduce corporate income tax due to salary and remuneration expenses being excluded when calculating corporate income tax.	100%
2	31-NQ/HĐQT-VDP	18/01/2024	Reappoint Directors of the Southeast, Southwest, and Central branches.	100%
3	32-NQ/HĐQT-VDP	28/02/2024	Approve the Regulations on organizing the online General Meeting of Shareholders.	100%
4	33-NQ/HĐQT-VDP	26/03/2024	Approve the contents of the documents for the 2024 Annual General Meeting of Shareholders.	100%
5	34-NQ/HĐQT-VDP	06/05/2024	Approve the implementation of the share issuance plan to increase capital from the equity of Vidipha Central Pharmaceutical Joint Stock Company. Approve the registration of additional depository and listing of all additionally issued shares according to the above plan at the Vietnam Securities Depository and Clearing Corporation and the HCMC Stock Exchange.	100%
6	34A-NQ/HĐQT-VDP	20/05/2024	Approve the selection of AASC Auditing Firm Co., Ltd. as the auditor for the semi-annual and annual financial statements of 2024.	100%
7	35-NQ/HĐQT-VDP	10/07/2024	Preliminary report on the business performance results for the first 6 months of 2024. Planned business plan for Q3/2024. Selection and adjustment to increase the maximum limit for purchasing HD Bank bonds.	100%

No.	Resolution/ Decision Number	Date	Content	Approval Rate
8	36-NQ/HĐQT-VDP	15/08/2024	Dismissal of Mr. Hoang The Bac – BOD Member, as Chief Accountant. Appointment of Mr. Nghiem Minh Tuan as Chief Accountant.	100%
9	37-NQ/HĐQT-VDP	18/09/2024	Appointment of Mr. Hoang The Bac, BOD Member, as Deputy General Director and Chief Financial Officer.	100%
10	38-NQ/HĐQT-VDP	03/10/2024	Preliminary report on the business performance results for the first 9 months of 2024. Planned business plan for Q4/2024. Appointment of Mr. Nguyen The Mai as Deputy Production Director and Mr. Nguyen Quang Sang as Deputy Director of Research and Development for the term from 01/01/2025 to 30/04/2026. Proposed 2024 dividend payment at a rate of 25%.	100%
11	39-NQ/HĐQT-VDP	11/11/2024	Approval of the purchase of HD Bank bonds with a 6-month term.	100%
12	40-NQ/HĐQT-VDP	25/11/2024	Approval of the record date for the 2025 Extraordinary General Meeting of Shareholders and the first interim dividend payment for 2024 at a rate of 10%. Adjustment of real estate business lines for submission to the 2025 Extraordinary General Meeting of Shareholders.	100%
13	41-NQ/HĐQT-VDP	20/12/2024	Approval of the documents for the 2025 Extraordinary General Meeting of Shareholders.	100%





# BOARD OF DIRECTORS

## ACTIVITIES OF INDEPENDENT MEMBER OF THE BOD

Through the supervision of the Independent Member of the Board of Directors on the activities of the BOD the General Director and other executives, the Independent Member of the BOD noted the following results:

### Regarding the organization of Board of Directors meetings

- ◊ The Company's BOD has worked with a sense of responsibility and transparency in governance, complying with regulations for public companies. The meetings of the Board of Directors have been convened promptly and carried out in accordance with the order specified in the Charter and Regulations on internal governance of the Company. The content of the meetings was fully and carefully discussed and evaluated by the Member of the BOD to đưa ra những định hướng và giải pháp đem lại lợi ích cao nhất cho Công ty.
- ◊ Issues related to business strategy, market expansion, technology investment, and management system construction are regularly reviewed and evaluated by the Board of Directors in periodic meetings.
- ◊ The decisions of the Board of Directors at the meetings were approved by the Board of Directors according to the majority principle, the meeting minutes were fully prepared and approved at the end of the meeting.

### General assessment of the BOD's activities

- ◊ According to the operating plan of the BOD, the tasks of the BOD performed in 2024 focused on the resolutions of the GMS and complied with the Company's Charter, Governance Regulations and standard corporate governance practices.
- ◊ All Member of the BOD have a high sense of responsibility, are professional, clear about their assigned responsibilities in protecting the interests of the Company and are careful in performing their roles.
- ◊ The BOD has proposed many effective and timely solutions to help the General Manager overcome some challenges in the Company's operation process, and has done well in monitoring and controlling to ensure that the criteria of legal compliance are absolutely respected by the Company.
- ◊ The BOD has directed and controlled the Company to complete the growth and profit targets for 2024, performed well with the state budget, brought high efficiency to shareholders and stable income to employees. Through effective and creative operating methods, the BOD has well performed its role in building sustainable values for the business in the 2021-2026 development strategy.

### Regard the General Director and other executives

- ◊ Overall, the BOD has performed well in supervising the BOM, ensuring that the company's operations are always tightly controlled to follow the strategic direction and adjust decisions in a timely manner when required by practical circumstances.
- ◊ The members of the BOM holding titles within the BOM regularly attend the periodic and unscheduled meetings of the BOD. The resolutions of the General Director are analyzed and consulted by the BOD in order to have optimal solutions for the benefit of the Company. As a result, the Board of Directors always clearly understands the Company's operations and is updated with the latest requirements from reality.
- ◊ The members of the BOD are assigned tasks to proactively demonstrate their role and responsibility in supporting the BOM, thereby directly advising and sharing experiences and interacting on corporate governance issues for the BOM.
- ◊ The BOD pays special attention to risk management solutions, in order to support the executive board in identifying problems early and helping the company maintain sustainability and stability in operations, protecting the interests of investors.

## LIST OF BOD'S MEMBERS WITH CORPORATE GOVERNANCE TRAINING CERTIFICATES

Training courses on corporate governance were involved by members of BOD, BOS, General Director, other managers and secretaries in accordance with regulations on corporate governance: None.

# BOARD OF SUPERVISORS

## MEMBERS AND STRUCTURE OF THE BOARD OF SUPERVISORS

As of date 31/12/2024

No.	Member	Position	Date of appointment	Number of shares owned	Percentage of ownership
1	Doan Thi Ngoc Boi	Head of BOS	24/04/2021	8,239	0.04%
2	Nguyen Thi Thuy	Member	15/04/2023	0	0%
3	Nguyen Quang Toan	Member	01/06/2020	22,915	0.10%

## CHANGES IN MEMBER OF THE BOARD OF SUPERVISORS IN 2024

None

## ACTIVITIES OF THE BOARD OF SUPERVISORS

No.	Member	Position	Number of meetings	Meeting attendance rate
1	Doan Thi Ngoc Boi	Head of the Board of Supervisors	13/13	100%
2	Nguyen Thi Thuy	Member	13/13	100%
3	Nguyen Quang Toan	Member	13/13	100%





ACTIVITIES OF THE BOARD OF SUPERVISORS



Supervisory activities of the Board of Supervisors towards the Board of Directors, the Board of Management and Shareholders

The Board of Supervisors has conducted regular, quarterly supervisory activities for the Com-pany’s operations. The Board of Supervisors assesses that the Company fully complies with the provisions of law, the Securities Law and listed companies.

The meetings of the Board of Directors are convened and organized in accordance with the pro-visions of the Enterprise Law and the Company’s Charter. The members of the Board of Direc-tors attend fully and in accordance with the law.

The Resolutions of the Board of Directors closely adhere to the actual operations of the Com-pany, the Resolutions of the General Meeting of Shareholders, and perform well the manage-ment and orientation functions for the executive activities of the Board of Management.

The members of the Board of Directors have exercised their assigned rights and duties in ac-cordance with the Enterprise Law, the Company’s Charter and the Resolutions of the General Meeting of Shareholders, ensuring the legitimate interests of the Company and shareholders.

Coordination of activities between the Board of Supervisors and the activities of the Board of Directors, the Board of Management and other managers

Fully participate in meetings of the Board of Directors, participate in giving opinions on reports and submissions of the Director; exchange and argue with members of the Board of Directors; comment on and evaluate the results of implementing the Resolutions of the General Meeting of Shareholders and the Board of Directors.

TRANSACTIONS, REMUNERATION AND BENEFITS OF THE BOARD OF DIRECTORS, THE BOARD OF MANAGEMENT AND THE BOARD OF SUPERVISORS

Salaries, bonuses, remuneration, benefits

Unit: VND/year

No.	Name	Position	Remuneration	Salary	Bonus
Board of Directors/ Board of Management					
1	Kieu Huu	Chairman of BOD	390,000,000	744,239,162	138,208,000
2	Hoang Van Hoa	Member of the BOD cum General Director	196,000,000	1,133,827,360	178,697,000
3	Hoang The Bac	Member of the BOD cum Deputy General Director	207,000,000	575,483,103	98,323,000
4	Pham Tuan Kiet	Member of BOD	195,000,000		
5	Tran Van Dat	Member of BOD	195,000,000		
6	Nguyen Tran Hieu	Member of BOD	195,000,000		
7	Nguyen Ngoc Trang	Member of BOD	195,000,000		
8	Dinh Thi Hoang Oanh	Deputy General Director (dismissed from 26/06/2024)		323,903,875	60,006,000
9	Nghiem Minh Tuan	Chief Accountant		312,173,750	58,278,000
Board of Supervisors					
1	Doan Thi Ngoc Boi	Head of BOS	104,000,000	409,574,400	69,305,000
2	Nguyen Quang Toan	Member of BOS	65,000,000	455,654,280	78,672,000
3	Nguyen Thi Thuy	Member of BOS	65,000,000		





TRANSACTIONS, REMUNERATION AND BENEFITS OF THE BOARD OF DIRECTORS, THE BOARD OF MANAGEMENT AND THE BOARD OF SUPERVISORS

Share transactions of internal persons and their affiliated persons

No.	Transaction executor	Relationship with internal	Number of shares owned at period's beginning		Number of shares owned at period's end		Reasons for increasing, decreasing
			Number of shares	Percentage	Shares number	Percentage	
1	Hoang The Bac	CFO – Member of the BOD	189.414	1,03%	215.296	0,97%	Selling, rewarding 20% shares
2	Kieu Thuy Mai	Child of Chairman of BOD	1.025.787	5,57%	1.377.944	6,24%	Buying, rewarding 20% shares
3	Kieu Huu	Chairman of the BOD	1.280.038	6,96%	1.652.917	7,48%	Selling, rewarding 20% shares
4	Nguyen Quang Tuan	Supervisor board member	44.096	0,24%	22.915	0,1%	Buying, rewarding 20% shares
5	Trade Union of Vidipha Central Pharmaceutical JSC	The Secretary of the BOD is the Chairman of the Trade Union	144.594	0,78%	2.040	0,009%	Selling, rewarding 20% shares
6	Hoang Van Hoa	General Director – Member of the BOD	197.750	1,07%	249.900	1,13%	Buying, rewarding 20% shares
7	Nguyen Thi Thao	Wife of the General Director	82.900	0,45%	101.208	0,45%	Buying, rewarding 20% shares
8	Hoang Cuc Phuong	Child of the General Director	3.000	0,016%	5.160	0,023%	Buying, rewarding 20% shares

Contracts or transactions with internal persons

Transaction between internal persons of the Company, affiliated persons of internal persons and the Company's subsidiaries in which the Company takes controlling power: None

Transactions between the Company and its affiliated persons or between the Company and its major shareholders, internal persons and affiliated persons

No.	Name of organization/ individual	Relationship with the Company	No.* date of issue, place of issue	Address	Time of transactions with the Company	Resolution/ Decision		Content, quantity, total value of transaction
						No. or approved by	GSM/BOD	
1	Nutri - Pharma USA Co., Ltd	Mr. Pham Tuan Kiet – Member of BOD, currently serving as Deputy General Director	No. 031199906 issued on 04/08/2016, by the Department of Planning and Investment of HCMC	1036/4 Cach Mang Thang 8 Street, Ward 5, Tan Binh District	25/04/2024	29-NQ/ HDQT-VDP dated October 11, 2023		Economic Contract (regarding the distribution of pharmaceutical drugs) Value: <35% of the Company's Total Assets
2	Tram Bao Khoa Pharmaceutical Co., Ltd	Mr. Tran Van Dat – Member of BOD, currently serving as Chairman of the Members' Council	0303615901 issued on June 13, 2013, by the Department of Planning and Investment of HCMC	195/35 Tran Van Dang Street, Ward 11, District 3	15/05/2024	29- NQ/ HDQT -VDP dated 11 October 2023		Economic Contract (regarding the distribution of pharmaceutical drugs) Value: <35% of the Company's Total Assets





**EVALUATION OF THE  
IMPLEMENTATION OF REGULATIONS  
ON CORPORATE GOVERNANCE**

Corporate governance (QTCT) at VIDIPHA is always practiced in accordance with the guidelines of the Corporate Governance Principles for Vietnamese Public Companies, referring to the G20/ OECD Corporate Governance Principles, and the ASEAN Corporate Governance Scorecard. In addition, VIDIPHA also complies with the provisions of law on QTCT such as: Decree 155/2020/ NĐ-CP dated 31/12/2020 detailing the implementation of a number of articles of the Securities Law, Circular 96/2020/ TT-BTC dated 16/11/2020 guiding information disclosure on the stock market. The Company's information disclosure task for shareholders and investors is disclosed in accordance with regulations through the VIDIPHA website.

The Board of Directors, Supervisory Board, and Board of Management always strictly adhere to the provisions of law and the company's organizational and operational charter. The decisions of the Board of Directors are always made in accordance with the correct procedures and within their authority, while also complying with the decisions approved at the General Meeting of Shareholders. The Board of Management operates the company with absolute respect for the law, ensuring that all decisions and actions of the company comply with current legal regulations. VIDIPHA always emphasizes transparency, fairness, and respect for the legitimate rights of shareholders. At the same time, the company also sets goals for sustainable development and social responsibility, through building a positive and consensual working environment, and committing to environmental protection.





## CHAPTER

# 06

## AUDITED FINANCIAL STATEMENTS

Audit opinion

2024 Audited financial statements







Số: 260325.011/BCTC.KT2

BÁO CÁO KIỂM TOÁN ĐỘC LẬP

Kính gửi: Quý Cổ đông, Hội đồng Quản trị và Ban Tổng Giám đốc Công ty Cổ phần Dược phẩm Trung ương Vidipha

Chúng tôi đã kiểm toán Báo cáo tài chính kèm theo của Công ty Cổ phần Dược phẩm Trung ương Vidipha được lập ngày 26 tháng 03 năm 2025, từ trang 06 đến trang 37, bao gồm: Bảng cân đối kế toán tại ngày 31 tháng 12 năm 2024, Báo cáo kết quả hoạt động kinh doanh, Báo cáo lưu chuyển tiền tệ cho năm tài chính kết thúc cùng ngày và Thuyết minh Báo cáo tài chính.

Trách nhiệm của Ban Tổng Giám đốc

Ban Tổng Giám đốc Công ty chịu trách nhiệm về việc lập và trình bày trung thực và hợp lý Báo cáo tài chính của Công ty theo Chuẩn mực kế toán, Chế độ kế toán doanh nghiệp Việt Nam và các quy định pháp lý có liên quan đến việc lập và trình bày báo cáo tài chính và chịu trách nhiệm về kiểm soát nội bộ mà Ban Tổng Giám đốc xác định là cần thiết để đảm bảo cho việc lập và trình bày Báo cáo tài chính không có sai sót trọng yếu do gian lận hoặc nhầm lẫn.

Trách nhiệm của Kiểm toán viên

Trách nhiệm của chúng tôi là đưa ra ý kiến về Báo cáo tài chính dựa trên kết quả của cuộc kiểm toán. Chúng tôi đã tiến hành kiểm toán theo các Chuẩn mực kiểm toán Việt Nam. Các chuẩn mực này yêu cầu chúng tôi tuân thủ chuẩn mực và các quy định về đạo đức nghề nghiệp, lập kế hoạch và thực hiện cuộc kiểm toán để đạt được sự đảm bảo hợp lý về việc liệu Báo cáo tài chính của Công ty có còn sai sót trọng yếu hay không.

Công việc kiểm toán bao gồm thực hiện các thủ tục nhằm thu thập các bằng chứng kiểm toán về các số liệu và thuyết minh trên Báo cáo tài chính. Các thủ tục kiểm toán được lựa chọn dựa trên xét đoán của kiểm toán viên, bao gồm đánh giá rủi ro có sai sót trọng yếu trong Báo cáo tài chính do gian lận hoặc nhầm lẫn. Khi thực hiện đánh giá các rủi ro này, kiểm toán viên đã xem xét kiểm soát nội bộ của Công ty liên quan đến việc lập và trình bày Báo cáo tài chính trung thực, hợp lý nhằm thiết kế các thủ tục kiểm toán phù hợp với tình hình thực tế, tuy nhiên không nhằm mục đích đưa ra ý kiến về hiệu quả của kiểm soát nội bộ của Công ty. Công việc kiểm toán cũng bao gồm đánh giá tính thích hợp của các chính sách kế toán được áp dụng và tính hợp lý của các ước tính kế toán của Ban Tổng Giám đốc cũng như đánh giá việc trình bày tổng thể Báo cáo tài chính.

Chúng tôi tin tưởng rằng các bằng chứng kiểm toán mà chúng tôi đã thu thập được là đầy đủ và thích hợp làm cơ sở cho ý kiến kiểm toán của chúng tôi.

Ý kiến của Kiểm toán viên

Theo ý kiến của chúng tôi, Báo cáo tài chính đã phản ánh trung thực và hợp lý trên các khía cạnh trọng yếu tình hình tài chính của Công ty Cổ phần Dược phẩm Trung ương Vidipha tại ngày 31 tháng 12 năm 2024, cũng như kết quả hoạt động kinh doanh và tình hình lưu chuyển tiền tệ cho năm tài chính kết thúc cùng ngày, phù hợp với Chuẩn mực kế toán, Chế độ kế toán doanh nghiệp Việt Nam và các quy định pháp lý có liên quan đến việc lập và trình bày báo cáo tài chính.

Công ty TNHH Hãng Kiểm toán AASC



Vũ Xuân Biên  
Phó Tổng Giám đốc  
Giấy chứng nhận đăng ký hành nghề kiểm toán  
Số: 0743-2023-002-1

Hà Nội, ngày 26 tháng 03 năm 2025

Nguyễn Trung Kiên  
Kiểm toán viên  
Giấy chứng nhận đăng ký hành nghề kiểm toán  
Số: 5136-2025-002-1

AUDITED FINANCIAL STATEMENTS

The 2024 audited financial statements of VIDIPHA Central Pharmaceutical Joint Stock Company have been disclosed in accordance with regulations and posted on the Company's website: <https://vidipha.com.vn/>

CONFIRMATION BY LEGAL REPRESENTATIVE OF THE COMPANY

Ho Chi Minh City, April 16<sup>th</sup> 2025



HOANG VAN HOA  
GENERAL DIRECTOR







**VIDIPHA CENTRAL PHARMACEUTICAL JOINT STOCK COMPANY**

**Address:** 184/2 Le Van Sy, Ward 10, Phu Nhuan District, Ho Chi Minh City, Vietnam

**Phone number:** (028) 38 440 106 - **Fax number:** (028) 38 440 446

**Website:** [vidipha.com.vn](http://vidipha.com.vn)