

# **CODUPHA CENTRAL PHARMACEUTICAL COMPANY JSC**

262L Le Van Sy Street, Ward 14, Distreet 03, Ho Chi Minh City



## **ANNUAL REPORT 2024**

Ho Chi Minh City, March 28, 2025

## I. General Information

### 1. Overview Information

- Transaction Name: **CODUPHA CENTRAL PHARMACEUTICAL COMPANY JSC**
- Business Registration Certificate Number: **0300483319**
- Charter Capital: **182.700.000.000 đồng VN**
- Owner's Investment Capital: **182.700.000.000 đồng VN**
- Address: 262L Le Van Sy Street, Ward 14, Distreet 03, Ho Chi Minh City
- Telephone: 028.38.651909
- Fax number: 028.38650750
- Website: codupha.com.vn
- Stock code: CDP

### 2/ *Formation and development process:*

The Central Pharmaceutical Company No. 2 was established immediately after the country's reunification on April 30, 1975, under the name "General Warehouse of Pharmaceuticals." Its primary functions and responsibilities included the distribution of finished pharmaceutical products, raw materials for drug production, chemicals, and medical equipment for the healthcare system in the Southern region.

In 1976, the General Warehouse of Pharmaceuticals was divided into two companies: the Medical Equipment and Laboratory Chemical Company, and the Level 1 Pharmaceutical Company. The latter was named Codupha (an abbreviation from the French: La Compagnie Du Pharmaceutique). Codupha was one of two state-owned pharmaceutical companies with the function of distributing finished pharmaceutical products, raw materials for drug production, chemicals, and medical equipment for the Southern region.

In 1985, Level 1 Pharmaceutical Company changed its name to Central Pharmaceutical Company 2 and kept the trading name Codupha.

In 1993, based on Decree No. 388 – HĐBT dated May 7, 1992, issued by the Council of Ministers, the Ministry of Health issued Decision No. 409/BYT-QĐ to establish a state-owned enterprise: Central Pharmaceutical Company No. 2 under the Vietnam Pharmaceutical Enterprises Union, now known as the Vietnam Pharmaceutical Corporation (Vinapharm), under the supervision of the Ministry of Health. Codupha was granted import license No. 1.19.1.012 GP on November 5, 1993.

In 1994, Codupha established a branch in Hanoi. Over the past 20 years of development, the Codupha Hanoi branch has been providing pharmaceuticals and medical products to almost all provinces and cities in the Northern region.

In 1997, Codupha established a branch in Can Tho City. Currently, the Codupha Can Tho branch supplies pharmaceuticals and medical products to almost all provinces and cities in the Mekong Delta region.



In 2002, Codupha invested in building a pharmaceutical manufacturing plant in the Lao People's Democratic Republic, adhering to the Good Manufacturing Practice (GMP) standards set by the World Health Organization (WHO).

In 2007, Codupha established a branch in Buon Ma Thuot City, Dak Lak Province. The branch is responsible for distributing pharmaceuticals and medical products to pharmacies and hospital systems in the Central Highlands and Central region..

In 2008, Codupha established a branch in Vinh City, Nghe An Province, to distribute pharmaceuticals and medical products to pharmacies and hospital systems in the North Central Coast region.

In 2009, Codupha established two new branches in Hai Phong to improve the distribution of medical products in the Northern region. Additionally, the Quang Ngai branch was expanded to better serve the distribution of pharmaceuticals and medical products in the Central region.

In 2010, based on Decree No. 25/2010/NĐ-CP dated March 19, 2010, issued by the Government regarding the conversion of state-owned enterprises into single-member limited liability companies owned by the State, Central Pharmaceutical Company No. 2 was officially renamed Central Pharmaceutical One-Member Limited Liability Company No. 2 according to Decision No. 046/QĐ-TCT dated June 29, 2010, by the Vietnam Pharmaceutical Corporation. The trade name remains Codupha. The company operates under Business Registration Certificate No. 0300483319 issued by the Department of Planning & Investment on August 18, 2010.

In 2012, the company established a representative office in An Giang, specializing in medical equipment and other devices.

In 2014, Codupha established the Codupha Central Branch in Da Nang, replacing the Codupha Quang Ngai branch due to its inefficiency (which was dissolved at the beginning of 2014).

On September 10, 2015, Central Pharmaceutical One-Member Limited Liability Company No. 2 successfully held its initial public offering (IPO) at the Ho Chi Minh City Stock Exchange. The number of shares offered for auction was 2,696,950 shares, and the same number of shares were successfully sold. The highest successful bid was 50,000 VND per share, the lowest successful bid was 10,000 VND per share, and the average successful bid price was 12,976 VND per share. Ngày 22/12/2015, Công ty tổ chức thành công Đại hội đồng cổ đông thành lập Công ty Cổ phần.

On January 2, 2016, the company officially transitioned into a joint-stock company under Business Registration Certificate No. 0300483319, issued by the Department of Planning and Investment of Ho Chi Minh City. This was the 8th amendment of the registration, with a charter capital of 182,700,000,000 VND (one hundred eighty-two billion seven hundred million VND).

### 3/Business Sectors and Geographical Scope:

According to Business Registration Certificate No. 0300483319, initially issued by the Department of Planning and Investment of Ho Chi Minh City on August 18, 2010, with the 13th amendment registered on November 6, 2023, and the third amended company charter



approved on April 25, 2024, the business sectors of Central Pharmaceutical Joint Stock Company Codupha are as follows:

- **Pharmaceutical Raw Materials:** Business activities include the trade of raw materials and excipients for the production of preventive and curative drugs, packaging, and other medical products, essential oils, and fragrances. Additionally, it involves various chemicals and testing and inspection chemicals serving the healthcare industry.
- Wholesale rubber, Production of wooden packaging
- Trading in nutritional products for medical purposes. Trading in functional foods and animal and vegetable oils
- Various Goods: trading in a range of products, including:
  - Pharmaceuticals, modern and traditional medicine, common medical equipment, cosmetics, and hygiene products
  - Cotton, gauze, sunglasses, prescription glasses, and other household medical items
  - Vaccines and medical biological products
  - Disinfectant products for household and medical use
  - Machinery, equipment, and electrical appliances such as refrigerators, freezers, washing machines, dryers, air conditioners, ventilation and cooling equipment, odor ionizers, and air filtration devices
- **Medical and Pharmaceutical Machinery:** Trading in medical and pharmaceutical machinery and equipment. Wholesale of measuring instruments, machinery, equipment, and electrical, mechanical, and refrigeration parts and accessories..
- **Manufacturing Medical Equipment:** Production of medical, dental, orthopedic, and rehabilitation devices and instruments (excluding mechanical processing, waste recycling, and electroplating at the headquarters).
- **Other Business Sectors:** Various other business activities as specified in the Business Registration Certificate..

#### **4/ -Business area: Nationwide and export.**

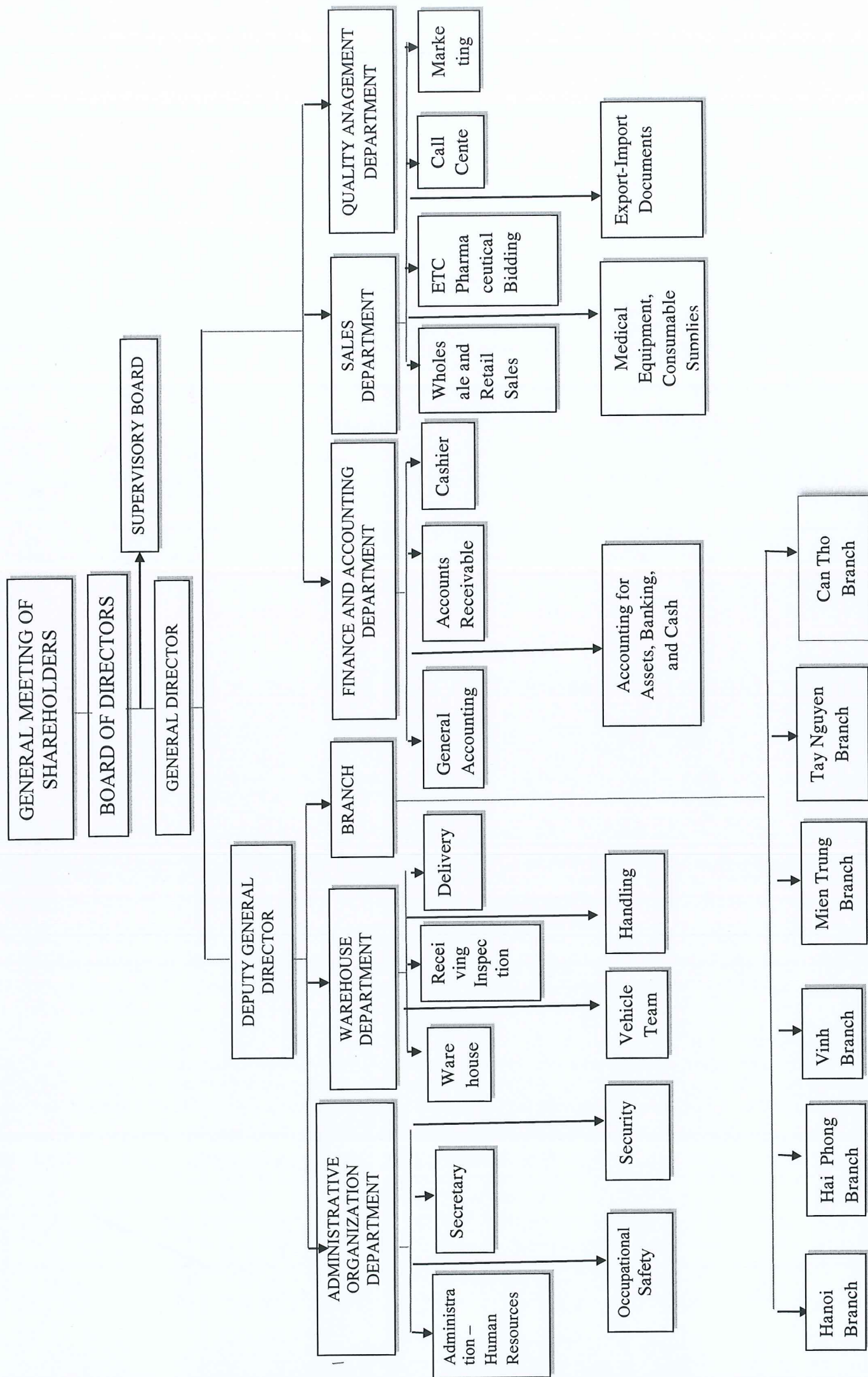
#### **5. Governance Model, Business Organization, and Management Structure**

Central Pharmaceutical Joint Stock Company Codupha is organized and operates in compliance with the Law on Enterprises and the company's organizational and operational charter, which was approved by the General Meeting of Shareholders on December 22, 2015.

\* The third amendment to the company's organizational and operational charter was approved by the General Meeting of Shareholders on April 25, 2024.

- Governance Model.





## **- Management Structure:**

### **❖ General Meeting of Shareholders**

The General Meeting of Shareholders comprises all shareholders with voting rights and is the highest decision-making authority in the company. The Annual General Meeting of Shareholders makes decisions on issues as regulated by law and the company's charter, particularly the approval of annual financial statements and the development orientation of the company.

### **❖ Board of Directors**

The Board of Directors is the management body of the company and has full authority, in the name of the company, to make decisions and exercise the rights and obligations of the company that do not fall under the authority of the General Meeting of Shareholders.

The number of members on the Board of Directors is five (05). The term of office for a Board member is five (05) years; Board members can be re-elected for an unlimited number of terms.

### **❖ Supervisory Board**

The Supervisory Board is elected by the General Meeting of Shareholders and is responsible for supervising the activities of the Board of Directors and the General Director in managing and operating the company. The Supervisory Board is accountable to the General Meeting of Shareholders for carrying out the duties assigned to it.

The Supervisory Board evaluates the annual financial statements and examines specific financial issues when deemed necessary or as decided by the General Meeting of Shareholders or at the request of major shareholders. The Supervisory Board reports to the General Meeting of Shareholders on the accuracy, truthfulness, and legality of the documents, accounting records, financial statements, and the operations of the internal control system.

The term of office for a Supervisory Board member is not more than five (05) years, and members can be re-elected for an unlimited number of terms.

### **❖ General Director**

The Board of Directors shall appoint a member of the Board or another individual as the General Director and shall enter into a contract stipulating the salary, remuneration, benefits, and other terms related to the employment.

The term of the General Director is five (5) years and may be reappointed for an unlimited number of terms. The appointment may be terminated based on the provisions of the employment contract. The General Director shall not be an individual prohibited by law from holding this position.

The General Director is accountable to the Board of Directors and the General Meeting of Shareholders for performing the assigned duties and exercising the granted powers, and must report to these bodies upon request.

### **❖ Deputy General Directors:**



The Deputy General Directors are appointed, dismissed, or removed by the Board of Directors or signed under a contract. The term of appointment or contract for a Deputy General Director shall not exceed five (5) years and may be renewed or extended. The Deputy General Directors assist the Chairman of the Board of Directors and the General Director as assigned and authorized. Any authorization related to signing contracts or using the Company's seal must be documented in writing.

#### ❖ **Chief Accountant**

The Chief Accountant of the Company is appointed, dismissed, removed, or contracted by the Board of Directors. The term of appointment or contract with the Chief Accountant shall not exceed five (5) years and may be renewed or extended. The Chief Accountant assists the Chairman of the Board of Directors and the General Director in organizing the financial, accounting, and statistical activities of the Company. The rights and responsibilities of the Chief Accountant are stipulated in the signed employment contract and in accordance with the provisions of the law.

#### ❖ **Finance and Accounting Department**

##### ❖ **Function**

Provide advice to the General Director on financial and accounting management in accordance with the current regulations of the State; perform financial, accounting, statistical, and bookkeeping tasks; implement and monitor compliance with policies, principles, and regulations on financial and accounting management in strict accordance with the law of the State.

##### ❖ **Tasks:**

- Perform financial and accounting tasks in strict accordance with current legal regulations.
- Develop and provide guidance for the effective implementation of financial management regulations for the company and its affiliated branches.
- Identify and balance financial resources to ensure adequate and reasonable capital for all company operations.
- Organize and implement accounting operations in compliance with the accounting regulations set by the State, ensuring alignment with the company's actual circumstances. Fully prepare and submit explanatory financial statements to tax authorities and relevant State management agencies.
- Verify the legal accuracy of all records and documents related to the financial and accounting operations of the company and external entities.
- Assess and evaluate matters related to financial operations.
- Directly or collaborate with relevant functional departments to develop strategies for financial operations. Organize and monitor the implementation of plans and targets related to economics and finance. Conduct evaluations and analyses, proposing timely and reasonable solutions to ensure the efficiency of all company activities.
- Directly manage accounts receivable, monitor and recover debts. Establish receivables standards and implement effective measures for debt recovery.



- Compile and report statistics on revenue and expenses in accordance with regulations to the General Director, Deputy General Directors, and relevant functional departments. Develop cost plans, submit for approval, manage expenses, and finalize the company's overall expenditures. Advise and propose recommendations to the General Director to ensure financial resources and reasonable costs for the company's business operations.
- Collaborate with the Administrative and Human Resources Department in organizing bidding and auctions for procurement, new construction, or large-scale repairs of the company's office equipment and working systems.
- Take responsibility for working with and resolving issues involving relevant authorities regarding taxes, fees, and other matters related to the company's business activities.
- Participate in the Company's Asset Liquidation Council; collaborate with the Administrative and Human Resources Department to conduct periodic inventory, assessment, and depreciation of the company's fixed assets.
- Collaborate with specialized departments in the process of contract liquidation.
- Prepare periodic and ad-hoc statistical reports.
- Standardize the management of all forms and documents to ensure compliance with State regulations in business operations.
- Efficiently manage the company's capital sources, accounts receivable, development investment funds, welfare funds, reward funds, financial reserves, and unemployment reserves in a clear and accurate manner, ensuring compliance with the regulations and policies set by the State.
- Advise the General Director on selecting an auditing firm and take the lead in coordinating with functional departments to implement auditing tasks in accordance with regulations.
- Develop, provide guidance on, and monitor the implementation of the company's promotional regulations in compliance with current financial regulations.
- Collaborate with the Sales Department and the Import-Export Department to manage promotional programs in compliance with the company's regulations; establish reasonable inventory norms. Proactively disseminate legal documents related to the specialized field of the Finance and Accounting Department to other departments, branches, stores, and agents of the company.
- Collaborate with functional departments, branches, agents, and the company's stores to develop, refine, and effectively implement standard operating procedures (SOPs) in GDP, GSP, GPP, ISO, and related activities, thereby enhancing the efficiency of the company's business operations.

#### ❖ **The Sales Department:**

- Functions:

Advise the General Director on strategies for the distribution of goods and services, as well as business management.

Advise the Board of General Directors on developing business strategies and sales marketing plans. Organize and implement import-export plans, as well as marketing and sales activities.



- **Tasks:**

**Business Management:** Participate in developing business strategies and collaborate in their implementation. Prepare reports as required; consolidate data and reports as directed by the General Director and the authorized Deputy General Director.

Develop pharmaceutical business strategies, propose methods and measures to effectively fulfill the unit's business tasks.

Create and implement marketing and sales plans: Conduct research, surveys, analysis, and assessments of the business market to identify its potential and evaluate its market influences.

Search for, exploit, and expand business markets. Gather comprehensive information about the market, products, pricing, customers, and competitors. Propose and determine the selling price of goods, along with marketing and sales costs, commissions, and discounts. Organize training sessions on marketing and sales skills for sales staff.

Propose and implement sales and profit targets for affiliated departments.

Effectively organize and implement bidding activities for goods in the treatment sector.

Research and develop new business products to support growth and innovation

**Import and export goods management:** Monitor and manage import-export documentation and permits. Perform tasks related to receiving and dispatching goods at the southern border checkpoints.

**Customer Service and Distribution:** Develop and refine the Call Center department to ensure excellent customer care and efficient telephone sales; Collaborate in the creation and establishment of a distribution system, including company branches, agents, and stores; Manage, monitor, and push forward the implementation of domestic sales contracts, processing contracts, and bidding contracts; Issue sales invoices for imported goods and domestically purchased goods; Directly distribute goods to the company's wholesale and retail stores, as well as pharmaceutical centers in the city's districts.

**Monitor Product Quality:**

Perform sample testing for certain raw materials and finished products imported or distributed by the company; Track information related to substandard drugs; Develop and implement procedures for handling non-compliant goods, file product complaints, and establish drug recall procedures; Collaborate with the Logistics Department to conduct periodic quality inspections of goods; Ensure compliance with current pharmaceutical regulations during inspections.

❖ **Administrative and Organization Department:**



- **Functions:**

The Administrative and Organization Department functions as an advisory body to the General Director in several areas, including: Organizational tasks, personnel management, payroll, and training; Document handling, including clerical work and archiving; General administrative management; Internal political security, protection of company assets, maintaining public order, military self-defense, and fire prevention and control; Implementation of safety policies, occupational protection, workplace hygiene, and other labor-related regulations as per State laws; Asset management, construction, and repair of company office buildings and warehouses, Warehouse business management; Provision of working equipment and other services to support business activities, Inspections and audits; Coordination of commendation, reward, and disciplinary processes, Media, public relations, and external affairs.

The Administrative and Organization Department serves as the primary point of contact with internal and external entities, facilitating the receipt and transfer of documents and materials related to the company's operations.

- **Tasks:**

**Organizational and personnel work:** Advise and implement the decisions of the General Director regarding organizational work and personnel affairs; manage and monitor all employee records within the organization; fully implement the directives of the General Director in training and retraining professional qualifications, and political theory for the company's staff and employees; establish standards and regulations for training and retraining programs for staff and employees; monitor and report on the implementation of the General Director's decisions in this area.

**Labor and Salary Work:** Advise and implement labor and salary management for the company's staff and employees in accordance with current regulations; advise on and execute procedures related to insurance policies; develop internal labor rules in compliance with the current Labor Law; disseminate and implement state policies and regulations concerning the rights and obligations of employees; direct the implementation and inspection of self-defense military tasks and fire prevention and firefighting within the organization. Ensure the safety of people and assets of the company.

**Emulation and Commendation Work:** Advise on the development and implementation of the company's emulation and commendation initiatives based on the provisions of the Law on Emulation and Commendation.

**Internal Political Protection Work:** Advise the General Director on the implementation of internal political protection efforts, ensuring the political quality of the staff and employees in accordance with Party regulations.

**Administrative and Managerial Work:** Receive and register incoming documents and materials; present and forward documents to relevant departments based on the directives of the General Director; receive, register, and replicate outgoing documents (as per the recipients). Verify (document format, signing authority), stamp, and promptly issue



documents; manage and use official seals for stamping; report on clerical work in accordance with current regulations.

**Archival Work:** Archive all "Incoming Correspondence" and "Outgoing Correspondence"; coordinate with the clerical office and the company's units to identify documents and records that need to be collected and archived; carry out the collection of archival documents and records; prepare statistical reports on archival work in accordance with regulations.

**Occupational Safety and Labor Protection Work:** Conduct occupational safety and labor protection training for employees; provide guidance, supervise implementation, and coordinate inspections on occupational health and safety practices as well as labor protection efforts.

#### ❖ **Warehouse and Logistics Department:**

- **Function:** Advise the General Director on tasks related to the import, export, storage, management, and preservation of the company's goods in compliance with GSP (Good Storage Practice) standards.

- **Tasks:**

Receive documentation and invoices from the Sales Department and affiliated companies or enterprises to carry out import, export, storage, and preservation of all the company's goods, ensuring compliance and safety.

Prepare monthly reports on near-expiry goods and slow-moving inventory for submission to the General Director and related departments.

Compile statistics on processed goods and send them to the Sales Department and the General Director.

Develop and execute contracts for hiring loading and unloading services.

Manage and ensure safety regarding personnel, goods, warehouses, and equipment used for fire prevention and firefighting, as well as the preservation and management of goods in storage.

Coordinate with functional departments, branches, agents, and company stores to improve and implement standard operating procedures in activities such as GDP (Good Distribution Practice), GSP (Good Storage Practice), GPP (Good Pharmacy Practice), ISO, etc., to enhance the company's business efficiency.

#### ❖ **Branches and Representative Offices:**

The company established the Codupha Central Region Branch to replace the Codupha Quang Ngai Branch, maintaining a total of 06 active branches and one representative office, including:

**The Codupha Central Pharmaceutical Joint Stock Company Hanoi Branch:**

- **Business Registration Number (BRN):** 0300483319 - 008, initially issued on June 21, 2006, amended for the 16th time on May 16, 2024.
- **Address:** 16ÔC2/NO, Nam Trung Yen Area, Trung Hoa Ward, Cau Giay District, Hanoi City.
- **Phone:** (04) 35406068
- **Fax:** (04) 38584368-385588246

**The Codupha Central Pharmaceutical Joint Stock Company Hai Phong Branch:**

- **Business Registration Number (BRN):** 0300483319 - 014, initially issued on June 2, 2009, amended for the 9th time on May 25, 2024.
- **Address:** 18/11B, Dang Hai Ward, Hai An District, Hai Phong City.
- **Phone:** (0225) 3569367
- **Fax:** (0225) 3569575

**The Codupha Central Pharmaceutical Joint Stock Company Vinh City Branch:**

- **Business Registration Number (BRN):** 0300483319 - 012, initially issued on November 7, 2007, amended for the 6th time on May 20, 2024.
- **Address:** 182 Thang Long, Hamlet 14, Nghi Kim Commune, Vinh City, Nghe An Province.
- **Phone:** 0238 3 595 277
- **Fax:** 0238 3 595 278

**The Codupha Central Pharmaceutical Joint Stock Company Miền Trung Branch:**

- **Business Registration Number (BRN):** 0300483319 - 016, initially issued on June 5, 2014, amended for the 5th time on May 15, 2024.
- **Address:** Street No. 2, Hoa Khanh Industrial Zone, Hoa Khanh Bac Ward, Lien Chieu District, Da Nang City.
- **Phone:** 0236.3759456 - 0236.3759468; 0236.3759455
- **Fax:** 0236.3759125

**The Codupha Central Pharmaceutical Joint Stock Company Tây Nguyên Branch:**

- **Business Registration Number (BRN):** 0300483319 - 011, initially issued on September 27, 2010, amended for the 30th time on May 15, 2024.
- **Address:** 74/20 Nguyen Khuyen, Tan Loi Ward, Buon Ma Thuot City, Dak Lak Province.
- **Phone:** (0500) 3843446
- **Fax:** (0500) 3843447



### **The Codupha Central Pharmaceutical Joint Stock Company Can Tho Branch:**

- **Business Registration Number (BRN):** 0300483319 - 009, initially issued on September 10, 2010, amended for the 4th time on January 25, 2019.
- **Address:** 132 A Nguyen Van Cu Extended, An Khanh Ward, Ninh Kieu District, Can Tho City.
- **Phone:** 0292.3899099
- **Fax:** 0292.3899011

### **Representative Office of Codupha Central Pharmaceutical Joint Stock Company - An Giang:**

- **Business Registration Number (BRN):** 0300483319 - 015, initially issued on September 14, 2012, amended for the 2nd time on May 14, 2014.
- **Address:** 57 Tran Hung Dao, My Binh Ward, Long Xuyen City, An Giang Province.
- **Phone:** 0763.955.909
- **Fax:** 0763.856.222

### **Subsidiaries and Associated Companies:**

#### **a. List of Subsidiaries:**

- **Codupha Laos Pharmaceutical Co., Ltd.:**
  - **Address:** No. 253 Vieng Chaluen Road, Saysetta District, Vientiane Capital, Laos
  - **Capital contributed by the company as of December 31, 2017:** USD 843,300
  - **Ownership percentage held by the company:** 93.7%

#### **b. List of Associated Companies:**

- **Alfreasa Codupha Vietnam Medical Co., Ltd.:**
  - **Address:** 2 Thi Sach Street, Ben Nghe Ward, District 1, Ho Chi Minh City.
  - **Capital contributed by the company as of December 31, 2017:** USD 180,000
  - **Ownership percentage held by the company:** 30%

#### **c. List of Other Investments:**

- Tuyen Quang Pharmaceutical and Trade Services Joint Stock Company
- Kingdom Indochina Joint Stock Company
- Indochina Urban Development Joint Stock Company

### **6. Development Orientation:**

- The Company's Primary Goals: To become a leading professional distributor.

**Development Strategy:** The company focuses its intelligence and efforts on overcoming challenges, seizing opportunities, renewing awareness, restructuring its organization, maximizing the use of available capital, boldly investing in equipment and personnel, and

applying advanced technology to transform Codupha into a comprehensively strong and thriving enterprise in its core business areas.

**Products:** Continuously diversify products and services. Prioritize developing traditional markets where market share has been established, as well as products with high technological and technical characteristics.

**Market:** Strengthen marketing activities and bidding processes to promote the company's brand and products in the market. Implement quality policies effectively to maintain and grow the brand and market share. Utilize all resources to enhance foreign relations, joint ventures, and partnerships with international counterparts to access global markets.

**Science and Technology:** Promote initiatives for technical innovation and technology renewal to generate greater profits. Regularly update, research, and apply global advancements in science and technology.

**Investment:** Invest in the development and completion of the company's branch network. Continue investing in advanced, modern, and industry-specific equipment that reflects technological renewal. Through investment, acquire modern equipment and facilities aligned with global scientific and technical advancements while also training a skilled workforce to meet the company's development needs.

**Finance:** Strictly manage expenses, ensure effective use of capital, enhance financial capacity, and guarantee continuous, stable, and sustainable development.

**Human Resources:** Effectively implement policies and benefits for employees, continuously attract talent with effective utilization policies, and further train management staff and professionals to improve their expertise, skills, and work performance.

#### **Development Orientation:**

- **Orientation for Industries and Products:** Achieve strong, sustainable growth by focusing on the development of core business areas, creating a competitive advantage in traditional products and services that have already established a market presence.

Deeply innovate corporate governance; establish and promote the company's brand and corporate culture.

Concentrate resources on developing core business areas and expanding into new services and business models. Continue investing in specialized equipment, applying scientific and technological advancements, and promoting initiatives for technical improvement and technological innovation to generate greater profits.

Train and develop a team of employees with excellent professional knowledge, vision to meet job requirements, as well as strong political will and good moral character.

Collaborate with Party organizations and unions to take good care of the material well-being of the company's employees, practice thrift, combat wastefulness, and prevent corruption to make the company increasingly stronger compared to before.



- The sustainable development goals (environmental, social, and community) and the main short- and medium-term programs of the Company: Improving service processes, upgrading infrastructure, and creating a friendly working environment with mutual cooperation and benefit.

The company will proactively rearrange its operational organizational model to align with the structure of a joint-stock company, in order to meet the requirements of production and business activities in the coming years.

The company will review the entire human resources apparatus, consolidate the organization, restructure the management and operations system to match the new model with a streamlined approach; Recruit personnel who have sufficient professional qualifications, competency, and enthusiasm for work that aligns with the company's current and future operations, particularly rejuvenating the workforce while integrating some staff and employees with expertise, capacity, and experience.

The company will innovate the corporate governance methods by implementing specific delegation to each level of management, linking responsibility with benefits—those who achieve high efficiency will receive higher salaries and be promoted to hold more significant responsibilities in the management system. Conversely, there will be measures in place to address ineffective performance or tasks that do not meet the assigned plan

The company will implement an organizational structure for the management apparatus with streamlined functional structures for each department. Additionally, the company will rearrange the personnel in each department to both meet the requirements of business activities and optimize the efficiency of the operational model.

The company will ensure the material and spiritual well-being of its staff. Salary and bonus policies will be fair, transparent, and tied to performance and work quality, with the aim of motivating staff to be creative in their work.

The company will strictly comply with the Charter of the joint-stock company

- Risks: (Specify the risks that may affect production and business operations or the achievement of the company's objectives, including environmental risks): Changes in government policies, bank loan interest rates, exchange rate fluctuations, etc

## II. Yearly Operations

### Production and business operation status

- Business performance results for the year: (Based on consolidated data)

Unit: million VND

STT	Indicators.	Year 2023	Year 2024	Percentage %
I/	<b>Financial Information</b>			
1	Total Assets	2.161.008	2.134.674	98,78%
2	Liabilities	1.957.396	1.917.466	97,96%

3	Owners' Equity	203.612	217.208	99.30%
4	Authorized Capital	182.700	182.700	100,0%

- The situation of implementation compared to the plan: (According to consolidated data)  
Unit: million VND

II/	Business Indicators	Plan 2024	Execution 2024	Execution 2023	Percentage % Execution/ Plan 2024	Percentage % Execution/ 2024/2023	Plan 2025	Plan 2025/ Execution 2024
A	B	1	2	3	4=2/1	5=2/3	6	7=6/2
1	Actual Revenue	3.100.000	3.208.680	3.064.030	103,5%	104,7%	3.300.000	102,9%
2	Pre-tax Profit	25.700	27.207	13.892	105,9%	195,8%	34.370	126,3%
3	Post-tax Profit	19.500	19.069	9.189	97,8%	207,5%	26.660	139,8%
4	Dividend Payout Ratio (%)	9%	9%	5%	55,6%	71,4%	9%	100,0%

- The situation of implementation compared to the plan: (According to Separate data.)

Unit: million VND

II/	Business Indicators	Plan 2024	Execution 2024	Execution 2023	Percentage % Execution/ Plan 2024	Percentage % Execution/ 2024/2023	Plan 2025	Plan 2025/ Execution 2024
A	B	1	2	3	4=2/1	5=2/3	6	7=6/2
1	Actual Revenue	3.100.000	3.208.680	3.030.101	103,5%	105,9%	3.300.00	102,9%
2	Pre-tax Profit	31.000	32.750	15.690	105,6%	208,7%	36.000	109,9%
3	Post-tax Profit	24.800	24.629	10.986	99,3%	224,2%	28.640	116,3%

## 2. Organization and Human resource

- List of the Executive Board (Term 2021–2026)

STT	Full Name.	Position	Notes.
<b>A. Board of Directors</b>			
1	Mr. Lê Văn Sơn	Chairman of the Board of Directors	Executive Member.
2	Mr. Bùi Hữu Hiền	Member	Executive Member - Representative of the capital contribution of



STT	Full Name.	Position	Notes.
			Vietnam Pharmaceutical Corporation at the company. - The legal representative at the Company on November 7, 2023
3	Mrs. Hà Lan Anh	Member	Non-executive member Representative of the capital contribution of Vietnam Pharmaceutical Corporation at the company.
4	Mrs. Lữ Thị Khánh Trân	Member	Non-executive member Representative of the capital contribution of Vietnam Pharmaceutical Corporation at the company.
5	Mr. Phạm Thứ Triệu	Member	Non-executive member
<b>B. Executive Board.</b>			
1	Mr. Bùi Hữu Hiền	General Director	
2	Mrs. Đinh Thị Khởi	Deputy General Director	
3	Mrs. Ngô Thị Bích Thảo	Chief Accountant	Resigned on February 1, 2024
4	Mr. Nguyễn Triệu Ngọc Thuận	Chief Accountant	Appointed on February 1, 2024
<b>C. Supervisory Board.</b>			
1	Nguyễn Thị Hằng	Head of the Supervisory Board	
2	Nguyễn Văn Khải	Member	Resigned on April 26, 2024
3	Nguyễn Thanh Thanh Bình	Member	Appointed on April 26, 2024
4	Trương Chí Thiện	Member	

## A - Board of Directors

- Name : **Lê Văn Sơn**
- Gender : Male
- Place of Birth : Ha Tay Province
- Nationality : Vietnam
- Hometown : Ha Tay
- Permanent Address : 03 Nguyen Hien, Ward 4, District 3, Ho Chi Minh City
- Educational Level : 12/12
- Professional Qualifications : University Pharmacist.
- Current Position at the Company : Chairman of the Company's Board of Directors;
- Positions Held in Other Organizations : None
- Legal Violations : None
- Debts Owed to the Company : None
- Related Interests with the Company : None
- Number of Shares Owned : 5,900 shares (accounting for 0.03% of the charter capital).
- Percentage of securities ownership of related persons : None

### 1. Thành viên HĐQT

- Name : **Bui Huu Hien**
- Gender : Male
- Date of Birth : July 25, 1971.
- Place of Birth : Hong Ngu District, Dong Thap Province.
- Nationality : Viet Nam
- Ethnicity : Kinh
- Hometown : Dong Thap
- Permanent Address : 27/111 Dien Bien Phu, Ward 15, Binh Thanh District, Ho Chi Minh City
- Educational Level : 12/12
- Professional Qualifications : General practitioner
- Current Position at the Company : Member of the Board of Directors and General Director of the Company.
- Positions Held in Other Organizations : None
- Legal Violations : None
- Debts Owed to the Company : None
- Related Interests with the Company : None
- Number of Shares Owned : 6,900 shares (accounting for 0.04% of the charter capital).



- Number of shares representing ownership of the capital contribution by Vietnam Pharmaceutical Corporation – JSC. : 4,814,500 shares (equivalent to 26.35% of the charter capital).
- Percentage of securities ownership of related persons. : None

## 2. Thành viên HĐQT

- Name : **Hà Lan Anh**
- Gender : Female
- Date of Birth : February 14, 1982.
- Place of Birth : Tuyen Quang Province
- Nationality : Viet Nam
- Ethnicity : Kinh
- Hometown : Tuyen Quang
- Permanent Address : Golden Field Building, 24 Nguyen Co Thach, Cau Dien Ward, Nam Tu Liem District, Hanoi.
- Educational Level : 12/12
- Professional Qualifications : Master of Laws
- Current Position at the Company : Member of the Board of Directors of Central Pharmaceutical Joint Stock Company Codupha.
- Positions Held in Other Organizations : Member of the Supervisory Board at Central Pharmaceutical Joint Stock Company No. 3.  
Member of the Supervisory Board at Central Pharmaceutical Joint Stock Company CPC1.
- Legal Violations : None
- Debts Owed to the Company : None
- Related Interests with the Company : None
- Number of Shares Owned : None
- Number of shares representing ownership of the capital contribution by Vietnam Pharmaceutical Corporation – JSC. : 3,654,000 shares (equivalent to 20.00% of the charter capital).
- Percentage of securities ownership of related persons: : None

## 3. Thành viên HĐQT

- Name : **Phạm Thứ Triệu**
- Gender : Male
- Date of Birth : October 11, 1979.
- Place of Birth : Quang Ngai Province
- Nationality : Viet Nam
- Ethnicity : Kinh
- Hometown : Quang Ngai

- Permanent Address : 4/19 Pham Huy Thong Street, Ward 7, Go Vap District, Ho Chi Minh City.
- Educational Level : 12/12
- Professional Qualifications : University of Accounting – Auditing
- Current Position at the Company : Member of the Board of Directors of Central Pharmaceutical Joint Stock Company Codupha.
- Positions Held in Other Organizations : Member of the Board of Directors and General Director of Ben Tre Pharmaceutical Joint Stock Company.
- Legal Violations : None
- Debts Owed to the Company : None
- Related Interests with the Company : None
- Number of Shares Owned : None
- Number of shares representing ownership of the capital contribution by Ben Tre Pharmaceutical Joint Stock Company : 3,470,000 shares (equivalent to 18.99% of the charter capital).

#### 4. Thành viên HĐQT

- Name : **Lữ Khánh Trân**
- Gender : Female
- Date of Birth : August 31, 1979
- Place of Birth : Thanh Hoa Province
- Nationality : Viet Nam
- Hometown : Thanh Haa
- Permanent Address : Apartment P2007, H1 Building, 60 Nguyen Duc Canh Street, Tương Mai Ward, Hoang Mai District, Hanoi
- Educational Level : 12/12
- Professional Qualifications : Bachelor of Economics, majoring in Accounting.
- Current Position at the Company :
  - Member of the Board of Directors of Central Pharmaceutical Joint Stock Company Codupha.
  - Member of the Board of Directors of Central Pharmaceutical Joint Stock Company No. 3.
  - Member of the Board of Directors of Mekophar Chemical Pharmaceutical Joint Stock Company.
  - Member of the Board of Directors of Sanofi-Synthelabo Vietnam Joint Stock Company
- Legal Violations : None
- Debts Owed to the Company : None
- Related Interests with the Company : None

#### B - Executive Board:

- Name : **Bui Huu Hien**
- The profile has been presented in Section A.2.



## 1. Deputy General Director:

- Name : **Đinh Thị Khoi**
- Gender : Female
- Date of Birth : November 14, 1972.
- Place of Birth : Hai Dương Province
- Nationality : Viet Nam
- Ethnicity : Kinh
- Hometown : Hai Dương
- Permanent Address : F11 Lot F, 552-588 Cach Mang Thang Tam Street, Ward 11, District 3, Ho Chi Minh City.
- Educational Background : 12/12
- Professional Qualifications : University Pharmacist
- Current Position at the Company : Deputy General Director of the Company.
- Positions Held in Other Organizations : None
- Legal Violations : None
- Debts Owed to the Company : None
- Related Benefits to the Company : None
- Number of Shares Owned : 5.000 cổ phần (tương ứng chiếm 0,027 % vốn điều lệ)
- Number of shares representing ownership : None
- Percentage of securities ownership of related persons : None

## 2. Chief Accountant

- Name: : Nguyen Trieu Ngoc Thuan
- Gender : Male
- Date of Birth : May 20, 1972.
- Place of Birth : Quang Nam Province
- Nationality : Viet Nam
- Ethnicity : Kinh
- Hometown : Quang Nam
- Permanent Address : 4/13/1C Street No. 3, Hiep Binh Phuoc Ward, Ho Chi Minh City.
- Educational Background : 12/12
- Professional Qualifications : Cử nhân Tài chính Kế toán
- Current Position at the Company : Chief Accountant at Central Pharmaceutical Joint Stock Company Codupha.
- Positions Held in Other Organizations : None
- Legal Violations : None
- Debts Owed to the Company : None

- Related Benefits to the Company : None
- Related Benefits to the Company : None
- Number of Shares Owned : None
- Number of Representative Shares Owned: None

## **C - Supervisory Board**

### **1. Chairwoman of the Supervisory Board**

- Name: Nguyen Thi Hang
- Gender: Female
- Date of Birth: November 18, 1975
- Place of Birth: Thanh Loc Commune, Can Loc District, Ha Tinh Province
- Nationality: Vietnam
- Ethnicity: Kinh
- Hometown: Ha Tinh
- Permanent Address: No. 9 Alley 24, Lane 132, Cau Giay Street, Hanoi
- Educational Background: 12/12
- Professional Qualification: Master's Degree
- Current Position in the Company: Deputy Head of Finance-Accounting Department, Vietnam Pharmaceutical Corporation – JSC
- Positions Held in Other Organizations: None
- Legal Violations: None
- Debts Owed to the Company: None
- Related Benefits to the Company: None
- Number of Shares Owned: None
- Number of Representative Shares Owned: None

### **2. Member of the Supervisory Board**

- Name: Nguyen Thanh Thanh Binh
- Gender: Female
- Date of Birth: September 13, 1991
- Place of Birth: Hanoi
- Nationality: Vietnam
- Ethnicity: Kinh
- Hometown: Hanoi
- Permanent Address: 8C8, National Economics University Campus, Dong Tam Ward, Hai Ba Trung District, Hanoi



- Educational Background: 12/12
- Professional Qualification: Bachelor's Degree in Finance and Accounting
- Current Position in the Organization: Member of the Supervisory Board, Codupha Pharmaceutical Joint Stock Company
- Positions Held in Other Organizations: Specialist at Vietnam Pharmaceutical Corporation - JSC
- Legal Violations: None
- Debts Owed to the Company: None
- Related Benefits to the Company: None
- Number of Shares Owned: None
- Number of Representative Shares Owned: None
- Securities Ownership Ratio of Related Persons: None

### 3. Member of the Supervisory Board

- Name: Trương Chi Thien
- Gender: Male
- Date of Birth: August 21, 1971
- Place of Birth: Ho Chi Minh City
- Nationality: Vietnam
- Ethnicity: Kinh
- Hometown: Thua Thien Hue
- Permanent Address: 44/D1 Ngo Tat To, Ward 19, Binh Thanh District
- Educational Background: University
- Professional Qualification: Pharmacist
- Current Position: Deputy Head of Business Department
- Positions Held in Other Organizations: None
- Legal Violations: None
- Debts Owed to the Company: None
- Related Benefits to the Company: None
- Number of Shares Owned: 6,800 shares (0.037% of charter capital)
- Number of Representative Shares Owned: None
- Securities Ownership Ratio of Related Persons: None
- Changes in the Executive Board: None

#### ⌘ Number of Employees:

No.	Category	Number of People	Percentage (%)
<b>I</b>	<b>By Gender</b>	<b>391</b>	<b>100%</b>
1	Male	227	58%
2	Female	164	42%
<b>II</b>	<b>By Professional Level</b>		

No.	Category	Number of People	Percentage (%)
1	Postgraduate	6	2%
2	University	180	46%
3	College	45	12%
4	Secondary School	49	13%
5	Certified Workers	43	11%
6	General Laborers	68	17%

### Summary of Policies and Changes in Policies for Employees:

### 3. Investment Status and Project Implementation:

a) **Major Investments:** No investments were made in 2024.

b) **Subsidiaries and Affiliates:**

+ **Subsidiary: Codupha-Lao Co., Ltd**

*Exchange rate as of December 31, 2024: 1.02*

Indicator	2023 (Million VND)	2024 (Million VND)	% Increase/Decrease in 2024 Compared to 2023
1. Total Asset Value	7,185	1,617	22.5%
2. Owner's Equity	7,193	1,617	22.5%
3. Net Revenue	32,941	0	
4. Profit Before Tax	-1,792	-5,382	Loss
5. Profit After Tax	-1,792	-5,399	Loss

*Note:* In 2024, Codupha-Lao ceased operations and did not generate revenue, only incurring costs for land rent, security, salaries, and other expenses.

+ **Affiliate: Alfresa Codupha Vietnam Co., Ltd**

Indicator	2023 (Million VND)	2024 (Million VND)	% Increase/Decrease in 2024 Compared to 2023
1. Total Asset Value	74,209	38,099	51.3%



Indicator	2023 (Million VND)	2024 (Million VND)	% Increase/Decrease in 2024 Compared to 2023
2. Owner's Equity	17,540	15,246	86.9%
3. Net Revenue	156,389	69,034	44.1%
4. Profit Before Tax	138	-2,216	Loss
5. Profit After Tax	161	-2,295	Loss

*Note:* In 2024, net sales revenue decreased by 55.86% compared to the same period in 2023. Increased selling expenses, such as customer gifting costs, negatively impacted pre-tax and post-tax profits, resulting in a loss for the year.

#### 4. Financial Situation According to the Consolidated Report (Including Codupha Laos):

##### a) Financial Status (Unit: Million VND)

Indicator	2023	2024	% Increase/Decrease in 2024 Compared to 2023
1. Total Asset Value	2,161,008	2,134,674	98.8%
2. Owner's Equity	203,613	217,208	106.7%
3. Net Revenue	3,064,030	3,208,680	104.7%
4. Net Profit from Business Operations	15,935	27,688	173.8%
5. Other Profit	-2,043	-481	23.5%
6. Profit Before Tax	13,892	27,207	195.8%
7. Profit After Tax	9,189	19,070	207.5%
8. Dividend Payout Ratio (%)	5%	9%	180%

##### b) Key Financial Indicators:

No.	Indicator	Unit	1/1/2024	31/12/2024
A	Liquidity			
1	Quick Ratio (Short-term assets - Inventory) / Short-term liabilities	Times	0.57	0.56
2	Current Ratio (Short-term assets / Short-term liabilities)	Times	1.03	1.02
B	Asset and Capital Structure			

No.	Indicator	Unit	1/1/2024	31/12/2024
1	Short-term Assets / Total Assets	%	90.19%	90.59%
2	Long-term Assets / Total Assets	%	9.81%	9.41%
3	Total Liabilities / Total Capital	%	90.58%	89.82%
4	Owner's Equity / Total Capital	%	9.42%	10.18%
<b>C</b>	<b>Debt Ratios</b>			
1	Total Liabilities / Owner's Equity	Times	9.61	8.83
2	Accounts Receivable / Short-term Assets	Times	0.53	0.52
<b>D</b>	<b>Performance Efficiency Indicators</b>			
1	Net Profit After Tax / Total Assets (ROA)	%	0.43%	0.89%
2	Net Profit After Tax / Net Revenue (ROS)	%	0.30%	0.59%
3	Net Profit After Tax / Owner's Equity (ROE)	%	4.51%	8.78%
4	Operating Profit / Net Revenue	%	0.52%	0.86%

## 5. Shareholder Structure and Changes in Owner's Investment Capital:

### a) Shares:

No.	Category	Number of Shareholders	Number of Shares	Restricted Shares		% of Contributed Charter Capital
				Number of Shareholders	Number of Shares	
<b>I</b>	<b>Domestic Shareholders</b>	<b>640</b>	<b>18,207,800</b>	<b>126</b>	<b>324,300</b>	<b>99.66%</b>
1	Organizations	2	15,592,500			85.34%
2	Individuals	638	2,615,300	126	324,300	14.32%
<b>II</b>	<b>Foreign Shareholders</b>	<b>1</b>	<b>1,000</b>			<b>0.005%</b>
<b>III</b>	<b>Treasury Shares</b>	<b>1</b>	<b>61,200</b>			<b>0.33%</b>
	<b>Total</b>	<b>642</b>	<b>18,270,000</b>	<b>126</b>		<b>100%</b>

### b) Shareholder Structure Holding Over 5% of Equity as of December 31, 2024:

No.	Shareholder Name	ID/Business License No.	Address	Shares Owned (cp)	Ownership Ratio (%)
1	Vietnam Pharmaceutical Corporation – JSC (Vinapharm)	0100109385	12 Ngo Tat To, Van Mieu, Dong Da, Hanoi	12,122,500	66.35%



No.	Shareholder Name	ID/Business License No.	Address	Shares Owned (cp)	Ownership Ratio (%)
2	Ben Tre Pharmaceutical JSC	1300382591	6A3 National Highway 60, Phu Tan, Ben Tre City	3,470,000	18.99%
<b>Total</b>				<b>15,592,500</b>	<b>85.34%</b>

**c) Changes in Owner's Investment Capital:** None

**d) Treasury Stock Transactions:** None

**e) Other Securities:** None

**6. Report on Environmental and Social Impacts by the Company:** The company consistently provides a favorable working environment, ensures stable employment for workers, and complies with regulations and laws established by the State.

#### **6.1. Management of Raw Materials**

#### **6.2. Energy Consumption:**

- a) Direct and indirect energy consumption: **5,857,752,823 VND**
- b) Energy savings achieved through initiatives for efficient energy use
- c) Reports on energy-saving initiatives

#### **6.3. Water Consumption: 618,902,325 VND**

- a) Sources and volume of water usage
- b) Percentage and total volume of recycled and reused water

#### **6.4. Compliance with Environmental Protection Laws:**

- a) Number of violations and penalties for non-compliance with environmental laws and regulations: None
- b) Total penalties for non-compliance with environmental laws and regulations: **0 VND**

#### **6.5. Policies Related to Employees:**

- a) Number of employees and average salary:
  - Number of employees: **391 people**
  - Average salary: **11,950,000 VND**
- b) Labor policies to ensure health, safety, and welfare of employees:

- Annual company-organized vacations for employees (at least once a year)
- Periodic health checks at hospitals or city health centers
- Full compliance with holidays and Tet vacations as per State regulations
- Provision of complete protective gear and necessary equipment for work

c) Employee training activities:

- Annual training on fire prevention and workplace safety
- Additional training registered based on the needs of functional departments
- Average annual training hours per employee and per employee category: **34 hours**
- Continuous skill development programs and learning opportunities to support employees in securing employment and career growth

**6.6. Reports on Responsibilities to Local Communities:** Community investment and development activities, including financial support for the community: Participation in local initiatives and superior union movements to care for Tet celebrations, organizing charitable medical check-ups and treatments, etc.

**6.7. Report on Green Capital Market Activities as guided by the State Securities**

**Commission:** *Note:* Section 6 in Part II of this Appendix can be compiled separately into a Sustainability Report, in which items 6.1, 6.2, and 6.3 are not mandatory for enterprises operating in the fields of financial services, banking, securities, or insurance.

**III. Report and Evaluation by the Executive Board:**

**1. Assessment of Production and Business Performance:**

**1.1. Consolidated Business Results for 2024 (including Codupha Laos) Unit: Million VND**

No.	Indicator	2024 Target	2024 Actual	% Achieved
1	Revenue from Goods and Services	3,100,000	3,208,680	103.5%
2	Profit Before Tax	25,700	27,207	105.9%
3	Profit After Tax	19,500	19,070	97.8%

**1.2. Aggregated Business Results for 2024 Unit: Million VND**

No.	Indicator	2024 Target	2024 Actual	% Achieved
1	Revenue from Goods and Services	3,100,000	3,208,680	103.5%
2	Profit Before Tax	31,000	32,750	105.6%
3	Profit After Tax	24,800	24,630	99.3%
4	Welfare Fund	5,000	5,000	100%
5	Bonus Fund (due to completion and	5%*Net Profit After Tax (NPAT) + 10% of surplus profit	From NPAT: 5%*NPAT with an	



No.	Indicator	2024 Target	2024 Actual	% Achieved
	exceeding planned profit targets)		amount of 1,231 (Million VND)	
6	Rewards for BOD, Supervisory Board (SB), General Directorate, Chief Accountant, Governance Supervisor, Secretary to the BOD *In case of meeting and exceeding planned pre-tax profit	At least 3 months' remuneration/person		
	- Members of BOD, Supervisory Board:  • Members of the BOD and Head of the Supervisory Board  • Members of the Supervisory Board		08 months' remuneration/person, 06 months' remuneration/person, 06 months' remuneration/person	267% 200% 200%
	- Governance Supervisor, Secretary to BOD	At least 1.5 months' salary /person	1.8 months' salary /person,	120%
7	Cash Dividend Rate for 2024	9%	9%	100%
8	Average Monthly Employee Income	12	12	100%

- **Pre-Tax Profit per AGM Plan:** Pre-tax profit for the standalone company report in 2024 was **32,750 million VND**, reaching **105.65% of the annual plan**.
- **Post-Tax Profit per AGM Plan:** Post-tax profit for the standalone company report in 2024 was **24,630 million VND**, achieving **99.31% of the annual plan**.

## 2. ASSESSMENT OF THE PERFORMANCE OF THE GENERAL DIRECTORATE'S PLAN IN 2024:

### 2.1. Fulfillment of Business Targets:

- Regarding consolidated sales revenue and pre-tax profit targets, the plan assigned by the 2024 Annual General Meeting of Shareholders was achieved (103.51% and 105.86%, respectively). This accomplishment reflects the efforts of the leadership and company staff, driven by the following key factors:
  - Business management was enhanced. The General Directorate regularly inspected and actively addressed inventory backlogs, slow-moving goods, bad debts, and difficult-to-collect receivables.
  - In 2024, the company actively implemented measures to recover debts, strictly controlled credit customers, restricted credit sales, and assigned responsibility to staff in the Business Department and the Finance-Accounting Department when recommending credit customers. This helped reduce overdue and difficult-to-recover debts in the healthcare segment.
  - Bank loan interest costs in 2024 decreased compared to the previous year. The company regularly compared and contrasted lending interest rates from various banks, prioritizing disbursements with lower interest rates.
  - Certain selling and management expenses incurred by the company and branches were closely monitored and controlled to reduce costs.

**2.1. Development of New Product Sources:** The sourcing of goods received significant attention, particularly imported Group 1 items and domestically manufactured products invited for hospital bids. Product diversification efforts extended to health supplements, consumables, testing chemicals, and medical devices.

**2.2. Nationwide Sales Policy Implementation:**

- **Sales to Treatment Facilities:** High alignment between the company and branches in providing and exchanging information on drug bidding activities, medical devices, consumables, testing chemicals, etc., across the country.
- **OTC Sales Activities:** Regularly implemented sales programs, promotions, and post-sales customer care initiatives at branches, and recruited new personnel to meet demands while training employees on sales skills and product knowledge.

**2.3. Investment in Infrastructure to Complete the Distribution System:**

- Regularly upgraded equipment and transportation means to support the preservation and distribution of goods at headquarters and branches.
- Relocated the company office from 509-515 To Hien Thanh Street, Ward 14, District 10, Ho Chi Minh City, to 262L Le Van Sy Street, Ward 14, District 3, Ho Chi Minh City, while investing in basic equipment for the new office's operations.
- Leased a new office space for the Codupha Hai Phong branch due to the old office being reclaimed for urban planning.
- Conducted minor repairs to offices and warehouses at headquarters and branches such as Codupha Central Highlands and Codupha Vinh.



## 2.4. Human Resources:

- In 2024, the workforce was reduced by over 50 employees through reasonable restructuring to enhance business efficiency. Additionally, some personnel were recruited as necessary replacements, with priority given to direct sales positions.
- The General Directorate still faces a shortage of personnel for executive management roles due to challenges in recruitment.

## 3. ORIENTATION AND BUSINESS PLAN FOR 2025:

### 3.1. General Situation for 2025:

- 2025 is projected to continue posing significant difficulties and challenges in the pharmaceutical, medical supplies (VTYT), and medical devices (TBYT) business sectors. While the operations of treatment facilities have recovered strongly, the policies regarding medicine and medical supplies bidding remain problematic. Procurement levels are restrained due to hesitations while awaiting guidelines from the new Bidding Law. At present, enterprises are unable to submit new price declarations or revise them, while CIF prices from manufacturers are rising.
- Certain costs cannot be reduced, such as office rental expenses, warehouse costs for Hanoi and Hai Phong branches, and staff salaries. Additionally, supplemental equipment and small repairs for warehouses in Ho Chi Minh City and branches like Can Tho—constructed over 20 years ago—are required. These warehouses are significantly deteriorated, with low floors frequently flooding due to high tides combined with heavy rains, necessitating investment in reconstruction and repairs.
- Developing and seeking competitive product sources in 2025 will also face extreme challenges. The ability to secure additional new sources of products from suppliers and manufacturers, both domestic and international, remains limited. However, the executive team is making their utmost efforts to enhance and diversify the company's product portfolio.

### 3.2. Business Target Plan for 2025:

With the goal of maintaining Codupha's development as a "Leading Professional Distributor," the Company's executive management has analyzed and evaluated the market and the company's situation to formulate business targets for 2025 to present to the General Meeting of Shareholders as follows:

Business Target	Unit	2024 Target (KH)	2024 Actual (TH)	2025 Target (KH)
1. Net Revenue	Million VND	3,100,000	3,208,680	3,300,000
2. Profit Before Tax	Million VND	31,000	32,750	36,000

<b>Business Target</b>	<b>Unit</b>	<b>2024 Target (KH)</b>	<b>2024 Actual (TH)</b>	<b>2025 Target (KH)</b>
<b>3. Dividend Payout Ratio</b>	<b>%</b>	<b>9%</b>	<b>9%</b>	<b>9%</b>

To achieve the above plan, the executive management has developed implementation solutions.

**a. Continue to improve the company's distribution system:**

- Implement the renovation and upgrade of the Ho Chi Minh warehouse system and branches to ensure proper storage standards for goods, as well as to meet the development and completion needs of the company's nationwide distribution network.
- Procure additional equipment and transportation means for the company's entire distribution system.

**b. Develop and complete regulations and management processes:**

- Continue to review, reconstruct, supplement, and complete outdated regulations and guidelines, such as: the Operational Regulation, Credit Limit Regulation, Inventory Level Regulation, Internal Expense Regulation, Procurement Regulation, KPI-based Performance Evaluation Regulation, Salary and Bonus Regulation, Information Confidentiality Regulation, etc., to be submitted for the Board of Directors' consideration.
- Supplement, update, and complete the company's quality process system according to GSP, GDP, ISO standards, etc.

**c. Human Resources:**

- Continue to restructure and streamline personnel in each department and branch to optimize efficiency, reduce indirect labor, and enhance the effective utilization of human resources, particularly for direct sales staff in the OTC and ETC channels.
- Conduct training and retraining for employees; continuously recruit to supplement and replace sales staff as required.

**d. Implement solutions to increase sales and distribution for each product to enhance Codupha's brand and attract more domestic and international partners:**

- Strengthen sourcing efforts and diversify products such as pharmaceuticals, dietary supplements, health-protection products, nutritional products, medical supplies, testing chemicals, medical devices, etc., leveraging the full potential of the company's nationwide distribution system.
- Develop flexible sales policies for different product groups, items, and customer care programs, with a focus on the OTC sales channel to ensure quick payment collection.



- Optimize costs to improve business efficiency: Regularly monitor expenses and manage business risks effectively.
- Tighten controls on debt collection by managing individual debtors and debt ages, improving capital turnover, and reducing loan interest costs. Review current expenses and minimize unreasonable costs.
- Seek and develop sources of goods with high competitiveness, particularly Group 1 products and domestically produced items.
- Enhance service quality across all stages of goods distribution.

**e. Regarding the investment in Codupha Laos:**

As of now, the company has completed the auction for the transfer of the entire 93.7% equity in the Codupha-Lao joint venture to individuals/organizations interested in the transfer through a broad auction format, with a total value of **6,740,000,000 VND** (Six billion seven hundred forty million VND). The company is continuing the subsequent steps to finalize the transfer.

**IV. Assessment of the Board of Directors on the Supervision of the Company's Executive Management Activities**

The Board of Directors has directed and supervised the activities of the Executive Management, promptly resolving issues within its authority. Through supervision, evaluation, and requiring periodic and ad-hoc reports from the Executive Management, the Board of Directors assesses that the Executive Management has performed assigned tasks in accordance with the current legal regulations, the Company's Charter, the Resolutions of the Annual General Meeting of Shareholders (AGM), as well as the Resolutions and Decisions of the Board of Directors, as follows:

- Successfully organized the 2024 Annual General Meeting of Shareholders on April 25, 2024.
- The Executive Management provided periodic reports at Board meetings or ad-hoc reports as requested, addressing issues within the authority of the Board of Directors and the Chairman, while promptly proposing solutions and recommendations to facilitate the Executive Management's activities.
- Took a more decisive approach in risk management efforts, reinforced and completed the regulations for inventory management, receivables, and step-by-step resolved existing issues and shortcomings, focusing on enhancing the company's management capacity.
- Fully and transparently disclosed information in a timely manner, in compliance with the regulations of the Stock Exchange and the State Securities Commission on information disclosure. Periodically disclosed information regarding the organization of the 2024 AGM, quarterly and annual financial reports, and corporate governance reports.

- Despite numerous difficulties and challenges, through determination, efforts, and close supervision by the Board of Directors, the General Director and managerial staff have successfully led the Company to achieve the revenue and profit targets as outlined in the Resolution of the 2024 AGM.

However, certain solutions proposed by the AGM have yet to be fully implemented, such as restructuring plans and changes to management methods.

## **V. Orientation of the Board of Directors on Key Tasks in Business Operations for 2025**

**5.1** Continue to improve the company's distribution system, renovate and upgrade the Ho Chi Minh warehouse and branches to ensure product standards; procure additional equipment and transportation means for the entire company system.

**5.2** Develop and complete regulations and management processes to align with the current operations of the company.

**5.3** Modify the operating methods in sales and distribution services to serve customers in the best possible way. **5.4** Streamline and reorganize personnel in each department and branch to ensure efficiency, professionalism, and effectiveness.

**5.5** Focus on training and retraining all company employees to meet job demands and achieve the effectiveness outlined in the resolutions of the Annual General Meeting of Shareholders.

**5.6** Conduct recruitment to supplement or replace senior, critical, and necessary positions as required.

**5.7** Concentrate on intensifying efforts to find and develop core products, diversify the product portfolio, and create breakthroughs in business activities.

**5.8** Strengthen and enhance management capacity, service quality, and tighten control over receivables, inventory, and expenses.

**5.9** Regarding the operations of Codupha Laos: The company is completing the auction for the transfer of the entire 93.7% equity in the Codupha-Lao joint venture to individuals/organizations interested through a wide-scale auction format with a total value of: **6,740,000,000 VND** (Six billion seven hundred forty million VND) and is continuing the subsequent steps to finalize the transfer.

**Tp.HCM, ngày 28 tháng 03 năm 2025**



**TỔNG GIÁM ĐỐC**

**BÙI HỮU HIỀN**