



DRAFT

REPORT OF THE BOARD OF DIRECTORS
On performance of the 2021-2026 term
and the orientation and tasks for the 2026-2031 term

To: The General Meeting of Shareholders of Central Pharmaceutical CPC1.JSC

Pursuant to the Law on Enterprises No. 59/2020/QH14 passed by the National Assembly of the Socialist Republic of Vietnam on 17 June 2020, as amended and supplemented by Law No. 03/2022/QH15 passed on 11 January 2022 and Law No. 76/2025/QH15 passed on 17 June 2025;

Pursuant to the Charter of Central Pharmaceutical CPC1.JSC (5th amendment) dated 11 April 2024.

The Board of Directors of Central Pharmaceutical CPC1.JSC respectfully reports to the General Meeting of Shareholders on the performance of the Board of Directors during the 2021-2026 term and the orientation and tasks for the 2026-2031 term as follows:

During the 2021–2026 term, the Board of Directors of Central Pharmaceutical CPC1.JSC has fully performed its functions, duties, and powers in accordance with the Law on Enterprises, the Company’s Charter, internal corporate governance regulations, and relevant laws. The Board of Directors has been proactive in corporate governance, strategic direction, and supervision of executive management, ensuring the implementation of resolutions of the General Meeting of Shareholders in compliance with legal regulations, thereby contributing to the Company’s stable operations and its goal of sustainable development.

I. THE BOARD OF DIRECTORS AND AUDIT COMMITTEE FOR THE 2021-2026 TERM

1. Board of Directors (BOD)

During the 2021-2026 term, the Company’s Board of Directors has been strengthened in terms of organizational structure and personnel in compliance with applicable laws and the Company’s Charter. The structure of the Board of Directors has been appropriately organized, ensuring a balance among executive directors, non-executive directors, and independent directors, thereby enhancing transparency, objectivity, and the effectiveness of corporate governance.

Members of the Board of Directors have fully exercised their rights and fulfilled their obligations in accordance with regulations, proactively participating in strategic planning, deciding on important matters within their authority, and strengthening supervision of executive management, thereby ensuring that the management and operation of the Company are aligned with its development orientation and compliant with legal regulations.

No.	Members of the Board of Directors	Position	Appointment date/ Dismissal date	
			Appointment date	Dismissal date
1	Ms. Han Thi Khanh Vinh	Chairwoman	26 April 2021	
2	Ms. Tran Thi Kim Khanh	Independent Member	11 April 2024	
3	Mr. Nguyen Huy Thanh	Member	26 April 2021	
4	Ms. Bui Thi Thanh Hai	Member	11 April 2024	
5	Mr. Nguyen Doan Liem	Member	26 April 2021	
6	Ms. Nguyen Hong Nhung	Member	26 April 2021	11 April 2024
7	Ms. Nguyen Thuy Dung	Member	26 April 2021	11 April 2024

2. Audit Committee

On 11 April 2024, the 2024 Annual General Meeting of Shareholders approved the change in the organizational and management model in accordance with Point b, Clause 1, Article 137 of the Law on Enterprises. Accordingly, the Company adopted a governance model comprising the General Meeting of Shareholders, the Board of Directors, and the General Director, and established an Audit Committee under the Board of Directors. This transition is in compliance with legal regulations and contributes to improving the corporate governance framework in a more modern and transparent manner, thereby enhancing the Company's operational efficiency.

On 12 June 2024, the Board of Directors issued resolutions and decisions on the establishment of the Audit Committee and approved the Charter of the Audit Committee, providing a basis for its operations in accordance with applicable regulations.

The Audit Committee has the function of advising and assisting the Board of Directors in overseeing the internal control system, risk management, the preparation and presentation of financial statements, as well as compliance with laws and the Company's internal regulations

No.	Members of the Audit Committee	Position	Appointment Date/ Dismissal Date		Qualification
			Appointment Date	Dismissal Date	
1	Ms. Tran Thi Kim Khanh	Chairwoman	12 June 2024		Master of Business Administration
2	Mr. Nguyen Doan Liem	Member	12 June 2024		Bachelor of Pharmacy

II. ACTIVITIES OF THE BOARD OF DIRECTORS FOR THE 2021–2026 TERM

1. General assessment

The 2021-2026 term has taken place in the context of complex and unpredictable fluctuations in both domestic and global economies. In the early stage of the term, the COVID-19 pandemic had a significant impact, disrupting global pharmaceutical supply chains, causing volatility in raw material prices, and increasing logistics costs. In addition, the global trend of monetary tightening has raised the cost of capital, while geopolitical risks, exchange rate fluctuations, and other market factors have continued to put pressure on input costs and business performance.

For the pharmaceutical industry, the 2021-2026 period has been marked by numerous challenges, but also new development opportunities. Fundamental drivers such as population aging, continued improvement in per capita income, and the Government's policy of expanding universal health insurance coverage have provided important momentum, contributing to the stable growth of Vietnam's pharmaceutical market.

However, in the context of persistently high interest rates, strong exchange rate volatility, and an incompletely stabilized global supply chain, domestic pharmaceutical enterprises have faced increasing input costs, directly affecting production costs, profit margins, and operational efficiency. In addition, prior to the effective date of the amended Law on Pharmacy (01 July 2025), certain regulatory and policy bottlenecks remained, including delays in the issuance and renewal of drug registration numbers, as well as shortcomings in procurement and payment mechanisms in the hospital (ETC) channel, thereby affecting the business operations of enterprises in the industry to a certain extent.

In this context, the Board of Directors has identified key strategic directions to ensure stable operations and enhance the Company's competitiveness during the term, including:

- Stabilizing production and business operations following the pandemic;
- Pursuing sustainable profit growth associated with improved operational efficiency;
- Strengthening corporate governance capacity and improving the internal control and risk management systems;
- Consolidating the financial foundation to ensure capital safety and liquidity;
- Enhancing cooperation and partnerships with domestic and international partners to expand markets and improve competitiveness.

During the term, the Board of Directors has held periodic meetings and conducted written consultations in accordance with applicable laws and the Company's Charter to timely consider and decide on matters within its authority. Meetings were conducted in compliance with regulations, with the participation of the Board of Management and relevant departments when necessary; matters were thoroughly prepared and objectively discussed, thereby improving the quality of decisions and the effectiveness of corporate governance and management..

2. Key matters reviewed and resolved by the Board of Directors

During the 2021-2026 term, the Board of Directors has focused on directing and resolving key matters across governance, management, strategy, and finance, as follows:

Organizational and governance matters

- Conducted the election of the Chairman of the Board of Directors for the 2021-2026 term in accordance with regulations;
- Decided on the appointment and dismissal of the General Director and strengthened the Board of General Directors.
- Assigned duties to members of the Board of Directors, ensuring clear responsibilities and scopes of authority.
- Established and strengthened specialized departments to improve governance efficiency, including Information Technology, Legal, Internal Audit, and Marketing.
- Established the Audit Committee under the Board of Directors and issued its Charter.

Improvement of the Governance System

- Issued, reviewed, and amended key regulations such as the Financial Management Regulation, Internal Spending Regulation, and Regulation on Management of Capital Representatives.
- Clearly defined the powers and responsibilities among the Board of Directors, the Chairman of the Board of Directors, and the General Director in accordance with regulations.
- Strengthened the internal control system and risk management in a more standardized and effective manner.

Strategy and business development

- Approved annual production and business plans, including targets on revenue, profit, cash flow, and performance indicators.
- Directed the enhancement of cooperation with domestic and international partners, expansion of markets, and development of product portfolios and supply sources.
- Reviewed and decided on matters related to the management of the Company's contributed capital in other enterprises.

Financial management

- Approved financial plans and cash flow plans.
- Approved transactions with banks.
- Reviewed related-party transactions and dividend policies.

3. Overall assessment:

During the 2021–2026 term, the Board of Directors has effectively fulfilled its role in setting strategic direction, issuing key decisions, and strengthening supervision of executive management, thereby contributing to enhanced governance capacity, operational efficiency, and the Company's market position.

III. SUPERVISION BY THE BOARD OF DIRECTORS OVER THE BOARD OF MANAGEMENT

During the 2021-2026 term, the Board of Directors exercised its supervisory function over the Board of Management and managerial staff through:

- Periodic meetings of the Board of Directors.
- Periodic and ad hoc reports submitted by the Board of Management.
- The system of financial statements and management reports.
- The activities of the Supervisory Board/Audit Committee and the Internal Audit function.

Through these mechanisms, the Board of Directors closely monitored the Company's operations and promptly issued directions and solutions to address challenges and enhance management and operational efficiency.

The Board of Directors assesses that the Board of Management and the managerial team have generally fulfilled their assigned duties, complied with legal regulations, the Company's Charter, resolutions of the General Meeting of Shareholders, and resolutions of the Board of Directors. Throughout each year of the term, the Board of Management proactively implemented various measures to maintain stable business operations amid fluctuations in the pharmaceutical market.

Key highlights in management and operations include:

- Maintaining stable business operations.
- Expanding cooperation with domestic and international partners to develop supply sources and new products.
- Strengthening cost management, cash flow management, and receivables collection.
- Implementing information technology projects and enterprise management systems (ERP).
- Enhancing internal control systems and risk management.

In the course of performing its supervisory function, the Board of Directors has promptly identified and pointed out certain shortcomings and limitations in management and operations, as follows:

- The development and issuance of certain internal regulations have been slower than required for effective governance;
- The development of business supply sources has not been sufficiently proactive and has not fully met growth requirements;
- The collection of receivables and inventory management require further improvement;
- The allocation and arrangement of personnel in certain units have not been fully optimized, affecting operational efficiency.

On that basis, the Board of Directors has required the Board of Management to promptly develop and implement specific remedial measures in order to enhance governance effectiveness, improve operational efficiency, and ensure the Company's sustainable development objectives.

IV. PERFORMANCE RESULTS IN 2025 AND THE 2021 - 2026 TERM

1. Performance results in 2025

1.1. Results of key business targets

Unit: Million VND

No.	Item	Actual 2024	Plan 2025	Actual 2025	Actual 2025/Actual 2024	Actual 2025/Plan 2025
1	Revenue	2,025,737	2,187,551	2,134,450	105.4%	97.6%
2	Profit before tax	144,219	128,785	140,540	97.5%	109.1%
3	Profit after tax	113,759	103,028	113,082	99.4%	109.8%

The business performance in 2025 indicates that the Company has continued to maintain stability despite ongoing market challenges. Specifically, revenue reached 2,134.45 billion VND, an increase of 5.4% compared to 2024; however, it fell short of the annual plan (achieving 97.6% of the target).

In terms of business efficiency, profit before tax reached 140.54 billion VND, slightly decreasing by 2.5% compared to 2024 but exceeding the plan by 9.1%. Profit after tax amounted to 113.08 billion VND, equivalent to 99.4% of the previous year and exceeding the 2025 plan by 9.8%.

These results demonstrate that the Company has proactively controlled costs and improved operational efficiency, thereby offsetting the shortfall in revenue and ensuring that profit targets were exceeded. At the same time, they reflect the management's flexibility and effectiveness in adapting to market fluctuations.

1.2. Performance results of other key tasks

Organizational and Human Resources

In 2025, the Company conducted a review and restructuring of its workforce toward a leaner and more efficient model. The reorganization was carried out based on actual needs, ensuring appropriate allocation in line with the functions and responsibilities of each unit, while fully complying with legal regulations and internal policies. As a result, the number of employees was reduced, contributing to cost savings and improved efficiency in the use of human resources.

Alongside this restructuring process, the Company implemented the BSC-KPI project and a salary and bonus system linked to work performance. Evaluation criteria were clearly defined and gradually applied according to a roadmap, thereby enhancing labor productivity and strengthening the proactiveness and accountability of employees. At the same time, remuneration policies were adjusted to align with performance outcomes, creating motivation and supporting the attraction and retention of qualified personnel.

ERP System implementation

From 1 January 2025, the Company has officially put the Oracle NetSuite software system into operation, replacing the BFO ERP system. The implementation of Oracle NetSuite has contributed to standardizing and integrating management activities, including finance and accounting, procurement, inventory management, and sales; thereby enhancing transparency, strengthening control capabilities, and improving overall operational efficiency. At the same

time, the new system enables real-time data provision, supporting the executive management and the Board of Directors in making timely and accurate decisions, as well as enhancing risk management capacity and compliance with corporate governance standards.

The deployment of the new ERP system represents an important milestone in the Company’s digital transformation roadmap, establishing a technological and data foundation to improve governance capacity and support sustainable development in the next phase

Upgrade of GSP warehouse capacity

In 2025, the Company completed the renovation and upgrade of Warehouse A of its Ho Chi Minh City Branch located in Tan Tao Industrial Park. The renovation and upgrade were carried out in full compliance with Good Storage Practice (GSP) standards, thereby enhancing storage, preservation, and distribution capacity, while strengthening compliance with pharmaceutical regulations.

Following the upgrade, the facility has contributed to improving the utilization efficiency of existing infrastructure, enhancing supply chain operations, and better meeting the Company’s business development requirements in the next phase.

2. Performance results for the 2021–2026 term

2.1. Implementation results of key business targets

During the 2021–2026 term, the Company operated in the context of significant macroeconomic and market fluctuations, facing various difficulties and challenges. Under the direction of the Board of Directors and its Chairman, and the management of the Board of Management, the Company has maintained stable business operations and gradually adapted to market changes.

The Company not only sustained reasonable growth but also largely fulfilled the targets set by the General Meeting of Shareholders, with profit targets being achieved and exceeded. This affirms the Company’s governance capability, operational efficiency, and foundation for sustainable development.

2.2. Summary of Key Performance Indicators

Unit: Billion VND

Item/ Year	Revenue			Profit before tax			Dividend
	Plan	Actual	Actual/Plan	Plan	Actual	Actual/Plan	
2021	2,100.0	2,182.4	103.9%	52	56.9	109.4%	18%
2022	2,200.0	2,159.4	98.2%	57	66.5	114.9%	15%
2023	2,250.0	2,158.3	95.9%	66.5	145.1	218.1%	15%
2024	2,250.0	2,025.7	90.0%	120.6	144.2	119.6%	20%
2025	2,187.5	2,134.5	97.6%	128.8	140.5	109.1%	25% ^(*)

() The dividend rate is submitted to the 2026 Annual General Meeting of Shareholders for consideration and approval.*

2.3. Key financial indicators

No.	Item	Unit	2021	2022	2023	2024	2025
I	Liquidity Ratios						
1	Current ratio	Times	1.12	1.13	1.37	1.41	1.32
2	Quick ratio	Times	0.79	0.71	0.78	0.60	0.55

No.	Item	Unit	2021	2022	2023	2024	2025
II	Capital Structure Ratios						
1	Debt-to-total assets ratio	Times	0.77	0.77	0.64	0.63	0.69
2	Debt-to-equity ratio	Times	3.28	3.27	1.81	1.72	2.27
III	Operating Efficiency Ratios						
1	Inventory turnover	Turnover	4.79	5.69	4.24	2.85	2.11
2	Receivables turnover	Turnover	3.64	3.49	3.62	3.68	3.88
3	Working capital turnover	Turnover	21.65	19.45	10.35	6.10	5.41
4	Total asset turnover	Turnover	1.81	1.88	1.77	1.51	1.29
IV	Profitability Ratios						
1	Net profit / Net revenue	%	2.06%	2.34%	4.77%	5.62%	5.30%
2	Return on average equity (ROE)	%	17.24%	18.86%	28.24%	23.47%	20.54%
3	Return on average assets (ROA)	%	3.74%	4.41%	8.42%	8.49%	6.81%
V	Financial Capacity Indicators						
1	Revenue CAGR	%	6%	-1.10%	-0.04%	-6.10%	5.30%
2	Profit before tax CAGR	%	9.60%	15.10%	100.40%	9.80%	-2.60%

Liquidity Ratios

The Company's liquidity remained at a safe level during the 2021-2025 period; the current ratio was consistently above 1, indicating that the Company was able to meet its short-term financial obligations.

Capital Structure Ratios

The capital structure improved compared to the early years of the period, as reflected in the decrease of the debt-to-total-assets ratio from relatively high levels in 2021-2022 to lower levels in subsequent years.

Operating Efficiency Ratios

Operational efficiency indicators were generally maintained at stable levels, ensuring effective operations and asset utilization.

Profitability Ratios

The Company's profitability indicators showed significant improvement during 2023-2024, with increases in profit margins, ROE, and ROA, reflecting enhanced business performance.

Financial Capacity Indicators

- The compound annual growth rate (CAGR) of revenue fluctuated over the years, with negative growth recorded during 2023-2024 due to market conditions and restructuring efforts. In 2025, revenue recovered positively, reflecting the Company's adaptability and effective management in response to external changes.

- The CAGR of profit before tax remained positive throughout the period, with a notably strong increase in 2023, demonstrating effective cost management, resource optimization, and improved operational efficiency.

2.4. Assessment of the implementation of GMS Resolutions during the term

During the 2021–2026 term, the implementation of resolutions of the General Meeting of Shareholders took place amid significant domestic and international economic fluctuations, including geopolitical instability, inflationary pressures, and changes in pharmaceutical sector policies.

In this context, the Board of Directors strengthened governance, direction, and supervision of the Board of General Directors, ensuring stable operations and sustainable development of the Company. Specifically.

✚ Revenue remained stable despite market volatility

Throughout the term, the Company's revenue remained above 2,000 billion VND per year, reflecting a stable scale of operations in the pharmaceutical industry. However, from 2022 onwards, revenue was affected by several external factors, including disruptions in global pharmaceutical supply chains, exchange rate fluctuations and import costs, challenges in drug procurement mechanisms at healthcare institutions, and localized declines in market demand.

Despite these challenges, annual revenue consistently achieved 90% or more of the plan, maintaining the Company's operational scale and market share.

✚ Strong profit growth, exceeding targets in multiple years

A key highlight of the term was the significant improvement in business performance, particularly in profitability.

Profit before tax increased substantially over the years, from 56.9 billion VND in 2021 to exceeding 100 billion VND from 2023 onwards and remaining stable thereafter. Notably, in 2023, profit before tax exceeded 218% of the target set by the General Meeting of Shareholders.

These results reflect effective management through synchronized cost control measures, margin improvement, and enhanced financial governance, thereby strengthening the foundation for sustainable medium- and long-term growth.

✚ Improved financial efficiency

The Company's financial indicators showed positive improvement during the term:

- Profit margins before and after tax increased over the years, reflecting enhanced business efficiency.
- The ratio of financial expenses to revenue decreased, indicating improved capital management and utilization.
- Returns on assets (ROA) and equity (ROE) were maintained at levels consistent with industry benchmarks.

These results demonstrate improved financial management, reinforcing the Company's stable and sustainable development foundation.

✚ Stable dividend policy, ensuring shareholders' interests

During the term, the Company maintained a reasonable dividend policy, balancing shareholders' interests with the need to retain earnings for business operations and development investment.

The dividend policy was implemented consistently and steadily over the years, safeguarding shareholders' interests while enhancing the Company's reputation and market position, thereby strengthening investor confidence in its long-term sustainable development strategy.

V. CORPORATE GOVERNANCE

During the 2021-2026 term, the Board of Directors implemented comprehensive measures to improve the governance model, enhance management efficiency, and increase corporate value in line with good corporate governance practices.

1. Improvement of the governance model

- The Company continued to refine its governance model toward a streamlined, transparent, and efficient structure, comprising the General Meeting of Shareholders, the Board of Directors, and the Board of Management. At the same time, the Board of Directors maintained at least 20% independent members and ensured the operation of the Audit Committee under the Board of Directors in accordance with current regulations.

2. Strengthening supervision and risk control

The Board of Directors closely supervised the implementation of resolutions of the General Meeting of Shareholders; reviewed and approved investment policies and business cooperation initiatives; and enhanced control over financial activities, receivables, and cash flow. In addition, modern management tools and systems were gradually adopted to improve governance and risk management effectiveness.

3. Acting in the interests of shareholders

The Board of Directors focused on achieving and exceeding profit targets over multiple consecutive years while maintaining a stable financial foundation, thereby enhancing corporate value, safeguarding shareholders' legitimate interests, and strengthening the Company's reputation in the market.

VI. OVERALL ASSESSMENT FOR THE 2021-2026 TERM

1. Key achievements

During the 2021–2026 term, the Board of Directors guided the Company to achieve positive results across multiple areas:

- Revenue scale was maintained at over 2,000 billion VND annually, ensuring operational continuity.

- Profit reached the highest level since the Company's establishment, reflecting effective management and capital utilization.

- The corporate governance model was improved toward greater transparency, professionalism, and alignment with best practices.

- The financial foundation was significantly strengthened, enhancing financial autonomy and creating capacity for long-term investment and development.

2. Limitations and challenges

Despite these achievements, the Company continues to face certain limitations and challenges. The pharmaceutical market and regulatory environment remain volatile, posing

potential risks to business operations. Industry competition is intensifying, particularly in high-value segments.

In addition, the Company needs to further enhance its market forecasting capabilities, proactively adapt to changes in the business environment, and strengthen research and development of new products to maintain and reinforce its competitive advantages in the medium and long term

VII. ORIENTATION FOR THE 2026–2031 TERM

1. Forecast for 2026 and pharmaceutical industry trends for 2026-2031

In 2026, Vietnam aims to achieve GDP growth of over 10%, targeting a per capita income of approximately 5,400-5,500 USD. However, this growth outlook is accompanied by rising living costs, particularly in the healthcare sector.

Although household purchasing power and out-of-pocket spending capacity are under pressure, Vietnam’s pharmaceutical market continues to be considered one of the key growth markets in Southeast Asia. Many international research organizations forecast that the market size could reach approximately 15-16 billion USD in the coming period, corresponding to a compound annual growth rate of around 7%-9%. This outlook is mainly driven by factors such as population aging, the rise of non-communicable diseases, and the impact of environmental pollution.

However, the overall market growth trend is becoming increasingly differentiated across distribution channels, with a growing concentration in the hospital channel (ETC), which currently accounts for approximately 70%-76% of the total market share and maintains a higher growth rate than the OTC channel. This trend is supported by the health insurance coverage rate reaching 95% of the population by the end of 2025, and is expected to be further reinforced by policy directions aimed at expanding access to basic healthcare services in the coming period.

In line with the double-digit growth target for the 2026-2031 period and the development trends of the pharmaceutical industry, the Board of Directors identifies this as a critical phase to shape a sustainable development strategy, strengthen competitiveness, and enhance long-term shareholder value. Accordingly, the Board of Directors aims to position the Company as a leading enterprise in pharmaceutical distribution, while improving its adaptability to market fluctuations, operational efficiency, and governance quality. Key strategic directions include:

2. Sustainable revenue and profit growth

The Board of Directors aims to maintain and expand the scale of operations while optimizing the cost structure and improving operational efficiency to ensure stable and sustainable growth in revenue and profit. The Company will focus on developing key markets, expanding its distribution network, and enhancing competitiveness, thereby proactively adapting to changes in both domestic and international pharmaceutical markets.

Business plan targets for 2026:

No.	Item	Unit	Actual 2025	Plan 2026	Plan 2026/ Actual 2025 (%)
1	Revenue	Million VND	2,134,450	2,363,642	110.74%
2	Profit before tax	Million VND	140,540	154,587	110.00%
3	Profit after tax	Million VND	113,082	123,669	109.36%
4	Dividend	%	Expected 25%	27%	100.00%

Key business targets for the 2026–2030 period:

Unit: Million VND

No.	Item	Plan 2026	Plan 2030	CAGR (%)
1	Revenue	2,363,642	3,100,000	7%-10%
2	Profit before tax	154,587	210,000	8%-10%

The production and business plan for the 2026-2030 period is developed based on a strategic orientation toward stable, sustainable growth and enhanced operational efficiency. The plan is aligned with the Company's financial capacity, market expansion potential, and product portfolio development strategy, while closely following the growth trends of the pharmaceutical industry in the coming years.

During the 2026-2030 period, the Company targets an average annual revenue growth rate of approximately 8%-10% and an average annual growth rate in profit before tax of approximately 7%-10%. Key priorities include improving governance efficiency, optimizing costs, developing core products, and expanding the distribution network. At the same time, the Company will continue to strengthen financial risk control, inventory management, and capital utilization efficiency to ensure that growth is accompanied by operational effectiveness and financial safety.

The planned targets through 2030 are based on the assumption that the business environment and state management policies in the pharmaceutical sector will remain relatively stable. In the event of significant market fluctuations beyond the Company's control (such as geopolitical tensions, changes in procurement policies, exchange rate volatility, financial costs, or regulatory changes), the Board of Directors will direct the Board of Management to review and assess the impacts and submit proposed adjustments to the General Meeting of Shareholders for consideration in line with actual conditions.

3. Promoting new product development and expanding international cooperation

The Company aims to strengthen research and development of high-quality pharmaceutical products to meet the increasingly diverse demands of the market. At the same time, it will enhance international cooperation in a substantive and effective manner, focusing

on technology transfer for high-tech pharmaceutical manufacturing and expanding product distribution activities. Cooperation with strategic partners will not only help improve research capacity, the application of new technologies, and product quality, but also create a foundation for the Company to gradually master technologies and develop high value-added product lines. This, in turn, will enhance the Company's brand position in the pharmaceutical market and support its sustainable development objectives.

4. Enhancing governance capacity in line with modern standards

The Board of Directors identifies enhancing corporate governance capacity in line with modern standards as a key priority, contributing to improved capital efficiency, effective risk management, and the protection of shareholders' lawful rights and interests, while also strengthening the Company's reputation and position in the capital market.

On that basis, the Board of Directors directs the Board of Management to proactively shift from passive compliance to proactive compliance, moving toward a governance model that is effective, transparent, and aligned with international best practices.

At the same time, the Company is strengthening the implementation of a comprehensive and systematic risk management framework to proactively identify, control, and mitigate risks arising in the course of operations.

In line with this direction, the Board of Directors further instructs the Board of Management to enhance enterprise-wide risk management as a core component of modern corporate governance, ensuring proactive identification, control, and mitigation of potential risks throughout business operations.

5. Training and development of successor personnel

To ensure adequate resources for the Company's medium- and long-term development strategy, the Board of Directors directs the Board of Management to develop a concrete action plan for training and developing a succession workforce, focusing on the following key areas:

- Enhancing the competency framework and job standards for each position, particularly key management roles. On that basis, conducting periodic assessments and establishing individual development roadmaps.

- Implementing focused and targeted training programs, combining internal training with external expert support, with emphasis on core competencies such as executive management, financial management, sales management, leadership skills, and strategic thinking. At the same time, promoting work-based training to ensure practical applicability and effectiveness.

- Strengthening succession planning and development through the identification, assessment, and cultivation of high-potential personnel. These individuals will be assigned challenging tasks, participate in key projects, and undergo job rotation to accumulate experience, enhance capabilities, and support comprehensive development.

- Closely linking the performance evaluation system (KPI/BSC) with remuneration and talent development policies, thereby creating motivation, encouraging continuous learning, improving capabilities, and fostering long-term commitment to the Company.

- Gradually building a culture of continuous learning and sustainable development across the Company, promoting innovation, creativity, and knowledge sharing, thereby establishing a strong foundation for a high-quality succession workforce.

6. Comprehensive digital transformation

The Board of Directors aims to implement a comprehensive digital transformation to enhance the Company's governance efficiency and competitiveness. Key priorities include developing an overall digital transformation roadmap; applying management systems to optimize operations; accelerating the digitalization of business, distribution, and customer care activities; and strengthening data governance to enhance analytical capabilities and decision-making. In addition, the Company focuses on developing a digital workforce and fostering a digital culture, creating a foundation for sustainable growth in the coming period.

7. Enhancing long-term shareholder value

During the term, the Board of Directors has identified the core objective of enhancing sustainable shareholder value through maintaining stable business performance, developing high value-added product portfolios, and strengthening the Company's reputation and market position.

The Board of Directors aims to implement long-term strategies associated with improving the quality of growth, ensuring a balance between financial efficiency and sustainable development, thereby maximizing the legitimate, long-term interests of shareholders.

Based on the above orientations, the Board of Directors believes that the Company will continue to maintain stable growth momentum, enhance its competitiveness, and sustain its position within the industry, while building a solid foundation for long-term development objectives, contributing to increased corporate value and sustainable benefits for shareholders and other stakeholders.

VIII. ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES

The Board of Directors acknowledges and highly appreciates the proactive efforts of the Board of Management in gradually integrating environmental, social, and governance (ESG) factors into the Company's sustainable development orientation, in line with modern governance trends and best practices.

Regarding environmental responsibilities, the Company fully complies with legal regulations; implements waste control measures, uses resources efficiently, and fulfills recycling responsibilities in accordance with applicable regulations.

Regarding social responsibilities, the Company actively participates in community and healthcare activities, while building a safe and transparent working environment that safeguards employees' rights and benefits, thereby strengthening the human resource foundation for long-term development.

The Board of Directors affirms that sustainable development in line with ESG principles will continue to be a key orientation in the Company's development strategy. The implementation of environmental, social, and governance commitments not only enhances the Company's reputation and competitiveness but also creates a foundation for sustainable value creation for shareholders and stakeholders.

IX. CONCLUSION

The 2021-2026 term has taken place in a context where the economy and the pharmaceutical market faced significant fluctuations, particularly due to the far-reaching

impacts of the COVID-19 pandemic, disruptions in global supply chains, and increasing competitive pressures. Under these conditions, the Board of Directors has demonstrated proactiveness and flexibility in direction and management, effectively fulfilling its role in strategic orientation, supervising executive activities, and ensuring a balance of interests among shareholders and stakeholders.

Throughout the term, the Board of Directors has focused on directing the implementation of key solutions, including maintaining stable business operations; strictly controlling costs; strengthening risk management; reinforcing financial capacity; and progressively improving the governance system toward greater transparency and professionalism in compliance with legal regulations and advanced governance practices.

As a result, the Company has largely achieved its key business objectives, maintained stability, and gradually improved operational efficiency, thereby establishing a solid foundation for the next stage of development.

These achievements provide an important basis for the Company to continue implementing its strategic orientations for the 2026-2031 term, aiming at sustainable growth, enhanced competitiveness, and increased shareholder value.

The Board of Directors is committed to continuing to uphold its role and responsibilities in governance and supervision, improving the quality of management, ensuring transparency, efficiency, and compliance, and contributing to the Company's long-term sustainable development.

The Board of Directors would like to sincerely acknowledge and thank the Board of Management and all employees for their efforts and dedication; and extend its sincere appreciation to shareholders, investors, customers, and partners for their trust, cooperation, and continued support toward a sustainable and prosperous CPC1.

Sincerely,

Recipients:

- As above;
- Board of Directors;
- Archives: Admin, Company Secretary.

**ON BEHALF OF THE BOARD OF DIRECTORS
CHAIRWOMAN**

Han Thi Khanh Vinh