



IMEXPHARM CORPORATION

THE SOCIALIST REPUBLIC OF VIETNAM

Independence - Freedom - Happiness

**PERFORMANCE REPORT AND ASSESSMENT OF THE SUPERVISORY
BOARD IN 2022 AND 2018-2022 TENURE**

**THE SUPERVISORY BOARD OF IMEXPHARM CORPORATION
REPORT AT THE GENERAL MEETING OF SHAREHOLDERS**

Reporting period: The financial year ended on December 31, 2022

Cao Lanh City, April ..., 2023

Valued Shareholders,

In accordance with

- Articles on rights and obligations of the Supervisory Board provided in the Enterprise Law No. 59/2020 dated June 17, 2020;
- Articles on rights and obligations of the Supervisory Board provided in the Charter of Imexpharm Corporation ("Company") dated January 28, 2022; and
- The Charter of the Supervisory Board of Imexpharm Corporation dated January 28, 2022;

We, the Supervisory Board of Imexpharm Corporation, supervised operations of the Company in the fiscal year ended on December 31, 2022. Specific contents of the Report include:

KEY ACTIVITIES OF THE SUPERVISORY BOARD IN 2022

Activity	Date
Supervising the implementation of the Resolution the General Meeting of Shareholders 2022	
Supervising financial statements of the year ended on December 31, 2022	
Meeting with the Board of Directors - 1st Quarter 2022	24/5/2022
Meeting with the Board of Directors - 2nd Quarter 2022	27/7/2022
Meeting with the Board of Directors - 3rd Quarter 2022	28/10/2022
Meeting with the Board of Directors - 4th Quarter 2022	9/2/2023
Discussion with Internal Audit of the Company term 1, 2022	12/5/2022
Discussion with Internal Audit of the Company term 2, 2022	10/1/2023

Through strategic supervision activities, operations control and auditing financial statements, the Supervisory Board hereby submits this report to the General Meeting of Shareholders with detailed contents as follows:

RESULTS OF IMPLEMENTATION OF THE RESOLUTION OF THE GENERAL MEETING OF SHAREHOLDERS 2022

The Board of Directors and Board of Management of the Company fully implemented the Resolution of the General Meeting of Shareholders 2022 and complied with legal regulations and the Company Charter in the management activities.

In term of distributing profits of the financial year 2021, cash dividends at 15% of share par value were paid to shareholders with the ex-right date of May 25, 2022 and the payment date of June 24, 2022. Additionally, the Company has fully set aside investment and development funds and bonus and welfare funds according to the distribution ratio approved at the 2022 Annual General Meeting of Shareholders.

Regarding business performance in 2022, the company reached 115.1% of the total revenue target and 106.0% of the profit before tax target.

	Planned	Achieved	Completed
Total revenue (VND billion)	1,450.0	1,668.2	115.1%
Profit before tax (VND billion)	275.0	291.4	106.0%

In regard to the selection of auditor, the Board of Directors and Supervisory Board selected PwC (Vietnam) Limited to audit Interim financial statements and financial statements for 2022.

BALANCE SHEET

We supervised financial situations of the Company and reviewed the auditor's report. We agree with the independent auditor's notes on figures of assets as of December 31, 2022. We took into consideration the in-term changes of assets, liabilities and capital with the following remarkable points:

	Audited value	Ratio	Change	Comments
Unit: VND million	31/12/2022	%	%	
CURRENT ASSETS	1,103,553	48.5%	-6.2%	
Cash and cash equivalents	178,845	7.9%	-34.1%	<p>- If term deposits at banks were recorded in the value of investment held to maturity date, the cash and cash equivalents of the Company at the end of 2022 were VND390.2 billion, higher than 2021 (VND382.6 billion), equivalent to 17.1% of total assets (2021: 16.7%).</p> <p>- The increase in cash and cash</p>

	Audited value	Ratio	Change	Comments
Unit: VND million	31/12/2022	%	%	
				equivalents was resulted from the Company's enhancement of inventory management, acceleration in debt collection from both ETC and OTC systems, and leverage of idle cash for investment and disbursement to deposit, optimizing the use of capital.
Short-term financial investments	211,300	9.3%	87.9%	- Including deposits with terms of from more than 3 months to less than 1 year.
Short-term receivables	270,939	11.9%	-8.2%	
+ Trade receivables	231,178	10.2%	-6.4%	<p>- The proportion of trade receivables for therapeutic product lines and the market product lines was 70.2% - 29.8% respectively (2021: 69.0% - 31.0%).</p> <p>- Proportion of overdue receivables (overdue from 1 month to over 3 years) was VND 60.0 billion, accounting for 25.9% of total trade receivables (2021: 42.2%), significantly lower than the proportion of overdue receivables in 2021 of VND 105.3 billion.</p> <p>- Out of overdue receivables, therapeutic product lines account for 78.3%, equivalent to VND 47.0 billion (2021: VND 95.4 billion) and the rest was overdue receivables for the market product lines, accounting</p>



	Audited value	Ratio	Change	Comments
Unit: VND million	31/12/2022	%	%	
				<p>for 21.7%, equivalent to VND 13.0 billion (2021: VND 9.8 billion)</p> <ul style="list-style-type: none"> - Similarly, the overdue receivables of the therapeutic product line over 3 months are VND 3.6 billion, a sharp decrease compared to VND 35.7 billion of 2021. Meanwhile, the overdue receivables of the market product lines over 3 months is VND 304 million, down VND 3.1 billion compared to 2021. - The above fluctuations are mainly due to the Company's acceleration in debt collection from both ETC and OTC system, especially debts from ETC partners. - Normally, the revenue from the therapeutic product line has a long collection period of over 3 months and low risk of bad debt, having changed positively compared to the Covid-19 pandemic period in 2021. Partners must make a deposit when placing orders for goods sold via the partner channels, thereby reducing the risk of delayed debt recovery. However, the Company needs to continue to monitor closely such ratios and ask to settle these ETC debts to minimize the risk of bad debts.

	Audited value	Ratio	Change	Comments
Unit: VND million	31/12/2022	%	%	
+ Advanced payments to suppliers	26,996	1.2%	51.8%	- Including VND 18.7 billion for acquiring assets, VND 8.29 billion for purchasing promotional goods and raw materials.
+ Provision for short-term receivables which are difficult to collect	(13,795)	-0.6%	10.8%	<p>- Provision value for overdue receivables in 2022 is VND 13.8 billion, up from VND 12.5 billion in 2021.</p> <p>- Of the total bad debts as of December 31, 2022, the Company has carried out legal procedures to transfer to authorities for settlement of VND 2,587,865,064; the remaining VND 9,829,146,099 were written off, and VND 1,138,795,533 was recovered.</p>
Inventories	435,841	19.1%	-11.4%	- Inventories decreased mainly because (i) the value of inventories of raw materials for production decreased by 24.2% to VND 254.9 billion, accounting for 58.5% of inventory value (2021: 68.4%) as the Company continued to stockpile key raw materials to prevent the risks of raw material price rise and supply chain disruptions, and (ii) finished products increased 19.0% to VND 181.2 billion, accounting for 41.6% of inventory value (2021: 31.0%) since the Company has produced reserved goods before expiry of

	Audited value	Ratio	Change	Comments
Unit: VND million	31/12/2022	%	%	
				<p>registration as well as ordered goods, and is preparing for WHO-GMP re-approval for IMP 1 plant.</p> <p>- Average days of inventories are 177 days, a significant decrease from 213 days in 2021.</p> <p>- We note that the Company needs to continue to closely manage the inventory of raw materials and finished products to prevent the risk of slow inventory flow, which could adversely affect product quality and force opening provision for devaluation of stocks.</p>
Other short-term assets	6,628	0.3%	21.0%	- Including VND 62 million of tools and equipment, VND 505 million of repairing, VND 1 billion of uniforms, SAP software maintenance, ISO re-evaluation, VND 5 billion of VAT refund in the form of output and input VAT deductibles during the year.
NON-CURRENT ASSETS	1,173,391	51.5%	4.9%	
Fixed assets	1,069,429	47.0%	3.9%	
Tangible fixed assets	415,707	18.3%	-4.7%	- During the year, the Company recorded an increase in cost of tangible fixed assets by VND 39.5 billion, including (i) VND 459 million of buildings and structures; (ii) VND 27.5 billion of machinery

	Audited value	Ratio	Change	Comments
Unit: VND million	31/12/2022	%	%	
				and equipment (including main machinery and equipment such as: rotary tablet presses, capsule filling machines, gas chromatography systems, refrigeration systems, etc.); (iii) VND 8.8 billion of means of transport and transmission, including HVAC vehicles and piping, cooling water systems, etc.; and (iv) VND 2.7 billion of equipment and tools for management.
Intangible fixed assets	72,978	3.2%	-0.8%	- In 2022, the cost of intangible fixed assets increased by VND 353 million, including the software program to control the machinery system of Binh Duong plants, the data synchronization software for the server.
Long-term construction in progress	580,743	25.5%	11.8%	- Long-term construction in progress includes VND 457.2 billion of machinery and equipment, VND 72.6 billion of Binh Duong Hi-tech plant, VND 34.6 billion of product circulation license, including Cefixim, Ampicilin, pantoprazol, levofloxacin, moxifloxacin, amoxicillin, etc. in progress; and VND 7.8 billion of other items.
Long-term financial investments	71,290	3.1%	39.9%	- Long-term financial investments increased due to the Company's additional investment of VND 20.3

	Audited value	Ratio	Change	Comments
Unit: VND million	31/12/2022	%	%	
				<p>billion in Agimexpharm Pharmaceutical Joint-Stock Company when exercising the right to purchase shares at the ratio of 2.5:1 with the purchase price of VND 12,000/share on the ex-dividend date of December 17, 2021.</p> <p>- Provision for diminution in short-term trading securities was VND 277 million, unchanged from the end of 2021. In our opinion, such distribution of provision for devaluation was sufficient and in accordance with existing regulations.</p>
Other long-term assets	32,622	1.4%	-14.3%	<p>- The decrease is mainly as the Company has completed the allocation to obtain EU-GMP certification for hi-tech antibiotic production lines.</p> <p>- The remaining items include: (i) VND 11.9 billion of land rent, (ii) VND 6.5 billion of furniture, renovation, and repair of property, and (iii) VND 6.1 billion of product circulation license for Imetoxim, Amoxicillin, etc.</p>
TOTAL ASSETS	2,276,944	100.0%	-0.8%	
LIABILITIES	382,497	16.8%	-23.5%	
Current	382,497	16.8%	-6.4%	

	Audited value	Ratio	Change	Comments
Unit: VND million	31/12/2022	%	%	
liabilities				
Short-term borrowings and liabilities	94,980	4.2%	-44.8%	- This is the Asian Development Bank loan balance.
Short-term trade payable	85,923	3.8%	-7.3%	- Reduced because the Company paid due debts. - Including VND 4.2 billion for acquiring assets, VND 81.723 billion for purchasing raw materials and promotional goods.
Deferred short-term revenue	33,524	1.5%	-32.1%	- This is the advance payment to buy drugs from partners to participate in biddings for therapeutic product line, in particular: of Orgalife, VND 7 billion of Moc Tinh, VND 3.4 billion of Nhan Sinh, VND 4 billion of Newzilan, VND 1 billion Huong Viet, etc.
Short-term payables	43,571	1.9%	6.2%	- Short-term payables include: (i) license fees, decreasing during the year due to lower revenues from pms franchise and branded products; (ii) VND 5.9 billion of market maintaining and developing cost from sales branches and (iii) other expenses of VND 36.2 billion being sales expenses of the whole company as at 31 December, 2022.
Non-current liabilities	-	0.0%	-100.0%	
Long-term borrowings and liabilities	-	0.0%	-100.0%	

	Audited value	Ratio	Change	Comments
Unit: VND million	31/12/2022	%	%	
Fund for Science & Technology Development	-	0.0%		- In 2022, the Company did not make distribution to the Science and Technology Development Fund and will review and complete the records and documents related to the distribution and use of the Fund from 2012 to present.
OWNERS' EQUITY	1,894,447	83.2%	5.6%	
Owner's equity	1,894,447	83.2%	5.6%	
Paid-in capital	667,054	29.3%	0.0%	
Share premium	507,368	22.3%	0.0%	
Investment and development fund	453,318	19.9%	7.8%	
Retained earnings	264,645	11.6%	34.0%	
TOTAL LIABILITIES AND OWNERS' EQUITY	2,276,944	100.0%	-0.8%	- The debt to equity ratio was 16.7% - 83.3% in the resources structure (2021: This proportion was 21.8% - 78.2% respectively).
KEY INDICATORS				- The indicators of current liquidity ratio and quick ratio improved compared to 2021 as the Company accelerated inventory turnover, restructured short-term loans with more competitive average interest rates, and reduced liabilities with suppliers by more efficient working

	Audited value	Ratio	Change	Comments
Unit: VND million	31/12/2022	%	%	
				capital management.
Quick ratio (times)	1.7			- 2021: 1.7
Current ratio (times)	2.9			- 2021: 2.9
Average days of trade receivables	52			- 2021: 81 days
Average days of inventories	177			- 2021: 213 days
Financial investments/ Total assets (%)	0.03%			- 2021: 0.09%
Provision for devaluation/ Total value of investments	44.8%			- 2021: 30.5%

BUSINESS REPORT

We agree upon audited figures of business results in 2022 and hereby make several notes as follows:

	Audited value	Change	Comments
Unit: VND million	2022	%	
Net revenue	1,643,707	29.8%	<ul style="list-style-type: none"> - Imexpharm's net revenue increased mainly due to the increase in sales of key Imexpharm-branded products during the year. - Revenues from produced goods increased sharply by 33.4% to VND 1,635 billion, contributing 97.5% of total revenue (2021: 94.2%) while franchise categories decreased by 51.6%, accounting for 1.8% of the total revenue (2021: 4.8%). - Among the manufactured goods, revenues from Imexpharm's self-distributed goods on OTC and

	Audited value	Change	Comments
Unit: VND million	2022	%	
			<p>ETC channels increased sharply by 51.8% and 61.9%, respectively, and from goods sold for ETC partners increased by 46.6%.</p> <ul style="list-style-type: none"> - As a result, the contribution to turnover between therapeutic product lines and the market product lines was 63.2% -36.8%, respectively compared to 62.3% -37.7 % in 2021. - Revenues from franchises decreased for the third year in a row due to low orders from partners.
Cost of goods sold	946,351	21.5%	
Gross profit	697,355	42.9%	<ul style="list-style-type: none"> - The gross profit margin of the Company increased to 42.4% compared to 2021's level of 38.5%, due to the company's restructuring of product lines with high profit margins as well as the positive effect of material stockpiling in limiting the decline in gross profit margin.
Income from financial activities	23,541	27.6%	<ul style="list-style-type: none"> - Income from financial activities increased strongly due to bank deposit interest, reaching VND 13.1 billion (2021: VND 7.7 billion) by taking advantage of idle money and debt collection from term savings. - In addition, all annual recurring items increased, for example: dividends from investments increased to VND 6.0 billion (2021: VND 4.5 billion), and exchange interest reached 3.7 billion dong (2021: VND 2.3 billion)
Expenses of financial activities	29,408	63.0%	<ul style="list-style-type: none"> - Financial costs increased mainly because (i) payment discount increased by 60.1% to VND 20.2 billion, an increase corresponding to the growth rate of revenue, largely due to the Company's discounts to promote early payment from customers; (ii) exchange loss increased to VND 5.7 billion

	Audited value	Change	Comments
Unit: VND million	2022	%	
			<p>compared to VND 893 million in 2021; and (iii) the reverse provisions for devaluation of investments in 2022 was lower than in 2021 (VND 380 million compared to VND 2.8 billion in 2021).</p> <p>- In contrast, in 2022, loan interest decreased to VND 3.8 billion compared to VND 5.5 billion in 2021.</p>
Interest expenses	3,795	-31.0%	
Sales expenses	269,015	48.4%	<p>- Sales expenses increased in proportion to the growth rate of revenue of goods distributed by IMP, of which (i) payroll expenses increased by 45.7% (due to employee salary based on sales revenue); (ii) the cost of raw materials increased by 87.8% to VND 53.8 billion, due to the revenue increase in 2023, the demand for transportation also rose, in addition, the state gasoline price was also heightened up compared to with 2021; (iii) the cost of outsourced services increased by 10.1%; (iv) other expenses increased by 52.8% to VND 59.8 billion, including expenses for market development, conferences, advertising, travel expenses, product introduction, uniforms, training, product promotion, etc.</p> <p>- The company has made targeted investment in programs to sell such as sales policies on ETC, OTC markets and to promote key brands such as: Imexfamily customer care program, claminat day, seminars, customer care programs on holidays, birthdays, Tet holiday, etc.</p>
General and administrative expenses	131,840	81.5%	<p>- Administration expenses increased sharply, of which (i) payroll expenses increased by 23.7% to VND 30.5 billion; (ii) outsourced service expenses increased from VND 8.5 billion to VND 12.3</p>

	Audited value	Change	Comments
Unit: VND million	2022	%	
			billion, including the cost of car insurance, fire prevention, repair, bodyguards, experts, consultants, banking procedures, (iii) advance payment of VND 31.0 billion occurred in 2022, and (iv) provision for doubtful debts receivables reached VND 11.2 billion, compared to a reversal of VND 2.7 billion in 2021.
Profit from business operations	290,633	24.0%	
Other incomes/expenses	771	-82.4%	
Pre-tax profit	291,404	22.0%	
Current Corporate income tax	67,864	36.4%	
Profit after tax	223,540	18.2%	
KEY INDICATORS			
Gross profit/Revenue	42.4%		2021: 38.5%
Profit from operations/Revenue	17.7%		2021: 18.5%
Profit before tax/Revenue	17.7%		2021: 18.9%
Profit after tax/Revenue	13.6%		2021: 14.9%
Profit after tax/Total assets (ROA)	11.6%		2021: 8.6%

	Audited value	Change	Comments
Unit: VND million	2022	%	
Return on Equity (ROE)	13.9%		2021: 10.7%
Sales expenses/Revenue	16.4%		2021: 14.3%
Costs of management /Revenue	8.0%		2021: 5.7%

CASH FLOW STATEMENT

We agree upon audited figures of the Cash flow statement in 2022 and hereby make some notes as follows:

	Audited value	Audited value	Comments
Unit: VND million	2022	2021	
Cash flow from operating activities			
(Increase)/Decrease in receivables	20,135	115,760	
(Increase)/Decrease in inventories	52,398	(66,129)	
Increase/(Decrease) in payables	39,579	(2,831)	
Net cash flows generated by operating activities	378,603	234,881	<ul style="list-style-type: none"> - During the year, the Company managed debt more closely and accelerated the accounts receivable turnover, thereby limiting the appropriation of working capital. At the same time, inventory was also strictly managed, accelerating inventory turnover, production of raw materials, and consumption of finished products, thereby reducing the need for working capital in inventory storage. - Therefore, net cash flows operating activities in 2022 rocketed to a positive cash flow of VND

	Audited value	Audited value	Comments
Unit: VND million	2022	2021	
			378.6 billion.
Cash flows from investing activities			
Acquisition and construction of fixed assets and other non- current assets	(99,353)	(52,857)	
Net cash flows from investing activities	(199,304)	(83,142)	- The company continues to disburse investments in new plant projects and upgrading of machinery and equipment for existing plants.
Cash flows from financing activities			
Proceeds from share issue and owners' contributed capital	-	-	
Loan proceeds minus principal repayments	(171,711)	134,504	- Difference between new loans and repayment of due principals.
Dividends and profit paid to owners	(100,007)	(100,007)	
Net cash flows from financing activities	(271,718)	34,496	
Net cash flows in the period	(92,419)	186,235	

	Audited value	Audited value	Comments
Unit: VND million	2022	2021	
Cash and cash equivalents at the beginning of the year	271,273	85,266	
Cash and cash equivalents at the end of the year	178,845	271,273	<ul style="list-style-type: none"> - If term deposits are also included, the company's cash balance at the end of 2022 is VND390.2 billion, slightly up from VND382.6 billion in 2021. - This cash reserve accounts for 17.1% of the total assets (2021: 16.7%).

ENVIRONMENT PROTECTION AND CAPITAL CONSTRUCTION PROJECTS IN 2022

▪ Environment control:

	Activities performed during the year
Head office in Dong Thap and IMP 1 Plant, Pharmaceutical Material Manufacturing Plant and Testing center	<ul style="list-style-type: none"> - In 2022, no environmental inspection and control was implemented. - Environmental works in 2022 included: measurement of environmental microclimate, environmental monitoring according to regulations. The results of emission and wastewater measurement met the prescribed requirements. - Report on environmental work and discharge according to regulations. - Received a certificate of completing environmental protection works (phase 2) from the Department of Natural Resources and Environment for the pharmaceutical plant category.
Vinh Loc high-tech Antibiotics Plant (IMP 2)	<ul style="list-style-type: none"> - The Company signed a contract with Vietnam Australia Environment JSC. to treat hazardous waste. - The Company signed a contract with Binh Duong Water - Environment JSC. to treat hazardous waste. - Wastewater is treated by Vinh Loc industrial park. - Report on environmental work and discharge according to regulations.
Betalactam Binh Duong High-Tech Plant (IMP 3)	<ul style="list-style-type: none"> - The Company signed a contract with Binh Duong Water - Environment JSC. to treat waste. Other hazardous wastes are assigned to Sen Vang Environmental Co., Ltd.

	to handle. - Wastewater monitoring at 4 times a year met VSIP industrial zone water standards. - Report on environmental work and discharge according to regulations.
Hi-tech plant in Binh Duong (IMP 4)	- The Company signed a contract with Binh Duong Water - Environment JSC. to treat hazardous waste. - Wastewater monitoring at 4 times a year met the prescribed standards. - Report on environmental work and discharge according to regulations.

MEETINGS OF THE SUPERVISORY BOARD FOR 2022 FINANCIAL YEAR

In 2022, the Supervisory Board held 5 (five) periodical meetings under the direct form. Members of the Supervisory Board duly attended the meetings, with details as follows:

Supervisory Board Member	Position	Number of meetings attended	Attendance rate
Ms. Le Thi Kim Chung	Head of the Supervisory Board	5	100%
Ms. Do Thi Thanh Thuy	Supervisory Board Member	5	100%
Mr. Nguyen Duc Tuan	Head of Supervisory Board – Resigned	1	March 08, 2022

The details of the meetings of the Supervisory Board are as follows:

Meeting	Date	Item
Quarter 1- 2022	8/3/2022	- Review the financial statements of 2021 as a document for the general meeting of shareholders
Quarter 2- 2022	25/4/2022 26/4/2022	- Elect the head of the Supervisory Board - Assign tasks in the Supervisory Board and develop the supervisory plan in 2022
Quarter 3- 2022	19/7/2022	- Carry out the tasks of the Supervisory Board in the second quarter of 2022. - Review Quarter II, 2022 Financial Statements.

Quarter 4-2022	26/10/2022	<ul style="list-style-type: none"> - Carry out the tasks of the Supervisory Board in the third quarter of 2022. - Review Quarter III, 2022 Financial Statements.
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The contents of the Supervisory Board meetings are included in the meeting minutes, acting as a basis for the Supervisory Board's questions to the Board of Directors and the Executive Board in periodical BOD meetings on issues related to production and business activities, financial situation, risk management, and other material issues. In addition, the meetings of the Supervisory Board also help the Supervisory Board develop a work plan with the Legal Department and the Internal Control Department in internal control sessions and remote debt control at sales branches.

OVERALL ASSESSMENT OF THE SUPERVISORY BOARD FOR 2018-2022 PERIOD

Over the 5-year term 2018-2022, the Company achieved an average annual revenue growth rate of 7.1% (taking 2017 as the base year), while the growth in profit before tax and after tax was 14.7% and 13.8%, respectively.

Revenue growth in 5 year period of 2018-2022 was equivalent to that of the 2013-2017 period (7.3%). With the completion of investment and the EU-GMP certification re-application for plants, the Company's revenue structure has shifted as the therapeutic product line has made more contribution. Revenue from the therapeutic product line grew by an average of 26.1%, while that of the market product lines increased by an average of 4.0% in the period of 2018-2022. Thereby, the revenue structure between therapeutic product lines and the market product lines changed from the ratio of 19.3%-80.7% in 2018 to 36.8%-63.2% in 2022.

Notably, profit after tax achieved an average growth rate much higher than the that of 8.6% in the period of 2013-2017. Except for 2021, which was affected by the Covid-19 pandemic, the remaining years recorded double-digit growth in profit after tax, reflecting the appropriateness of the investment strategy in EU-GMP plants, creating a differentiation for product segment with target market of the therapeutic product lines. In addition, forecasting material price fluctuations and developing material stockpiling plans contributed to minimizing business disruptions caused by the global supply chain interruption and effectively ensuring stable profits for company.

In the 5 years of 2018-2022, the Company has completed investment in two new EU-GMP plant projects, a Supplement Factory and Testing Center, and a Quality Control Testing Center. As a result, the Company's total assets increased by 5.1% per annum over the period 2013-2017, funded mainly by owner's capital with an increase of 6.3%/year over the same period.

With profit after tax growth outperforming equity growth and assets, all profitability indicators were improved. In particular, ROA reached 9.2% in the period of 2018-2022, up from 8.4% in the period of 2013-2017, similarly, ROE increased to 11.2% from 10.3% in the period of 2013-2017.

To continue to promote effective business strategies over the past five years, Imexpharm's vision in the period 2023-2027 is to continue to improve the efficiency of



existing plants, manage the progress of EU-GMP certification re-application for plants, and invest on new plant projects to maximize benefits to shareholders.

During the term of 2018-2022, the Supervisory Board has monitored the activities of the Board of Directors and the General Director in managing and operating the company through the following specific tasks:

- Attending quarterly and annual meetings of the Board of Directors with updated financial, accounting, production - quality control, procurement - import/export, sales - marketing, and legal reports. The Supervisory Board has discussed with members of the Board of Directors and the Board of Management to identify problems in the operation process and suggested specific recommendations.
- Evaluate quarterly, semi-annual and annual financial statements of the Company to ensure transparency and integrity of the data provided to shareholders and investors.
- Discussing with the Board of Management about the use of capital mobilized from shareholders to finance capital construction projects and working capital requirements, and periodically visited the project sites to track progress against commitments to shareholders and ensure the feasibility of the project.
- Inspecting the implementation of the Annual General Meeting's Resolution on business plan, investments, distribution of profits, dividends, appropriation and use of funds in the Company.
- Working with the Internal Control Department on periodic audit and control results recorded at the business units and monitoring the implementation of remedial measures.
- Working with the Internal Audit and Risk Management Committee to develop a Risk Management Framework and a plan for coordination in internal control and financial management.

The Board of Directors and General Director created good conditions for the Supervisory Board to fulfill its rights and powers as set forth in the Charter of the Supervisory Board. The Supervisory Board could access significant information and documents as well as worked with relevant members of the Board of Directors, General Director and high-ranking officers in order to complete quarterly and yearly supervisory reports. The recommendations of the control reports are published at BOD meetings and are followed up in practice.

In regard to independent auditor, the Supervisory Board proposed the Board of Directors and Board of Management to select the independent audit firm to audit the Company's 2018-2022 financial statements. The Supervisory Board assessed the independent audit plan and performance for the 2018-2022 period was aligned with the signed independent audit contract in terms of the scope of service, material audit points, audit methods, etc. whereby quality assurance, independence, avoidance of conflict of interest, and ethical compliance of independent audit are strictly observed.

REPORT ON REMUNERATION OF THE SUPERVISORY BOARD (BEFORE TAX) IN 2022:

No.	Name	Position	Remuneration
1	Le Thi Kim Chung	Head	VND 365,000,000.
2	Do Thi Thanh Thuy	Member	VND 232,000,000.

RECOMMENDATIONS

- Strictly manage debt collection, strengthen administration at sales branches, ensure compliance with the Regulations on Financial Management - Accounting Decentralization.
- Efforts should continue to review and update the management criteria in the Regulations on Decentralization of Finance - Accounting management at the sales branches in line with the actual business developments.
- Continue to review and effectively manage raw material stockpiling, thereby developing a reasonable raw material inventory norm, reducing the risk of overdue materials or working capital appropriation due to inefficient storage.
- Continue to evaluate and supplement qualified raw material suppliers to diversify raw material sources, and develop drug portfolio of EU-certified plants.
- Effectively leverage and optimize the operation of High-tech Plant in Binh Duong (IMP 4) certified with EU-GMP standards.
- Strictly manage the EU-GMP standard review process for Vinh Loc High-Tech Antibiotics Plant (IMP 2) and Betalactam Binh Duong High-Tech Plant (IMP 3), and progress of WHO-GMP certification re-application for IMP 1 plant, ensuring the efficient operation of the plants.
- Follow up on the elaboration of detailed instructions on the application of international financial reporting standards (IFRS) by the Ministry of Finance to develop a roadmap and allocate appropriate human resources for applying IFRS in the voluntary adoption period 2022-2025.

These are some observations of the Supervisory Board that we would like to report to valued shareholders and investors. We look forward to receiving sincere feedback from you to perform better.

I wish the Meeting all success. Sincerely.



Le Thi Kim Chung



Do Thi Thanh Thuy